

On Latvia's Foreign Trade in December 2020 and 2020
In December 2020, rapid export growth endured

According to the Central Statistical Bureau (CSB), in December 2020, the value of exports of goods at current prices increased by 12.5% annually. Imports of goods, on the other hand, increased by merely 0.9%. Consequently, the trade deficit was significantly lower than a year ago.

In December 2020, for the fourth consecutive month, the value of most export commodity groups increased. The largest increases during the year were observed in the export groups of electrical

appliances and equipment, wood and wood products, and cereals. Also, exports of cereals, iron and steel, as well as plastics and plastic products increased. However, the value of exports of oilseeds, aircraft and their parts, and tobacco decreased on an annual basis.

In December, the value of exports of goods to **EU countries** increased by 10.5% on an annual basis. Exports from EU countries grew most rapidly to Estonia, Lithuania (both electrical appliances and equipment, wood), Romania (i.e., wood and wood products), Finland (i.e., mineral and mixed chemical products), and Cyprus (i.e., optical appliances and equipment). However, exports to Sweden fell sharply (i.e., furniture and mixed chemicals).

Exports to the **CIS countries** grew more moderately - by 2.9%. The value of exports increased more significantly to Russia (i.e., electrical appliances and equipment, pharmaceutical products); however, a decline in the value of exports to Kazakhstan (i.e., machinery and equipment) was observed.

In December, exports to **other countries** increased by 25.2%. The value of exports increased most rapidly to the United Kingdom (i.e., wood and wood products), Morocco, Algeria, Saudi Arabia and Nigeria (all - cereals). On the other hand, a decline in the value of exports to Turkey (i.e., cereals) was observed.

The annual increase in imports of goods was significantly influenced by the rise in the value of beverages, electrical appliances and equipment, wood and wood products, and cereals. However, the value of imports of aircraft and parts and mineral products decreased.

Due to a marked increase in exports in the last four months of the year, in 2020, exports of goods exceeded last year's volumes by 1.7%. On the other hand, the volumes of imported goods were 5.3% lower than a year ago.

With the introduction of vaccination, the chances of overcoming the Covid-19 pandemic have improved. However, export development trends in 2021, as the overall economic outlook, remain highly uncertain due to new outbreaks of the Covid-19 pandemic. It is to be anticipated that producers will continue to be able to adapt to the situation caused by the Covid-19 pandemic by continuing to increase export volumes in 2021.

