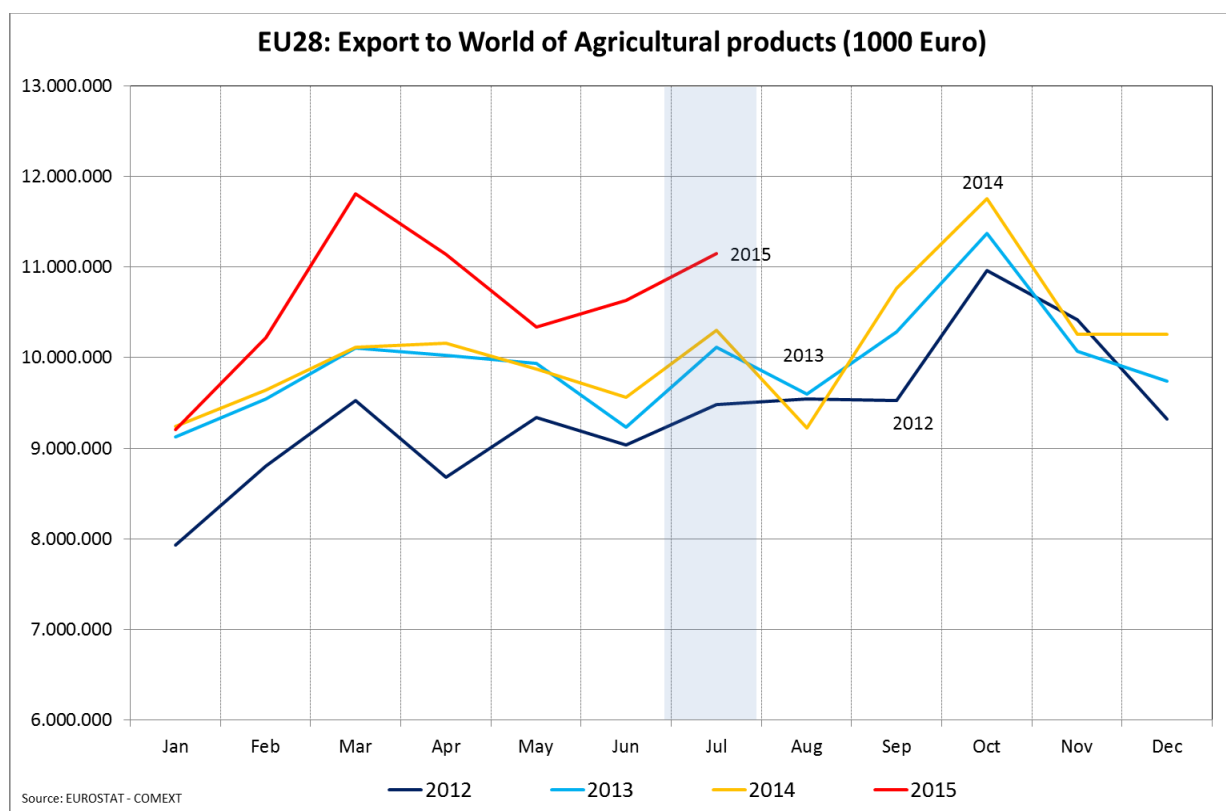


Russian import embargo: EU export development until July 2015

On 7 August 2014, Russia introduced an import ban for certain agricultural products originating from the United States, the EU, Canada, Australia and Norway. Beef, pork and poultry meat, dairy products, fruits and vegetables were the targeted categories. On 25 July 2015, Russia announced the extension of the import embargo by one year (until August 2016). Furthermore the ban has been extended to other four countries: Iceland, Liechtenstein, Albania and Montenegro.

Export data until July 2015 are now available. Over 12 month of the Russian ban being in force (August 2014-July 2015), total EU agri-food exports to third countries increased in value by 5.7% compared to one year ago. After a very positive performance during the first half of the year 2015, with a record month in March (at almost €12 billion), also the second half has started off with a positive trend: July 2015 exports recorded +8% compared to July 2014. Figure 1 illustrates the monthly evolution of EU exports of agri-food products to extra European countries.

Figure 1 EU28 exports of agri-food products (in thousand euro).



