

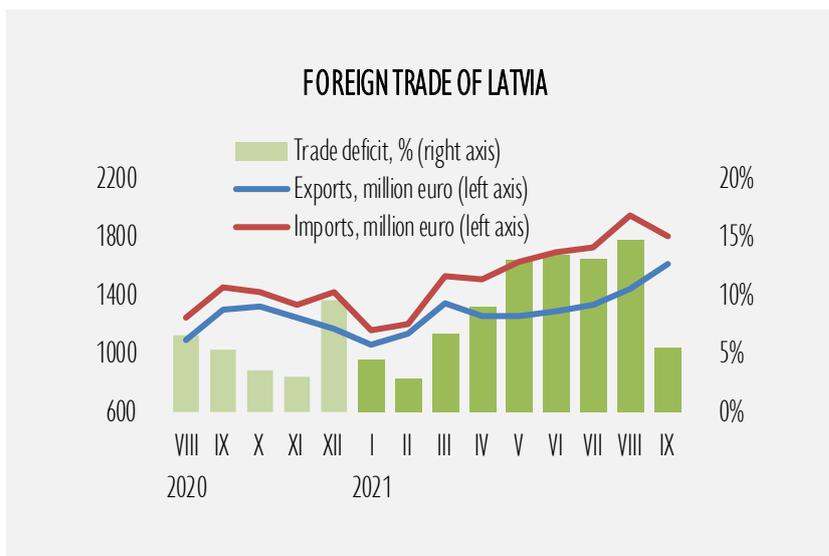
## On Latvia's Foreign Trade in September 2021

**In September 2021, exports and imports of goods increased equally rapidly**

According to the Central Statistical Bureau (CSB), in September 2021, the value of exports of goods at current prices increased by 24.1%. Also, the value of imports of goods rose by 24.4% annually.

"Export performance remains the backbone of economic growth. In September 2021, exports of goods exceeded € 1.6 billion euro. The increase across various export product groups and the expanding geographical footprint indicate that

Latvian producers, in spite of numerous and unpredictable challenges in Latvia and export partner countries, such as rising raw material prices, higher energy prices, and availability of labour, remain competitive in the global market. In addition, the rapid spread of covid-19 infection, especially in manufacturing, was a cause for concern. At the same time, vaccination coverage in manufacturing companies has been growing rapidly in recent weeks. Consequently, the risks of company shutdowns due to the spread of the disease have diminished significantly, allowing us to anticipate also a further increase in export volumes ", emphasizes the Minister of Economics J. Vitenbergs.



In September 2021, the value of exports increased in almost all product categories. A large part of the increase in the value of exports was ensured by the rapid growth of exports of wood and wood products. Exports of iron, steel, and steel products, mineral products, chemicals and chemical products rose significantly. Also, the values of other export groups also increased. However, exports of vegetables, beverages, and oilseeds declined.

In September 2021, the value of exports of goods to the EU, similarly to total exports, increased by 28.8% annually. Exports to **EU countries** grew more rapidly to Lithuania (i.e., mineral products, electrical appliances), Estonia (i.e., electrical appliances, iron and steel), Sweden (i.e., iron and steel, wood and wood products), France (i.e., oilseeds), and Poland (i.e., iron and steel).

At the same time, exports to the **CIS countries** declined by 8.3%. The value of exports to Russia (i.e., beverages, iron and steel) and Belarus (i.e., optical devices and equipment, beverages) decreased more rapidly.

In September 2021, exports to **other countries** grew rapidly - by 29.8%. In this group of countries, the value of exports rose more rapidly to the United Kingdom (i.e., wood and wood products), Nigeria (i.e., cereals), and the UAE (i.e., cereals).

The annual increase in the value of imports of goods was mainly driven by the value of imports of mineral products, wood and wood products, plastics and articles thereof, and machinery and equipment. On the other hand, imports of beverages declined on an annual basis.

In the first three quarters of the year, exports increased by 22.8%, compared to the corresponding period last year. Also, imports of goods during this period were 29.3% higher than a year ago.

Although demand in the markets is currently stable, the incidence of Covid-19 remains high and uncertainty regarding its containment - elevated. This, in turn, may have a negative impact on the growth rates of both the exporting companies and the overall economic development.