

RUSSIA IN GLOBAL EXPORTS: 2015–2016¹

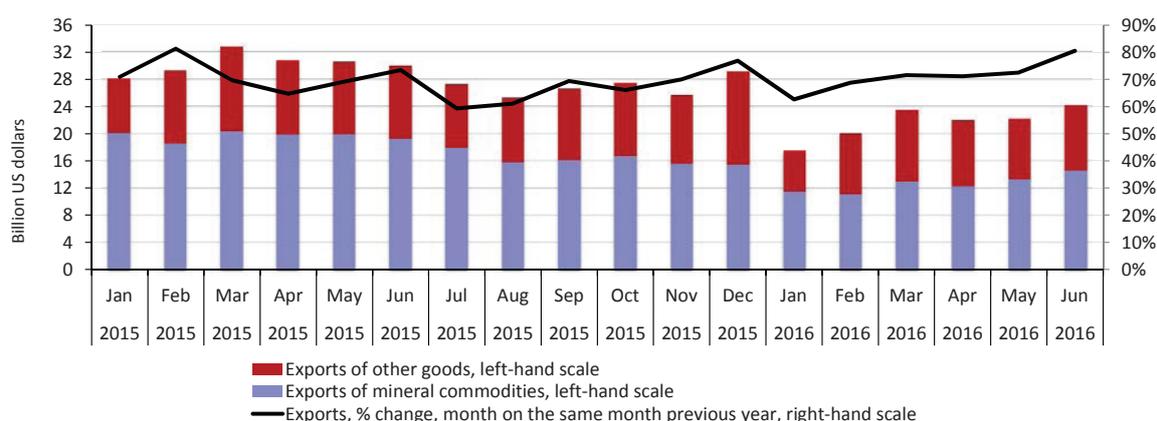
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Exports in Russia dropped to \$129.7bn in H1 2016, representing 71.3% and 50.8% of what they were in H1 2015 and H1 2014, respectively. Russia's share of global exports of all goods stood at 2.1% at 2015 year end, down 6 p.p. from 2.7% in 2014. The share of Russia exports in global markets of cereal grains, inorganic chemicals, fertilizers, resins, rubber, wood, ferrous metals, nickel dropped, too, while it increased slightly in global markets of mineral fuels and of some non-ferrous metals (copper, aluminium, lead). Russia exports fell almost in all major commodity markets (EU, China, EFTA), except the Eurasian Economic Union (EAEU).

In terms of volume, exports in Russia continued to fall in June 2016, as compared to what they were in 2015 (Fig. 1). In terms of value, exports dropped to \$129.7bn in H1 2016 (representing 71.3% and 50.8% of the values seen in 2015 and 2014, respectively). Exports continued to decline not only for mineral fuels: exports of goods unrelated to mineral fuels (commodity item 27) dropped to \$53.7bn (representing 84.4% and 74.6% of the levels seen in 2015 and 2014). The share of mineral fuels in Russia total exports shrank to 58.6% in H1 2016 (it stood at 65.0% and 71.9% in H1 2015 and H1 2014, respectively).

In terms of volume, Russia imports stood stable in June 2016, accounting for 98% of the volume seen in June 2015 (Fig. 2). In terms of value, imports amounted to \$78.9bn in H1 2016 (representing 90.8% and 55.4% of the values seen in 2015 and 2014, respectively). Imports were stable in Q2 2016 (representing 94–98% of the values seen in respective months of 2015).

The world trade data in the World Trade Statistic Review (WTO) allow Russia's position in global markets to be assessed for 2015².

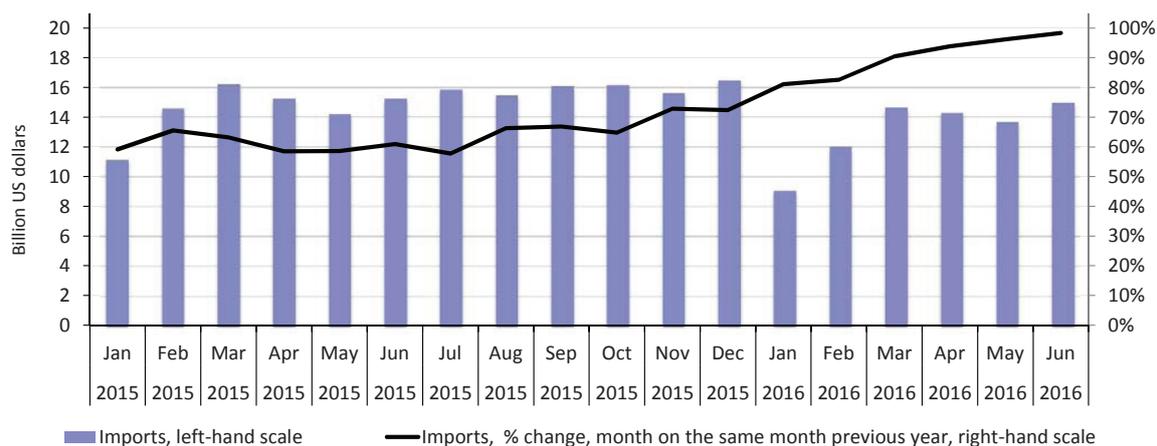


Source: own calculations based on the data released by Russia's Federal Customs Service.

