

## On Latvia's Foreign Trade in March 2022

**In March 2022, exports and imports of goods increased rapidly**

In March 2022, according to the Central Statistical Bureau (CSB, the value of exports of goods at current prices increased by 31.4%. However, the value of imports of goods grew more rapidly – i.e., by 42.5% annually. In March 2022, the trade deficit was 11.2 percent.

In March 2022, the value of exports continued to grow in all main commodity groups. A large part of the increase in the value of exports was provided by the increase in the value of exports of mineral

products. Exports of wood and wood products, iron, steel and steel products, and cereals also grew rapidly. However, it should be noted that the increase in the value of these groups of export goods is partly due to the spike in export prices. On the other hand, the decline in the value of exports of electrical appliances and equipment, as well as beverages, had a relatively minor negative impact on export growth.

In March 2022, exports to **EU countries** grew significantly faster than total exports of goods - by 42.3%. The value of exports increased significantly to Lithuania (i.e., mineral products, wood and wood products), Estonia (i.e., mineral products, wood and wood products), Germany (i.e., wood and wood products, plants), Sweden (i.e., plants, wood and wood products), the Netherlands (i.e., cereals, wood and wood products), Poland (i.e., wood and wood products, plastic products) and Finland (i.e., mineral and mixed chemical products).

Exports to the **CIS countries** decreased by 14.7%. The value of exports to Ukraine (i.e., pharmaceuticals, beverages), Russia (i.e., beverages, electrical appliances), and Belarus (i.e., optical devices, pharmaceuticals) decreased more rapidly.

In March 2022, exports to **other countries** increased significantly - by 21.3%. In this group of countries, the value of exports grew rapidly to the USA (wood and wood products), Norway (i.e., cereals, wood and wood products), China (i.e., optical devices), Turkey (i.e., cereals), and the United Kingdom (i.e., wood and wood products).

The year-on-year increase in the value of imports of goods was driven by all major commodity groups, in particular mineral products, chemical products, wood, aircraft and parts thereof, and cereals.

In January-March 2022, exports exceeded the volumes of January-March last year by 30.2%. Also, imports of goods in this period were 40.5% higher than a year ago.

Further export growth will be adversely affected by the war in Ukraine, which has disrupted existing raw material supply chains and caused global commodity prices, including energy, soaring. In this situation, companies operating in the markets of the countries involved in the conflict have to look for new supply opportunities and new outlets.

