

On Latvia's Foreign Trade in November 2021

In November 2021, foreign trade continued to grow strongly

According to the data of the Central Statistical Bureau (CSB), in November 2021, the value of exports of goods at current prices increased by 30.7%. Also, the value of imports of goods rose by 24.6% annually. It should be noted that the trade deficit in November was only 0.7 percent.

In November 2021, the value of exports continued to grow in almost all main groups of goods. A large part of the increase in the value of exports can be attributed to the rapid growth of exports of wood and wood products. Exports of iron, steel, and steel products, mineral products, chemicals and chemical products also grew rapidly. However, the value of exports of aircraft and their parts, as well as electrical appliances and equipment, declined.

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In November 2021, exports of goods to **the EU** increased by 38.8% annually. The value of exports increased significantly to Lithuania (i.e., mineral products, iron and steel), Germany (i.e., oilseeds, wood and wood products), Sweden (i.e., mixed chemical products, wood and wood products), Estonia (i.e., mineral products, iron and steel), Poland (i.e., iron and steel) and Finland (i.e., mineral products, oilseeds).

On the other hand, exports to the **CIS countries** decreased by 3.8%. The value of exports to Ukraine decreased most rapidly (i.e., aircraft and their parts).

In November 2021, exports to other countries also grew markedly - by 29.6%. In this group of countries, the value of exports rose most rapidly to the United Kingdom (i.e., wood and wood products, oilseeds), Turkey (i.e., iron and steel), the United States (i.e., wood and wood products), and Norway (i.e., cereals, iron and steel).

The year-on-year increase in the value of imports of goods was primarily driven by all major commodity groups, in particular mineral products, chemicals and chemical products, metals and metal products, machinery, appliances and electrical equipment, and plastics and articles thereof.

In January-November 2021, exports increased by 23.1%, compared to the corresponding period last year. Also, imports of goods were 29% higher than a year ago.

Although demand in the markets currently remains stable, the growing incidence of Covid-19, as well as high energy prices, may negatively weigh on the growth of exporting companies and the overall economic development.