Fig. 1. Dynamics of exports in Russia in 2015–2016

1 This paper was originally published in *Online Monitoring of Russia's Economic Outlook* No.14(32).

2 World Trade Statistic Review 2016 (WTO).



Source: own calculations based on the data released by Russia's Federal Customs Service.

Fig. 2. Dynamics of imports in Russia in 2015–2016

A decline (in dollar terms) of 12% in worldwide export volumes (from \$18.93 trillion to \$16.48 trillion) was driven by decline in global U.S. dollar denominated prices of vast range of commodities (the U.S. dollar strengthened against other world currencies). In terms of volume, world trade increased 2.7% in 2015, according to the WTO.

Russia's share of world trade did have a downward impact (45%, according to the WTO) on prices of energy-carrying resources representing about 70% of Russia exports in 2014. In 2015, this was responsible largely for a 24% and 31% shrinkage of Russia's share of global exports of all goods, as compared to the share seen in 2014 and 2013, respectively (the data on imports in almost all countries were used in analyzing changes in Russia's position in global markets¹).

The share of Russia exports in global markets of mineral fuels, paper and paperboard, aluminum, "other non-precious metals" changed slightly (not more than 0.1 p.p.) in 2015, as compared to 2013. Russia's market share decreased (down within a range of 0.1–0.6 p.p.) in global markets of resins and rubber, wood and wood products, precious metals and stones, ferrous metals. The share in global markets of inorganic chemicals, fertilizers, natural and artificial fur shrank considerably (down within a range of 0.7–1.4 p.p.). The biggest shrinkage of Russia's share was seen in the nickel market (down 3.5 p.p.). Russia strengthened its position in the markets of copper (+0.6 p.p.) and lead (+0.14 p.p.). In 2015, there was an increase in Russia's share in the cereal grains market, as compared to what it was in 2013, but it shrank from the value seen in 2014.

According to the WTO², Russia's share of global exports of goods decreased to 2.1% (to 2.6%, excluding trade between EU countries) in 2015.

In terms of value, Russia exports of fuels and mineral products plummeted 44%, which allowed the country to remain the world's second largest exporter of these commodities (representing 6.9% of global exports) in 2015. The decline in Russia exports of fuels and mineral products was the biggest after Saudi Arabia, exports by volume were down by an average of 33.8%.

1 All the countries, for which the 2015 data are available in the COMTRADE database (these countries accounted for 92% of world trade and for 95% of Russia exports in 2014).

2 World Trade Statistic Review 2016 (WTO).

Table 1

SHARE OF RUSSIA EXPORTS OF WORLD TRADE

Commodity item code	Commodity item	Exports in Russia 2014, billion US dollars (according to Russia's Federal Customs Service)	Exports in Russia 2015, billion US dollars (according to Russia's Federal Customs Service)	Share of Russia exports of world trade (as %, according to COMTRADE)			Changes in Russia's share in global markets (as p.p., according to COMTRADE)	
				2013	2014	2015	2015 to 2013	2015 to 2014
10	Cereal grains	7.09	5.65	4.1	6.2	5.7	+1.67	-0.45
27	Mineral fuels	346.12	216.16	16.1	16.0	16.1	+0.01	+0.10
28	Inorganic chemicals	7.36	6.39	4.9	5.1	4.2	-0.77	-0.92
31	Fertilizers	8.99	8.85	16.8	16.8	15.9	-0.94	-0.96
40	Resins, rubber	3.02	2.50	2.1	1.8	1.7	-0.44	-0.09
43	Natural and artificial fur	0.12	0.10	2.3	0.9	0.9	-1.40	-0.07
44	Wood and wood products	7.76	6.32	6.4	6.3	5.8	-0.57	-0.55
48	Paper and paperboard	2.26	1.83	1.3	1.4	1.3	+0.00	-0.13
71	Precious metals and stones	11.85	7.89	1.9	1.9	1.4	-0.42	-0.46
72	Ferrous metals	20.56	15.25	5.6	5.5	5.2	-0.40	-0.34
74	Copper	4.91	4.47	3.6	3.8	4.1	+0.59	+0.38
75	Nickel	4.02	2.66	14.9	14.4	11.4	-3.51	-2.97
76	Aluminium	6.33	6.95	4.9	4.1	4.8	-0.02	+0.75
78	Lead	0.19	0.18	3.0	2.9	3.2	+0.14	+0.22
81	Other non-precious metals	0.80	0.74	5.4	5.1	5.3	-0.03	+0.22
	Total*	497.83	343.60	2.9	2.7	2.1	-0.80	-0.63

*Including WTO's data on world trade – World Trade Statistic Review 2016 (WTO).

