

# EXPORTS SNAPSHOT

## H1 2017

### KEY INDICATORS

	H1 2016	H1 2017	Change
All food & drink	£9.4bn	£10.2bn	8.5%
EU	£5.7bn	£6.3bn	9.0%
Non-EU	£3.7bn	£4.0bn	7.6%
EU share	60.9%	61.2%	+0.3pp
Non-EU share	39.0%	38.7%	-0.3pp
Trade balance	-£10.7bn	-£12.4bn	-15.8%

### BRANDED GOODS\*

	H1 2016	H1 2017	Change
World	£2.4bn	£2.7bn	11.3%
EU	£1.7bn	£1.8bn	10.2%
Non-EU	£0.8bn	£0.9bn	13.7%
EU share	68.7%	68.0%	-0.7pp
Non-EU share	31.3%	32.0%	0.7pp

\*Food and non-alcoholic drinks

### Executive Summary

- H1 2017 exports of all food and drink reached £10.2bn, up 8.5% on 2016, led by growth to the EU27.
- Contrary to recent export trends, stronger growth was reported to EU countries (+9.0%) than to countries outside the EU (+7.6%).
- Exports of branded goods rose by 11.3% to £2.7bn in H1 2017, representing the highest H1 value on record.
- Exports to China saw the largest growth (+35.3%) of non-EU markets in the top 10, while exports grew by 77% to South Korea led by beer.
- UK's food and drink trade deficit continued to increase in H1 2017, up by 16% to -£12.4bn due to the rising cost of imported goods as a result of the weaker pound.
- Exports of beer overtook chocolate to become the UK's third largest export product by value, behind whisky and salmon.

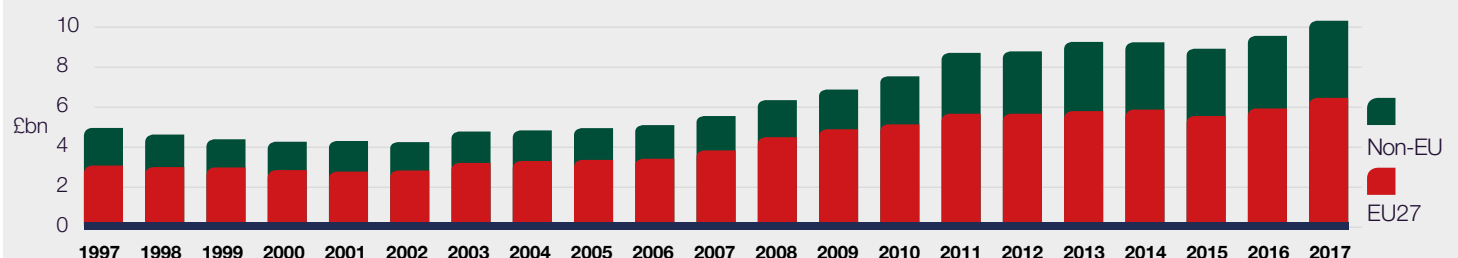
### TOP 10 PRODUCTS

	H1 2017	Change		
		Value	% Value	% Volume
Whisky	£1819.5m	£64.1m	3.7%	-1.0%
Salmon	£407.9m	£142.6m	53.7%	24.0%
Beer	£313.3m	£48.6m	18.4%	-2.2%
Chocolate	£298.7m	£8.5m	2.9%	-5.6%
Cheese	£291.8m	£59.7m	25.7%	1.0%
Wine	£273.8m	£47.6m	21.0%	15.4%
Gin	£235.1m	£9.1m	4.0%	1.9%
Beef	£233.0m	£26.8m	13.0%	-5.0%
Pork	£224.8m	£42.1m	23.0%	-1.9%
Soft drinks	£206.4m	£5.1m	2.5%	-8.9%

### TOP 20 MARKETS

Ireland	£1765.4m	↑ 12.4%
France	£1082.7m	↑ 9.3%
United States	£1046.5m	↑ 7.9%
Netherlands	£705.0m	↑ 13.5%
Germany	£675.4m	↑ 7.7%
Spain	£407.4m	↓ 17.6%
Belgium	£341.9m	↑ 39.0%
China	£274.3m	↑ 35.3%
Italy	£267.0m	↑ 6.9%
Hong Kong	£219.1m	↑ 27.5%
Australia	£171.9m	↑ 24.7%
Poland	£167.1m	↑ 20.1%
Denmark	£166.0m	↑ 13.7%
United Arab Emirates	£164.8m	↑ 0.3%
South Korea	£156.3m	↑ 77.0%
Singapore	£152.8m	↑ 16.0%
Canada	£152.1m	↑ 5.1%
Sweden	£145.4m	↑ 10.4%
Japan	£110.1m	↓ 1.9%
Taiwan	£95.0m	↑ 0.4%

### UK H1 FOOD AND DRINK EXPORTS



## H1 2017

### Export growth to EU27 outpaces non-EU markets

- Contrary to recent trends, stronger growth was reported for exports to the EU (+9.0%) than to countries outside the EU (+7.6%).
- Top 3 EU markets are: Ireland, France and the Netherlands.
- Belgium saw the largest rate of export growth (+39%) in the top 10 EU27 markets.
- In a recent Grant Thornton survey commissioned by FDF, businesses indicated that they source a third of raw materials from the EU.

