

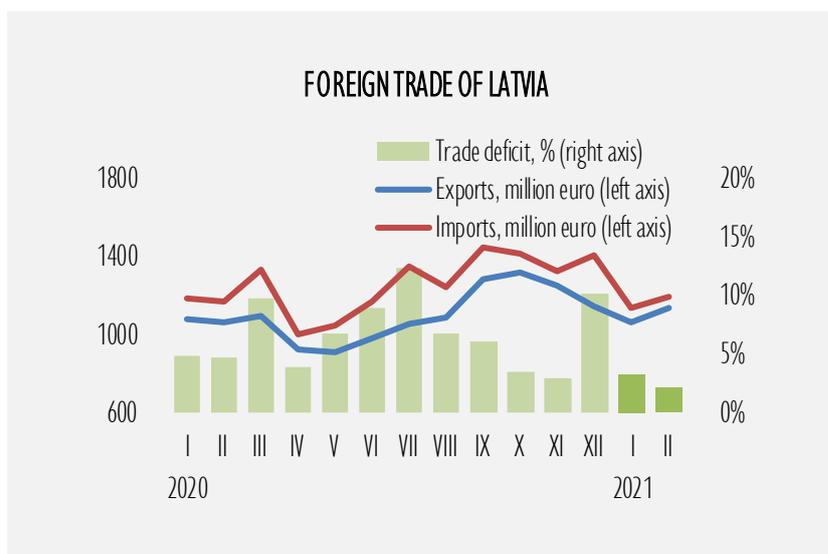
On Latvia's Foreign Trade in February 2021

In February 2021, exports increased on an annual basis

According to the data of the Central Statistical Bureau (CSB), in February 2021, the annual value of exports of goods at current prices increased by 7.5%. Imports of goods, on the other hand, grew more moderately - by 2%. Consequently, the trade deficit was significantly lower than a year ago.

After a decline in January 2021, the value of exports increased in most commodity groups in February 2021. Exports of timber

and timber products, mineral products, cereals and pharmaceuticals increased more rapidly. However, exports of iron, steel and articles thereof, land vehicles, beverages, and tobacco products declined on an annual basis.



In February 2021, similarly to total exports, the value of exports of goods to **EU countries** increased by 6.6%. Exports grew more rapidly to Lithuania (i.e., mineral and pharmaceutical products), Denmark (i.e., wood and wood products), the Netherlands (i.e., mixed chemicals, wood and wood products), Finland (i.e., mineral products and oilseeds), and Germany (i.e., organic chemical compounds and oilseeds). However, export volumes declined to Sweden (i.e., mixed chemical product) and Estonia (i.e., wood and wood products).

At the same time, exports to the **CIS countries** also increased slightly - by 1.9%. The value of exports increased more significantly to Russia (i.e., pharmaceutical products and machinery). However, a decline in the value of exports to Kyrgyzstan (i.e., pharmaceutical products) was observed.

In February 2021, exports to **other countries** grew rapidly - by 13.9%. In this group of countries, the value of exports increased more rapidly to the United Kingdom (i.e., wood and wood products), Nigeria (i.e., cereals) and the United States (i.e., wood and wood products, electrical equipment). However, export volumes declined to Turkey (i.e., iron and steel), Libya (i.e., cereals), and Egypt (i.e., vegetables).

In February 2021, the annual growth in imports of goods was driven by imports of wood and wood products, the manufacture of electrical equipment, and the manufacture of machinery and equipment. On the other hand, imports of beverages, iron and steel, footwear, and tobacco products declined.

In January-February 2021, exports exceeded last year's volumes by 3.2%. Also, during January-February 2021, imports of goods remained 1% lower than a year ago.

In 2021, the development of exports, similarly to the overall economic outlook, remain highly uncertain due to the introduced measures to curb the spread of the pandemic. However, as the epidemiological situation gradually improves as a result of vaccination, economic activity and exports will gradually rise.