

On Latvia's Foreign Trade in January 2021

In January 2021, a slight decline in exports on an annual basis has been observed

According to the data of the Central Statistical Bureau (CSB), in January 2021, the value of exports of goods at current prices decreased by 0.9% on an annual basis. Imports of goods, on the other hand, decreased by 4%. Consequently, the trade deficit was slightly lower than a year ago.

After a three consecutive month increase, as the value of most export product groups increased, in January 2020, exports declined on an annual basis. However, even in January 2021, certain product

categories continued to increase. A comparatively more rapid growth was observed in pharmaceutical products, wood and wood products, electrical appliances and equipment, beverages, and mineral fuels. On the other hand, exports of land vehicles, oilseeds, plastics and plastic products, machinery and equipment, and tobacco products decreased on an annual basis.

In January 2021, likewise to overall exports, the value of exports of goods to EU countries decreased by 1%. Exports to EU countries grew more swiftly to Estonia (i.e., electrical appliances and equipment, mineral products), Denmark (i.e., wood and wood products), Lithuania (i.e., electrical appliances and equipment, pharmaceuticals) and Poland (i.e., fur products). However, exports decreased significantly to Germany (i.e., oilseeds, wood and wood products) and Sweden (i.e., furniture, oilseeds).

At the same time, exports to the CIS countries increased by 6.4%. The value of exports increased more significantly to Russia (i.e., beverages, pharmaceuticals). However, a decline in the value of exports to Uzbekistan (i.e., optical devices) and Belarus (i.e., machinery and equipment) was observed.

In January 2021, exports to other countries decreased by 4.4%. In this group of countries, the value of exports increased at a higher pace to Nigeria (i.e., cereals), the United Kingdom (i.e., wood and wood products), Algeria and Morocco (both - cereals). However, exports decreased to Turkey, Switzerland (both - cereals), and Chile (i.e., plastic construction products).

In January 2021, the annual decline in imports of goods was significantly affected by the decrease in the value of food products, mineral products, textiles, and vehicles. The value of imports of electrical appliances and equipment, wood and wood products, and chemical products increased.

It is anticipated that producers will continue to be able to adapt to the situation caused by the Covid-19 pandemic by continuing to increase exports. However, the development of exports in 2021, as the overall economic outlook, remains uncertain due to new potential outbreaks of the Covid-19 pandemic.

