

## On Latvia's Foreign Trade in June 2022

**In June 2022, exports and imports of goods continued to grow rapidly**

According to the data of the Central Statistical Bureau (CSB), in June 2022, the value of exports of goods in actual prices increased by 28.6% on an annual basis. In June, the value of goods imports grew at a slightly slower pace - by 20% annually. The trade deficit in June was 10.4 percent.

In June 2022, the annual average export value continued to grow in almost all basic commodity groups. The export of mineral products

provided the greatest contribution to the increase in the value of exports. The export value of machinery and equipment, cereal crops, pharmaceutical products, land vehicles, and dairy products 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, a slight negative impact on the growth of exports, mainly due to the decrease in prices, provided the decline in the value of iron and steel, as well as wood and its products.

In June, exports to **EU** countries grew more rapidly than the total export of goods - by 33.7% on an annual basis. Export value increased significantly to Lithuania (i.e., mineral products), Germany (i.e., mineral products, wood), Estonia (i.e., wood, electrical equipment), Spain (i.e., cereals), Italy (i.e., wood, chemical products), and Sweden (i.e., iron and steel products).

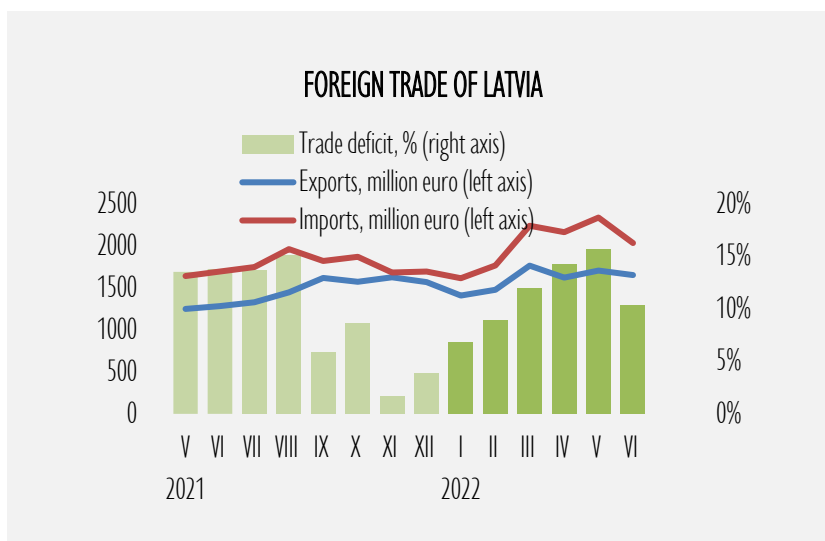
Exports to the **CIS countries** grew rapidly - by 52.9%. The value of exports to Russia (i.e., mechanical devices) grew more rapidly.

A slight increase in exports was observed in June to **other countries** - by 5.5%. In this group of countries, the value of exports increased more rapidly to Nigeria (i.e., cereals) and Nicaragua (i.e., pharmaceutical products). On the other hand, the value of exports to the United Kingdom (i.e., wood) decreased significantly. Also, a moderate increase was observed to Turkey (i.e., iron and steel).

In June 2022, imports of goods, similar to exports, increased year-on-year in almost all basic commodity groups. Among them, the value of imports of mineral products, vehicles, and mechanical devices increased particularly rapidly.

Overall, in the first half of the year, exports exceeded the January-June volume of last year by 31.8%, while the import of goods was 38.7% higher than a year ago.

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



resources. Companies that were connected to the markets of countries involved in the war have to reorient their supply opportunities and look for new markets for goods.