

On Latvia's Foreign Trade in August 2021

In August 2021, exports and imports of goods continued to grow rapidly

According to the data of the Central Statistical Bureau (CSB), in August 2021, the annual value of exports of goods at current prices increased by 32.3%. The value of imports of goods grew even more rapidly, rising by 56.3% on an annual basis.

In August 2021, the annual value of exports increased in almost all product categories. A large part of the increase in the value of exports can be attributed to the rise in exports of wood and wood products. Exports of iron, steel and

steel products, mineral products, as well as vegetable products grew rapidly. Also, the export value of plastics and plastic products, chemicals and chemical products increased. However, exports of beverages, alcoholic beverages, and tobacco declined.

"Since the beginning of the pandemic, export performance has remained the backbone of economic growth. Despite numerous and unpredictable challenges in Latvia and export partner countries, our entrepreneurs have been able to find the right formula for cooperation, integrating into global supply chains, as well as expanding to other export markets. Increasing competitiveness and productivity will be crucial for the further growth of exports. Consequently, various export support instruments are currently being developed", emphasizes **the Minister of Economics J. Vitenbergs**.

In August 2021, the value of exports of goods to **EU countries** increased by 31.8% annually, similarly expeditious as total exports. Exports to EU countries grew more rapidly to Lithuania (i.e., mineral products, wood and wood products), Germany (i.e., wood and wood products), Sweden (i.e., iron and steel), Poland (i.e., iron and steel) and the Netherlands (i.e., mixed chemical products, wood and wood products).

At the same time, exports to the **CIS countries** also increased - by 8.8%. The value of exports increased more rapidly to Russia (i.e., pharmaceutical products and beverages) and Belarus (i.e., plastics and plastic products, paper products).

In July 2021, exports to **other countries** grew rapidly - by 48%. In this group of countries, the value of exports grew rapidly to the United Kingdom (i.e., wood and wood products), Nigeria (i.e., cereals) and the United States (i.e., wood and wood products).

The annual increase in the value of imports of goods was driven by imports of vehicles and their equipment, mineral products, iron and steel, wood and articles of wood, and plastics and articles thereof.

Overall, in January-August 2021, exports exceeded the volumes of the corresponding period last year by 22.8%. Imports of goods during this period were 29.8% higher than a year ago.

Although demand in the outlets is currently stable, the risk of further spread of Covid-19 remains elevated, which may have a negative impact on the growth rates of the exporting companies and the overall economic development.

