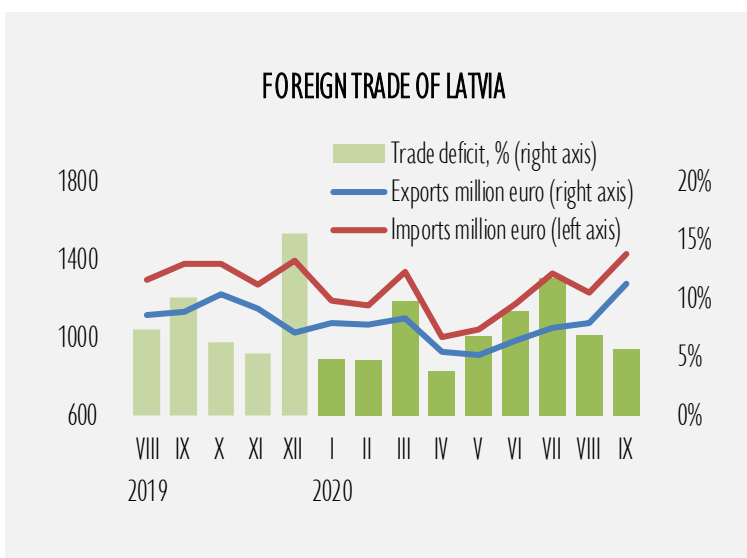


On Latvia's foreign trade in September 2020

In September 2020, the value of exports increased rapidly

According to the Central Statistical Bureau (CSB), in September 2020, the value of exports of goods at current prices increased by 13% annually. Imports of goods, on the other hand, grew more moderately - by 3.5%. Consequently, the trade deficit was lower than a year ago.

In September 2020, in contrast to August, exports of almost all commodity groups increased. The largest increases during were observed in the export groups of cereals and electrical appliances. Exports of oilseeds, machinery and equipment, and iron and steel also increased significantly. However, on an annual basis, the value of exports of vehicles, beverages, and iron and steel products declined.



In September 2020, the value of exports of goods to EU countries increased significantly - by 10.8%. Exports increased to the Netherlands (i.e., oilseeds, cereals), Germany (i.e., oilseeds, electrical appliances and equipment), Lithuania (i.e., electrical appliances and equipment) and Poland (i.e., electrical appliances and equipment, iron and steel). On the other hand, exports to Estonia (i.e., ships and other vessels) and Sweden (i.e., mixed chemical products) decreased.

Exports to the CIS countries grew more moderately - by 3.4%. The value of exports to Belarus (i.e., optical devices) increased. However, a decrease in exports to Kazakhstan (i.e., pharmaceutical products) was observed.

In September 2020, exports to other countries also increased significantly - by 25.5%. The value of exports rose sharply to Turkey (i.e., iron and steel, cereals), Morocco and Algeria (both cereals) and the United Kingdom (i.e., cereals, wood and its products), but fell to Mauritania (i.e., cereals).

The annual increase in imports of goods was significantly influenced by a rise in the value of exports of electrical appliances and equipment, cereals, and wood and its products. However, the value of imports of mineral products and land vehicles declined.

Overall, in the three quarters of 2020, exports were 1.3% lower than a year ago. On the other hand, imports decreased by 8.1%.

Although the value of Latvia's exports rose sharply in September 2020, it is still affected by restrictions on the spread of the coronavirus epidemic in partner countries. Further export developments, as well as the overall economic outlook, remain uncertain due to the new outbreak of the Covid-19 pandemic. Also, in Q4 of 2020, export volumes will be constrained by weak external demand.