

## On Latvia's Foreign Trade in March 2021

## Along with a rapid growth in March 2021, exports of goods have reached a historic high

According to the data of the Central Statistical Bureau (CSB), in March 2021, the annual value of exports of goods at current prices increased by 20.6%. Imports of goods, on the other hand, grew more moderately - by 11.9%. Consequently, the trade deficit was significantly lower than a year ago.

In March 2021, the annual value of exports increased in almost all product groups. Exports of wood and wood products, electrical appliances and equipment, mineral products, machinery and equipment, as well as iron and steel increased more rapidly. However, exports of aluminium and aluminium products, as well as tobacco products, declined.

In March 2021, the value of exports of goods to **EU countries**, similarly to overall exports, increased by 23.9%. Exports to EU countries grew more rapidly to Lithuania (i.e., electrical appliances and mineral products), Germany (i.e., mineral products and machinery), the Netherlands (i.e., cereals and wood and wood products), and France (i.e., wood and wood products). However, a decline in the value of exports of goods to Finland (i.e., iron and steel) was observed.

At the same time, exports to the **CIS countries** also increased - by 6.3%. The value of exports increased significantly to Russia (i.e., machinery) and Ukraine (pharmaceutical products).

In March 2021, exports to **other countries** also grew rapidly - by 18.9%. In this group of countries, the value of exports increased 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 and electrical equipment). However, a decrease in the value of exports to Morocco (i.e., cereals) was observed.

The annual increase in imports of goods was driven by imports of electrical appliances and equipment, machinery, wood and wood products, and iron and steel. On the other hand, the value of imports of beverages, tobacco and, pharmaceutical products decreased.

In Q1 of 2021, exports increased by 8.6%, compared to the corresponding period last year. However, imports of goods during this period were 3% higher than a year ago.

In 2021, export development trends are assessed more and more positively. As the epidemiological situation improves with vaccination, economic activity and exports will gradually increase. However, uncertainty remains very high, mainly due to measures to limit the spread of the virus.

