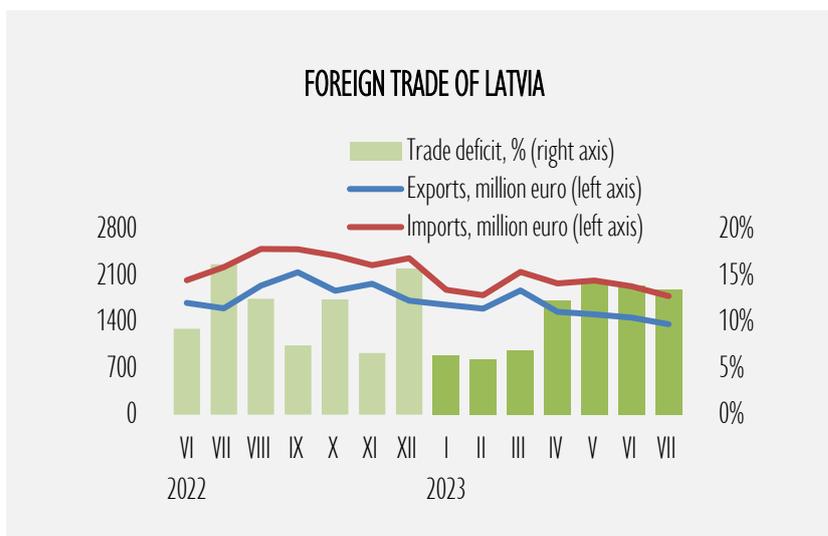


## On Latvia's Foreign Trade in July 2023

**In July 2023, the volume of foreign trade continued to decrease year-on-year**

According to the data of the Central Statistical Bureau (CSB), in July 2023, the value of exports of goods in actual prices decreased by 15% on an annual basis. The annual value of goods imports was 19.6% lower than a year ago. Exports decreased for the fourth consecutive month, while imports decreased for the fifth month in a row. The trade deficit in July was 13.5%.



In July 2023, the value of exports of mineral products and wood and wood products decreased significantly on an annual basis. Exports of iron and steel products, machinery and equipment, milk and milk products, and furniture also declined. On the other hand, the export value of perfumes and cosmetics, live animals, grain and flour products, shoes, as well as oilseeds increased.

In July 2023, exports to **EU countries** decreased by 17.1% on an annual basis. Export value decreased more rapidly to Lithuania (mineral products, dairy products), Sweden (wood, furniture), Italy (mixed chemical products, wood), Estonia (mineral products, wood), Germany (wood), and Finland (mineral products, wood). On the other hand, exports increased to Hungary (mineral products), Cyprus (beverages), and Ireland (wood).

Exports to **CIS countries** also decreased in July - by 10.2%. Exports to Russia (pharmaceutical products, electrical appliances and equipment) decreased significantly. Beverages, pharmaceutical products, clothing and accessories, perfumes and cosmetics, as well as other goods not included in the sanctions list, are mostly exported to Russia. On the other hand, exports to Kyrgyzstan (plant parts, roots, mechanisms and devices) and Moldova (fertilizers) increased.

Export volumes to **other countries** also decreased in July - by 10.3%. In this group of countries, the value of exports decreased more rapidly to the United Kingdom (wood, aircraft, their parts) and Saudi Arabia (cereals). On the other hand, the value of exports increased to Ukraine (undeciphered goods), Turkey (iron and steel), as well as to Ivory Coast and Senegal (cereals to both).

In July 2023, there was a notable annual decline in the import value of mineral products, consistent with the trend observed in the previous month. Imports of metals and their products, wood and its derivatives, products from the chemical industry, and plastic products also exhibited decreases. Conversely, there was an uptick in the import value of terrestrial plant products, vehicles, as well as products from the food industry.

Overall, in January-July 2023, in actual prices, the exports of goods were 5.8% lower, compared to the corresponding period last year, while the imports of goods decreased by 6.5% during this period.

Export growth will continue to be affected by weak external demand and geopolitical uncertainty in the coming months. In this situation, it is necessary to continue to look for new supply opportunities and markets for goods.