

On Latvia's foreign trade in January 2022

Exports and imports of goods continued to grow strongly in January 2022

According to the data of the Central Statistical Bureau, in January 2022, the value of exports of goods at current prices increased by 29.6%. Also, the value of imports of goods increased by 35.8% annually. The trade deficit reached 7.1 percent.

In January 2022, the value of exports continued to grow in all main groups of goods. A large part of the increase in the value of exports was provided by the rise in the value of exports of wood and wood products. Exports of mineral products, iron, steel and

articles thereof, as well as chemical products also grew significantly. On the other hand, the decline in the value of exports of beverages and cereals had a negative impact on export growth.

In January 2022, exports of goods to the **EU** increased by 39.7% year-on-year. The value of exports increased significantly to Estonia (i.e., mineral products, iron and steel), Lithuania (i.e., dairy products, wood), Germany (i.e., wood, mineral products), Finland (i.e., mineral products, mixed chemical products), Sweden (i.e., iron, steel and steel), and Poland (i.e., iron and steel, wood).

An increase of 9.8% in exports was also observed to the **CIS countries**. The value of exports to Ukraine (i.e., fertilizers) and Belarus (i.e., machinery and equipment) increased more rapidly.

In January 2022, exports to **other countries** also increased slightly - by 7.6%. In this group of countries, the value of exports rose more rapidly to the United Kingdom (i.e., iron and steel), the United States (i.e., wood), and Norway (i.e., wood, iron and steel).

The annual increase in the value of imports of goods was driven by all major commodity groups, in particular mineral products, chemical products and metals and metal products.

Further export growth will be adversely affected by the Russia-Belarus war in Ukraine. As a result, both existing raw material supply chains will be disrupted and companies will be affected by rising global prices for goods, including energy. In this situation, companies in the markets of the countries involved in the conflict have to look for new supply opportunities and new outlets.

