

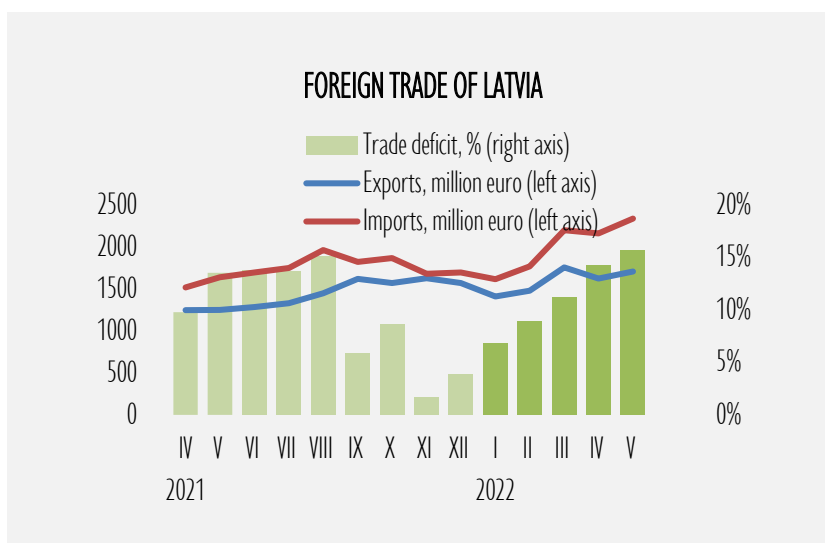
## On Latvia's Foreign Trade in May 2022

**In May 2022, exports and imports of goods continued to grow rapidly on an annual basis**

According to the Central Statistics Bureau (CSB), in May 2022, the value of exports of goods at current prices increased by 36.5% on an annual basis. In May 2022, the value of imports of goods grew more rapidly - by 42.5% annually. The trade deficit reached 15.6 percent.

In May 2022, the export value continued to grow in almost all basic commodity groups on an annual basis. A significant part of the increase in the value of exports continued to be provided by the

exports of wood and wood products. The export value of mineral products, cereal crops, iron and steel products, dairy products, and land vehicles also grew rapidly. At the same time, it should be considered that the increase in the value of these groups of export goods is partly related to a rapid increase in export prices. On the other hand, the decline in the export value of iron and steel and vegetables had a small negative impact on export growth.



In May 2022, exports to **EU countries** grew more rapidly than the total exports of goods on an annual basis – i.e., by 48.9%. The value of exports increased significantly to Lithuania (i.e., mineral products), Estonia (i.e., wood, electrical appliances), Germany (i.e., wood), Sweden (i.e., wood, iron and steel products), Spain (i.e., cereals), the Netherlands (i.e., wood, organic chemical compounds), and Finland (i.e., mineral products, wood).

On the other hand, exports to the **CIS countries** decreased slightly - by 2.5%. The value of exports to Russia (i.e., mechanical devices, electrical equipment) decreased more rapidly. Exports to Ukraine (i.e., pharmaceutical products) decreased more moderately.

In May 2022, export growth was observed to **other countries** - by 16.1%. In this group of countries, the value of exports increased more rapidly to the United Kingdom (i.e., wood), the United States (i.e., wood, optical devices), Nigeria and Morocco (i.e., cereals).

In May 2022, imports of goods, similar to exports, increased on an annual basis in almost all basic groups of goods. Among them, the value of imports of mineral products, vehicles, food industry goods, and mechanical devices increased particularly rapidly.

Overall, in January-May 2022, compared to the corresponding period last year, exports of goods increased by 32.3%. On the other hand, imports of goods during this period was 42.5% higher than a year ago.

Further export growth will continue to be negatively affected by the war in Ukraine, due to which both the supply chains of raw materials have been disrupted, and the increase in the prices of goods, including

energy resources, affects companies. In this situation, companies that were connected to the markets of countries involved in the war must reorient their supply opportunities and look for new markets for goods.