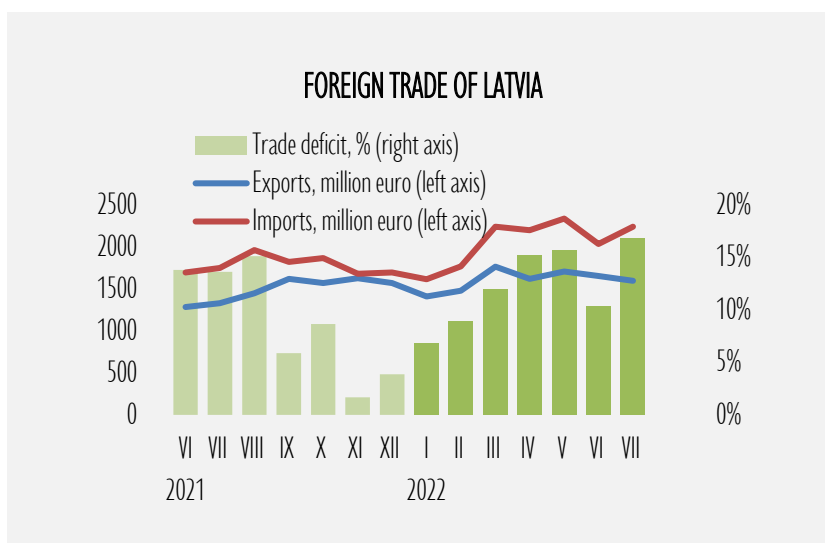


On Latvia's Foreign Trade in July 2022

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

According to the data of the Central Statistical Bureau (CSB), in July 2022, the value of exports of goods in actual prices increased by 20.1% on an annual basis. However, the value of the import of goods increased more rapidly - by 28.1%. In July 2022, the trade deficit reached 16.7 percent.



In July 2022, the annual average export value continued to grow in most basic groups. The exports of mineral products provided a larger part of the increase in the value of exports. The export value of milk and milk products, land vehicles, electrical appliances and equipment, and pharmaceutical products also grew rapidly. At the same time, it should be noted 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 of iron and steel, as well as the decrease in the value of wood and wood products, was observed. The export of oilseeds and fertilizers also decreased.

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In July 2022, exports to **EU countries** grew more rapidly than the total exports of goods on an annual basis - by 27.4%. The value of exports increased significantly to Lithuania (i.e., mineral and dairy products), Sweden (i.e., wood), Estonia (i.e., mineral products, electrical equipment), Germany (i.e., mineral products, vehicles), Denmark (i.e., animal and vegetable fats, iron and steel products), Italy (i.e., wood, dairy products), and Spain (i.e., forage, vegetables).

Exports to the **CIS countries** increased more moderately - by 7.5%. The value of exports to Uzbekistan (i.e., pharmaceutical products) and Kazakhstan (i.e., beverages) increased more rapidly.

In July 2022, the increase in exports was also observed to **other countries** - by 5.8%. In this group of countries, the export value increased more rapidly to Ukraine (i.e., mineral products) and Saudi Arabia (i.e., cereals), and China (i.e., optical devices). On the other hand, the value of exports to the United Kingdom (i.e., wood) and Turkey (i.e., iron and steel) decreased, partly due to the decline in prices.

In July 2022, imports of goods, similar to exports, increased in almost all basic groups of goods on an annual basis. Among them, the import value of mineral products increased particularly rapidly.

Overall in January-July 2022, compared to the corresponding period last year, exports increased by 29.9%. On the other hand, imports of goods during this period was 37.3% higher than a year ago.

Further export growth will continue to be negatively affected by the war in Ukraine, which has disrupted the existing supply chains of raw materials. In this situation, the companies that were connected to the markets of the countries involved in the war should reorient their supply opportunities and look for new markets. Also, the competitiveness of exporters is negatively affected by the worldwide increase in prices for goods, including energy resources.