

On Latvia's Foreign Trade in April 2022

In April, exports and imports of goods continued to increase on an annual basis

According to the Central Statistical Bureau (CSB), in April 2022, the value of exports of goods at current prices increased by 30.2% year-on-year. However, the value of imports of goods increased more rapidly - by 42.5% annually. In April 2022, the trade deficit reached 14.2 percent.

In April 2022, the value of exports continued to grow in almost all major commodity groups. A significant part of the increase in the value of exports was provided by exports of wood and wood products.

The value of exports of mineral products, other chemical products, cereals and dairy products also grew rapidly. At the same time, it should be noted that the increase in the value of these groups of export goods can be partly attributed to the sharp increase in export prices. On the other hand, the decline in the value of exports of iron and steel and beverages had a small negative effect on export growth.

In April 2022, exports to **EU countries** grew more rapidly than total exports of goods – i.e., by 38.9% year-on-year. The value of exports increased significantly to Lithuania (i.e., mineral products, wood), Estonia (i.e., mineral products, wood), the Netherlands (i.e., chemical products), Germany (i.e., wood, dairy products), Denmark (i.e., food products), and Belgium (i.e., mixed chemical products, wood).

However, exports to the **CIS countries** decreased significantly - by 30%. The value of exports to Russia (i.e., beverages, mechanical appliances, electrical equipment) fell sharply. Exports to Ukraine decreased more moderately (i.e., beverages, mechanical appliances).

In April 2022, a sharp increase in exports was observed to **other countries** - by 32.7%. In this group of countries, the value of exports rose more rapidly to the United Kingdom (i.e., wood), the United States (i.e., wood, mixed chemicals), and Nigeria (i.e., cereals).

In April 2022, the increase in the value of imports of goods, similarly to exports, was driven by almost all major commodity groups. Among other things, the value of imports of mineral products, aircraft and parts, wood, electrical equipment and machinery, and cereals increased particularly sharply.

In January-April 2022, compared to the corresponding period last year, exports increased by 31%. At the same time, imports of goods were 41.7% higher than a year ago.

Further export growth will continue to be adversely affected by the war in Ukraine, which has disrupted existing raw material supply chains. Also, the rising global commodity prices, including energy, negatively impacts enterprises. In this situation, companies linked to the markets of the countries involved in the war have to reorient their supply chains and seek new outlets.

