

On Latvia's Foreign Trade in December 2021 and in the year as a whole

## In December and in 2021 overall, exports of goods increased rapidly

According to the Central Statistical Bureau (CSB), in December 2021, the value of exports of goods at current prices increased by 35.2%. Also, the value of imports of goods increased by 18.3% annually. In December 2021, the trade deficit was 3 percent.

In December 2021, the value of exports continued to grow in all main groups of goods. Almost a third of the increase in the value of exports was provided by the increase in the value of exports of

mineral products. Exports of iron, steel and articles thereof, wood and wood products, and machinery and equipment also grew significantly. On the other hand, the decline in the value of exports of beverages, cereals, and electrical equipment had a small negative impact on export growth.

In December 2021, exports of goods to the EU increased by 55.2% year-on-year. The value of exports increased significantly to Lithuania (i.e., mineral products), the Netherlands (i.e., mixed chemical products, cereals), Estonia (i.e., mineral products), Poland (i.e., iron and steel, wood), Sweden (i.e., iron and steel products, furniture), Germany (i.e., chemical products, mechanisms), Spain (i.e., cereals), and Finland (i.e., mineral products, iron and steel products).

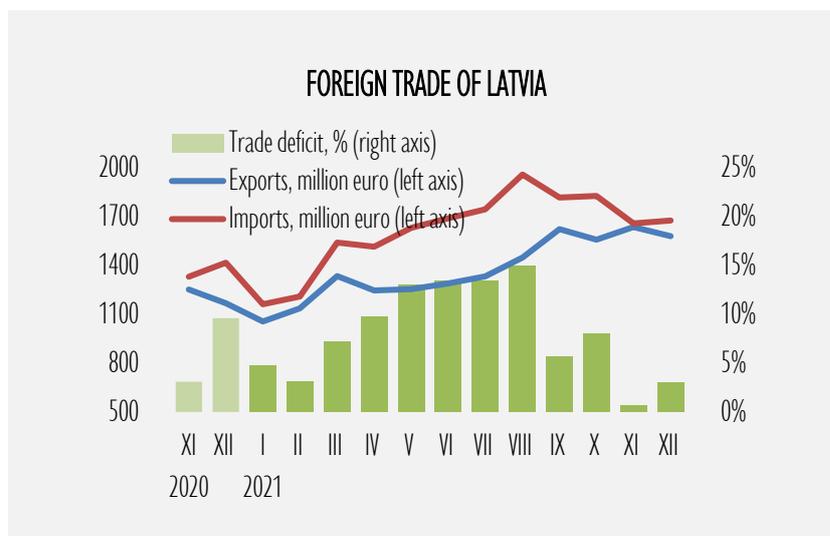
An increase of 8.5% in exports was also observed to the **CIS countries**. The value of exports to Ukraine (i.e., fertilizers and machinery) and Belarus (i.e., optical devices, plastic products, pharmaceuticals) grew more rapidly.

In December 2021, exports to **other countries** also increased slightly - by 0.9%. In this group of countries, the value of exports grew more rapidly to Turkey (i.e., iron and steel), the USA (i.e., machinery), and Norway (i.e., furniture, vegetables, cereals).

The year-on-year increase in the value of imports of goods was driven by almost all major commodity groups, in particular mineral products, chemical products, and machinery, appliances, and electrical equipment. On the other hand, imports of motor vehicles declined significantly.

Overall, in 2021, the value of exports exceeded last year's level by 24%. Exports of wood and wood products, mineral products, and iron and steel had the largest positive impact on export growth. In 2021, imports of goods were 28.2% higher than a year ago. This was driven by an increase in the value of imports of mineral products, iron and steel, aircraft and parts thereof, wood and wood products, and machinery and equipment.

Demand in the markets is stable and it is anticipated that exports will continue to grow this year as well. However, the still high level of uncertainty regarding the global prevalence of Covid-19, as well as high



energy prices, may have a negative impact on the growth rate of both exporting companies and overall economic development.