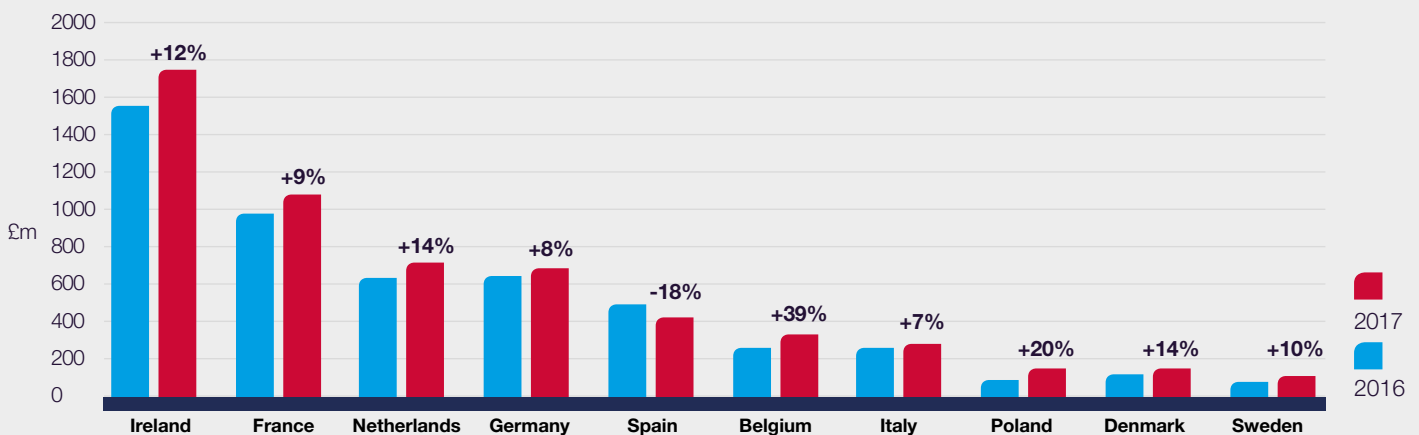
### Share of total UK food and drink exports



### TOP 10 PRODUCTS

	H1 2017	Change		
		Value	% Value	% Volume
Whisky	£578.8m	£24.3m	4.4%	-0.3%
Chocolate	£221.9m	£3.3m	1.5%	-7.5%
Cheese	£221.6m	£54.4m	32.6%	5.5%
Beef	£195.5m	£17.0m	9.5%	-10.3%
Salmon	£188.4m	£57.3m	43.7%	17.1%
Lamb	£173.3m	£32.4m	23.0%	12.7%
Soft drinks	£164.0m	£1.1m	0.7%	-9.6%
Liquid milk & cream	£149.4m	£65.0m	77.0%	35.6%
Pork	£137.5m	£28.9m	26.6%	-3.0%
Vegetables	£135.2m	£11.7m	9.5%	1.7%

### TOP 10 EU MARKETS OF FOOD AND DRINK EXPORTS

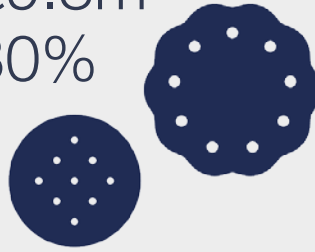


### US tops non-EU market for branded exports

- The US is the UK's top non-EU market for exports of branded food and drink, reaching £91.5m in H1 2017, up from £87.8m in 2016.
- Top UK branded goods sold to the US in H1 included food preparations, bread, pastry, cakes, puddings and sweet biscuits.
- The US has been identified by the Government as providing significant opportunities for a trade deal post-Brexit.