Over the entire period since the embargo started, the EU agri-food sector has managed to compensate the losses in export sales to Russia by increasing exports to other main destinations and alternative markets.

Major gains in export values have been achieved in the US (+16%), China (+33%), Switzerland (+5%) and in a number of key Asian markets, such as Hong Kong (19%) and the Republic of Korea (+29%). European exporters have increased their exports also to certain Arab countries: Saudi Arabia (+10%), United Arab Emirates (+14%) and Egypt (+26%).

On the other hand compared to the prior year, overall EU agri-food exports to Russia between August 2014 and July 2015 decreased from € 11 billion to € 6.3 billion (-43 %).

Table 1: EU28 agri food exports to third countries (in million euro).

EU28 agri-food exports to (million Euro) COMEXT source:	cumulative data: August to July				monthly data: July			
	Aug 2013- Jul 2014	Aug 2014- Jul 2015	Difference Aug14 - Jul15 to Aug13 - Jul14		Jul 2014	Jul 2015	Difference Jul 2015 to Jul 2014	
	mio €	mio €	mio €	%	mio €	mio €	mio €	%
Extra-EU28	120 755	127 458	6 704	6%	10 355	11 211	856	8%
United States	15 696	18 258	2 563	16%	1 413	1 735	322	23%
China	7 064	9 407	2 343	33%	738	1 025	287	39%
Switzerland	7 138	7 471	333	5%	560	616	56	10%
Russian Federation	11 006	6 277	- 4 729	-43%	833	480	- 353	-42%
Japan	5 335	5 233	- 102	-2%	512	491	- 21	-4%
Hong Kong	4 139	4 933	794	19%	368	377	9	2%
Saudi Arabia	3 960	4 352	392	10%	360	434	74	20%
Norway	3 970	4 044	74	2%	319	310	- 9	-3%
Algeria	3 542	3 409	- 133	-4%	185	261	77	41%
Turkey	2 648	3 343	696	26%	210	263	53	25%
Canada	3 142	3 292	150	5%	280	295	14	5%
United Arab Emirates	2 545	2 898	353	14%	221	282	61	28%
Australia	2 382	2 695	314	13%	233	275	41	18%
Korea, Republic of	1 955	2 526	571	29%	190	195	5	3%
Egypt	1 875	2 370	495	26%	110	152	42	38%
Singapore	1 987	1 964	- 23	-1%	181	193	12	6%
Brazil	1 581	1 672	91	6%	149	150	1	1%
South Africa	1 540	1 656	117	8%	133	175	42	32%
Morocco	1 498	1 509	11	1%	77	96	20	25%
Ukraine	1 999	1 443	- 556	-28%	133	110	- 23	-17%
<i>other countries</i>	<i>35 754</i>	<i>38 705</i>	<i>2 951</i>	<i>8%</i>	<i>3 149</i>	<i>3 296</i>	<i>147</i>	<i>5%</i>

Analysing EU exports to third countries of the sectors affected by the embargo, in the period August 2014-July 2015, export values of bovine and poultry products increased by 23% and 5% respectively while the value of pig meat exports was in line with the previous year. Concerning dairy products, the value of butter exports fully recovered from the initial difficulties and achieved +3 % (compared to the 12 months period a year ago) due to an increase on Middle East markets. For cheese and milk powders, however, export values still lag behind: -14%, -10%, and -24% respectively. Also, concerning fruit and vegetables, the value of exports registered is still around 12% lower compared to the period one year before.

Table 2: EU28 agri-food exports per product sector, including non-banned live animals (in million euro).

EU28 agri-food exports (in million €)	Extra-EU28			Russian Federation		
	Aug 2013 - July 2014	Aug 2014 - July 2015	%	Aug 2013 - July 2014	Aug 2014 - July 2015	%
Bovine sector (total)	1.374	1.685	23	221	95	-57
Pig sector (total)	5.729	5.753	0	810	42	-95
Poultry sector (total)	2.015	2.121	5	132	44	-67
Butter	653	671	3	164	2	-99
Cheese	3.892	3.346	-14	964	34	-97
Skimmed milk powder	1.825	1.645	-10	58	0	-100
Whole milk powder	1.657	1.259	-24	13	0	-100
Fruit & Vegetables	6.991	6.160	-12	1.900	210	-89