Source: own calculations based on the data released by COMTRADE.

In terms of value, Russia exports of ferrous metals dropped 38%, which is markedly below (-22.8%) that of the top 10 exporters; Ukraine saw the biggest decline (-39%) among the major exporters. In 2015, Russia was ranked the world's sixth largest exporter of ferrous metals (the 5th in 2014), its share represented 4.0% of global exports.

Special emphasis should be placed on the European market of piped natural gas, a very important commodity for Russia¹. Russia's market share stood at 39.8% in 2015 (159.8 of 401.4 billion cubic meters), as compared to 40.8% in 2014 and 41.0% in 2013².

Exports of commercial services in Russia were markedly below the world average: with a 6% decline in total market volume, exports of commercial services in Russia decreased in volume by 16%, which is also due to drastic changes in the Russian ruble exchange rate. Transport services saw the biggest decline in absolute volumes: exports of transport services dropped by \$3bn to \$16.8bn, representing 1.9% of worldwide exports of transport services.

1 According to the BP methodology, the European region includes Austria, Albania, Belgium, Bulgaria, Bosnia and Herzegovina, Great Britain, Hungary, Germany, Gibraltar, Greece, Denmark, Ireland, Iceland, Spain, Italy, Cyprus, Luxemburg, Macedonia, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Turkey, Finland, France, Croatia, Montenegro, Czech Republic, Switzerland, Sweden, Estonia.

2 BP Statistical Review of World Energy (June 2016, June 2015, June 2014).

Table 2

GEOGRAPHIC PATTERN OF TRADE AND RUSSIA'S MARKET SHARE IN SELECTED MARKETS

Region/ country	Region's / country's share of Russia exports (according to Russia's Federal Customs Service), as %			Russia's share of region's / country's imports*, as %			Changes in Russia's market share, as p.p.	Changes in Russia's market share, as p.p.
	2013	2014	2015	2013	2014	2015	2015 from 2013	2015 from 2014
CIS, includ- ing:	14.0	12.9	13.0	36.1	37.0	34.8	-1.3	-2.2
EAEU**	7.8	7.4	8.2	41.1	40.1	41.7	+0.5	+1.5
Ukraine	4.5	3.4	2.7	30.9	31.4	24.8	-6.2	-6.6
EU	53.8	52.0	48.1	12.6	11.4	8.2	-4.4	-3.1
EFTA***	1.8	0.9	1.0	2.3	1.2	1.0	-1.3	-0.2
USA	2.1	2.1	2.8	0.5	0.4	0.4	-0.1	+0.0
China	6.8	7.5	8.3	1.8	1.9	1.7	-0.1	-0.2
Japan	3.7	4.0	4.2	2.4	2.4	2.2	-0.1	-0.2
South Korea	2.8	3.7	3.9	2.9	3.5	3.1	+0.2	-0.4
Turkey	4.8	5.0	5.6	10.1	10.3	9.3	-0.8	-1.0

* commodity flow from Russia to a given country (according to Russia's Federal Customs Service) is divided by region's/country's total imports by volume (according to COMTRADE, WTO).

** Armenia, Belarus, Kazakhstan, Kyrgyzstan.

*** Switzerland, Iceland, Norway, Liechtenstein.

Source: own calculations based on the data released by COMTRADE, WTO, Russia's Federal Customs Service.

The geographic pattern of Russia exports shows a steady “eastward” trend (“the Turn to the East”). The EU's share of Russia exports (according to the data released by Russia's Federal Customs Service) dropped from 53.8% to 48.1% mostly due to the fact that the fuel component prevails in exports to this region¹. The share of EFTA countries and Ukraine shrank, too. Note that Russia saw its market share contract considerably in the markets of Ukraine, EU and EFTA in the period between 2013 and 2015 (by 6.2, 4.4 and 1.3 p.p., respectively). At the same time, the share of Russia exports to “eastern” partners (China, Japan, Korea, Turkey) increased. However, Russia managed to increase its share (+0.2 p.p.) only in the South Korea's market.

As compared to 2013, the EAEU's share of Russia exports and Russia's market share in EAEU partner countries shrank in 2014, but they rebounded in full in 2015, going up beyond the values seen in 2013. The CIS share of Russia exports combines both positive dynamics driven by growth in EAEU's share and negative dynamics due to the shrinkage of Ukraine's share. ●

1 See Knobel A., Firanchuk A. Russia exports to the EU // Economic development in Russia, 2016, No. 7 (23). PP. 27–30.