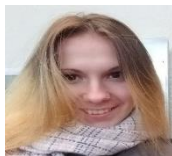


International trade and specialization in Latvia

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1 Introduction

International trade is vital for the 21st century, because it establishes closer economic relations between different economic countries. All international economic relations can be divided into a number of spheres with different objectives: International Trade – Exchange of goods and services between different countries; International division and specialisation; Exchange of scientific and technical progress, information. International Capital Movement: Investment, Currency and Securities Movement; International Activities of Economic Organisations with a view to addressing global challenges.

The countries trade with each other, so they help each other. International trade is governed by imports and exports. But it is very important that they are at the same level. Unfortunately, for many years, Latvia has a negative trade balance, which means that import in Latvia is higher than export.

Reference

- [1] *Latvian National Statistics*
- [2] *Latvijas Vēstnesis*

2 Spotlight

For many years, Latvia has a negative external trade balance (balance of payments), which means that imports into Latvia are higher than exports. This poses a variety of economic challenges: unemployment, non-development of different sectors. This is happening because states don't get more benefits: tax revenues, reduced reliance on already learned markets, new demand for products, offset seasonal profit swings.

3 Conclusions

Revised and analyzed: International trade and Latvia's International Trade Problem, Latvia's field of specialisation, Latvia's comparison of exports and imports, Latvia's volume of export and import.

- [3] *Results of the People's Counting 2011* (2011 Central Statistics Bureau),
- [4] *Foreign Trade Statistics*