#### Sweet biscuits

£9.3m  
30%



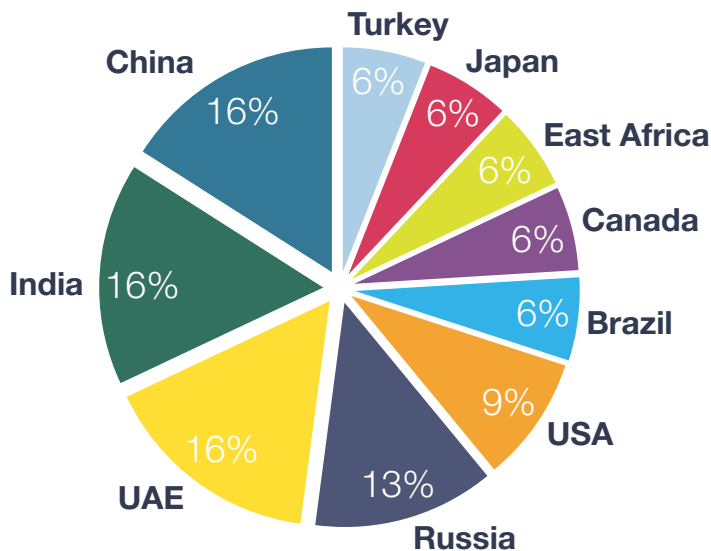
£9.9m  
63.3%

**Bread, pastry, cakes & puddings**

### China, India and UAE top 3 potential markets

- China, India and the UAE were identified as the top 3 markets that food and drink companies would like to target, according to the [Grant Thornton survey](#) commissioned by FDF.
- These countries were prioritised by the companies surveyed based on their scale which affords a sizeable middle class target customer base with strong and growing demand for quality Western products.
- All food and drink exports to China rose by 35% in H1 2017, to £274.3m, making it the UK's 8th largest export market by value and the 2nd non-EU market.
- The UAE and India are currently the UK's 14th and 31st biggest export markets for food and drink by value.

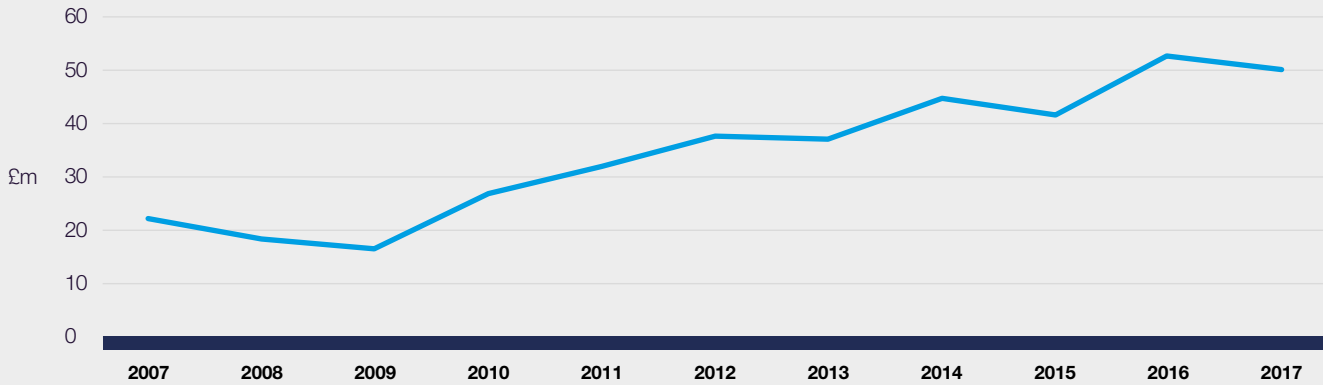
### What are the top 5 non-EEA markets you would like to export to but do not currently export to and why?



- The complexity and costs
- Identifying a distributor in the local market
- The high import tariffs applied
- Uncertainty on consumer demand
- Affordability of UK products for local consumers

**Note:** 19 survey responses; Multiple options question, therefore total number of country mentions higher than number of companies responding to this survey questions  
**Source:** Grant Thornton survey and interviews

### H1 FOOD AND DRINK EXPORTS TO INDIA

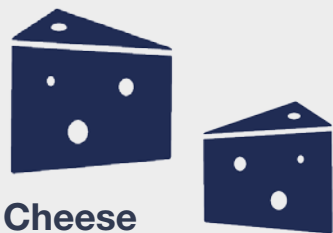


### EXPORTS TO CHINA BY SECTOR

	H1 2016	H1 2017	Change
Other groceries	£23.6m	£127.7m	442.2%
Fish & seafood	£41.2m	£64.5m	56.5%
Alcoholic drinks	£28.9m	£56.1m	93.9%
Dairy	£45.8m	£41.4m	-9.7%
Meat & animal products	£37.2m	£39.9m	7.4%

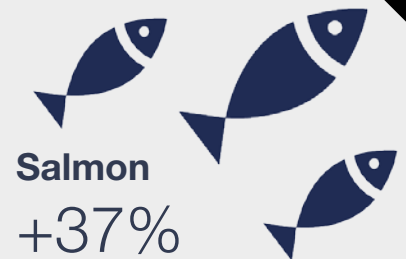
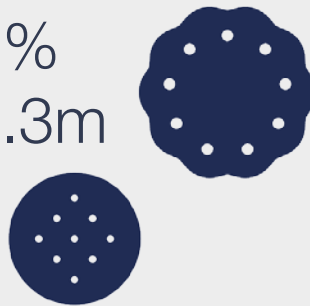


### Highest UK product export growth to the UAE



**Cheese**  
+58%  
to £8.1m

**Sweet biscuits**  
+195%  
to £6.3m



**Salmon**  
+37%  
to £4.2m



**Soft Drinks**  
+146%  
to £5.7m



**Sauces and condiments**  
+60%  
to £5.8m