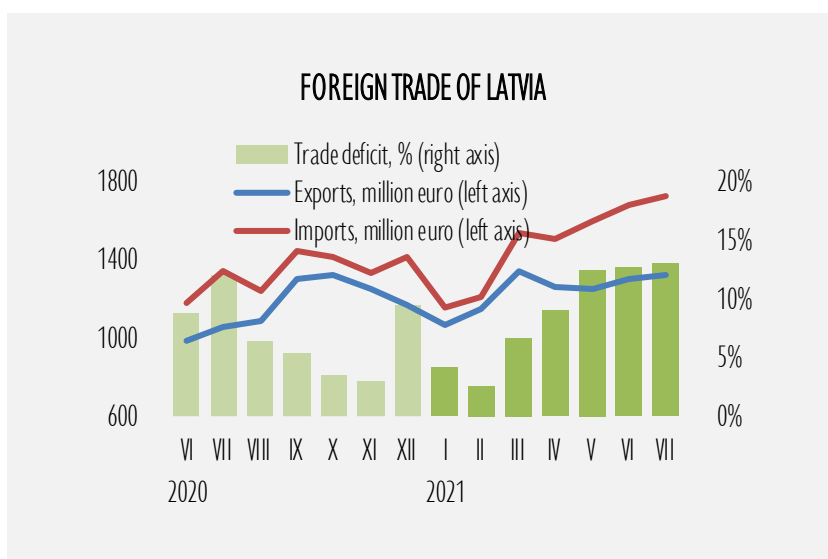


On Latvia's Foreign Trade in July 2021

In July 2021, exports and imports of goods continued to grow rapidly

According to the data of the Central Statistical Bureau (CSB), in July 2021, the annual value of exports of goods at current prices increased by 25.5%. The value of imports of goods grew at a slightly higher rate on an annual basis – i.e., by 28.1%.

In July 2021, the annual value of exports increased in almost all product categories. A large part of the increase in the value of exports can be attributed to the rise in exports of wood and wood products. Also, exports of iron, steel and their products and mineral products grew rapidly. Export volumes of plastics and plastic products, chemicals and chemical products, and other export groups also increased. However, exports of electrical appliances and equipment declined.



“Exports of goods remain a crucial driver of economic growth. Currently, two main lines of action to maintain the positive development trends have been adopted. First, as the epidemiological situation deteriorates, it is vital that producers and exporters can continue their work in an epidemiologically safe manner and do not lose the niche markets they have already conquered. Second, export growth in the medium term will be crucial to achieve increased competitiveness and higher productivity. Therefore, various export support instruments are currently being developed,” emphasizes the Minister of Economics J. Vitenbergs.

In July 2021, the value of exports of goods to EU countries increased by 23.3% annually (equally expeditious as total exports). Exports to **EU** countries grew more rapidly to Lithuania (i.e., mineral products, wood and wood products), Germany (i.e., wood and wood products), Poland (i.e., iron and steel), the Netherlands (i.e., mixed chemical products, wood and wood products), and France (wood and wood products, electrical equipment and installations).

At the same time, exports to the **CIS countries** also increased - by 5.8%. The value of exports increased significantly to Russia (i.e., pharmaceuticals and beverages) and Ukraine (i.e., pharmaceuticals and fertilizers).

In July 2021, exports to other countries grew rapidly - by 46.4%. In this group of countries, the value of exports grew more rapidly to the United Kingdom (i.e., wood and wood products), Turkey (i.e., iron and steel) and the United States (i.e., wood and wood products).

The annual increase in the value of imports of goods was driven by imports of mineral products, iron and steel, wood and wood products, and machinery and equipment.

Overall, in January-July 2021, exports increased by 21.2%, compared to the corresponding period last year. Also, imports of goods during this period were 25.6% higher than a year ago.

In 2021, the prospects for export development are generally assessed increasingly positive. In the largest Latvian export market - EU countries, the economic situation continues to improve, and confidence indicators remain high. However, it should be noted that although demand in the market is currently stable, the risk of further spread of Covid-19 remains elevated, which may negatively impact the growth rates of exports and overall economic development.