

# EXPORTS SNAPSHOT

## Q1 2019

### EXECUTIVE SUMMARY

- Q1 2019 exports of food and drink increased by 10.7% (y-o-y) to £5.8bn, almost twice the growth rate of Q1 2018 (+6.3%).
- Export growth to non-EU markets (+12.2%) outpaced EU markets (+9.9%). This was also the case for sales of branded goods.
- Growth of more than 20% was recorded in six of our top 20 export markets: the Netherlands, China, Sweden, Japan, Taiwan and Saudi Arabia.
- Exports of all top 10 products recorded value and volume growth in Q1 2019, the strongest value growth being salmon at 40.9%.
- While Q1 exports have shown positive results, feedback from businesses at recent trade fairs tells us that key buyers in some of our top 20 markets are no longer willing to buy from UK exporters due to ongoing Brexit uncertainty. This could have a significant impact on our export figures later in 2019.
- The Food and Drink Sector Council (FDSC) Exports Working Group, led by Graham Hutcheon, Managing Director, Group Operations, Edrington, aims to drive a step-change in food and drink exports through a range of activities. This includes supporting the successful launch of a Food and Drink Sector Deal.
- Through the Food and Drink Sector Deal, five target markets (China, the Gulf region, the USA, Japan and India) have been identified as offering significant growth potential for UK food and drink.
- Saudi Arabia, one of the target markets, moved into the top 20 exports markets for UK food and drink this quarter.

### KEY INDICATORS

	Q1 2018	Q1 2019	Change
All food & drink	£5.3bn	£5.8bn	<b>10.7%</b>
EU	£3.3bn	£3.7bn	<b>9.9%</b>
Non-EU	£1.9bn	£2.1bn	<b>12.2%</b>
EU share	63.5%	63.0%	<b>-0.5pp</b>
Non-EU share	36.4%	36.9%	<b>+0.5pp</b>
Trade balance	-£5.9bn	-£6.1bn	<b>-4.5%</b>

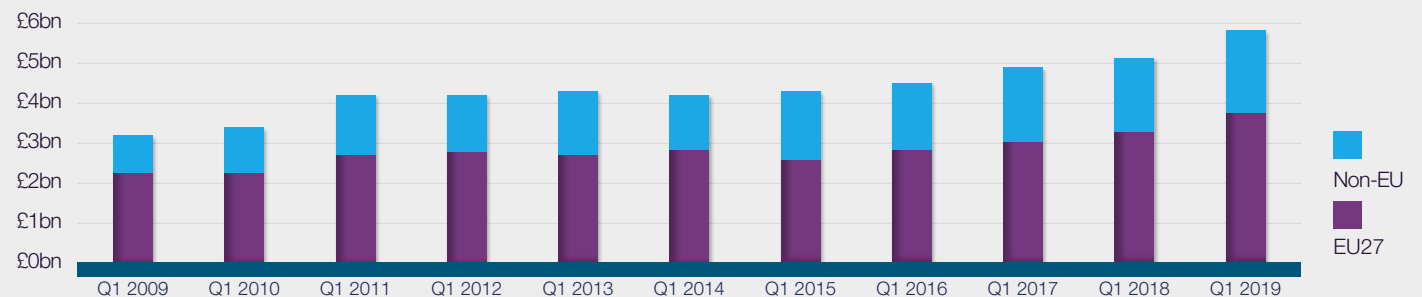
### TOP 10 PRODUCTS

	Q1 2019	Change		
		Value	Value (%)	Volume (%)
Whisky	£1139.0m	<b>£183.6m</b>	<b>19.2%</b>	<b>15.8%</b>
Salmon	£206.5m	<b>£59.9m</b>	<b>40.9%</b>	<b>19.9%</b>
Chocolate	£198.1m	<b>£11.1m</b>	<b>5.9%</b>	<b>8.6%</b>
Cheese	£193.2m	<b>£25.1m</b>	<b>15.0%</b>	<b>14.4%</b>
Wine	£173.3m	<b>£28.5m</b>	<b>19.7%</b>	<b>8.6%</b>
Gin	£155.4m	<b>£35.5m</b>	<b>29.6%</b>	<b>19.5%</b>
Beef	£142.3m	<b>£5.4m</b>	<b>3.9%</b>	<b>14.2%</b>
Beer	£130.5m	<b>£21.4m</b>	<b>19.6%</b>	<b>51.6%</b>
Breakfast cereals	£125.9m	<b>£6.0m</b>	<b>5.0%</b>	<b>11.5%</b>
Pork	£120.3m	<b>£9.5m</b>	<b>8.6%</b>	<b>4.3%</b>

### TOP 20 MARKETS

Ireland	£1016.6m	↑	<b>1.8%</b>
France	£582.9m	↑	<b>11.2%</b>
United States	£523.1m	↑	<b>13.0%</b>
Netherlands	£471.6m	↑	<b>21.9%</b>
Germany	£405.3m	↑	<b>15.3%</b>
Spain	£224.9m	↑	<b>6.1%</b>
Belgium	£195.6m	↑	<b>12.3%</b>
China	£164.1m	↑	<b>24.3%</b>
Italy	£154.7m	↑	<b>6.5%</b>
Poland	£106.4m	↑	<b>13.0%</b>
Sweden	£99.9m	↑	<b>38.7%</b>
Australia	£99.6m	↑	<b>2.2%</b>
Denmark	£93.4m	↑	<b>10.5%</b>
Hong Kong	£92.3m	↓	<b>-18.0%</b>
Singapore	£91.5m	↓	<b>-8.3%</b>
Japan	£86.3m	↑	<b>52.2%</b>
Canada	£77.0m	↑	<b>9.0%</b>
United Arab Emirates	£74.5m	↓	<b>-8.9%</b>
Taiwan	£64.9m	↑	<b>23.4%</b>
Saudi Arabia	£53.0m	↑	<b>28.6%</b>

### UK FOOD AND DRINK EXPORTS OVER 10 YEARS



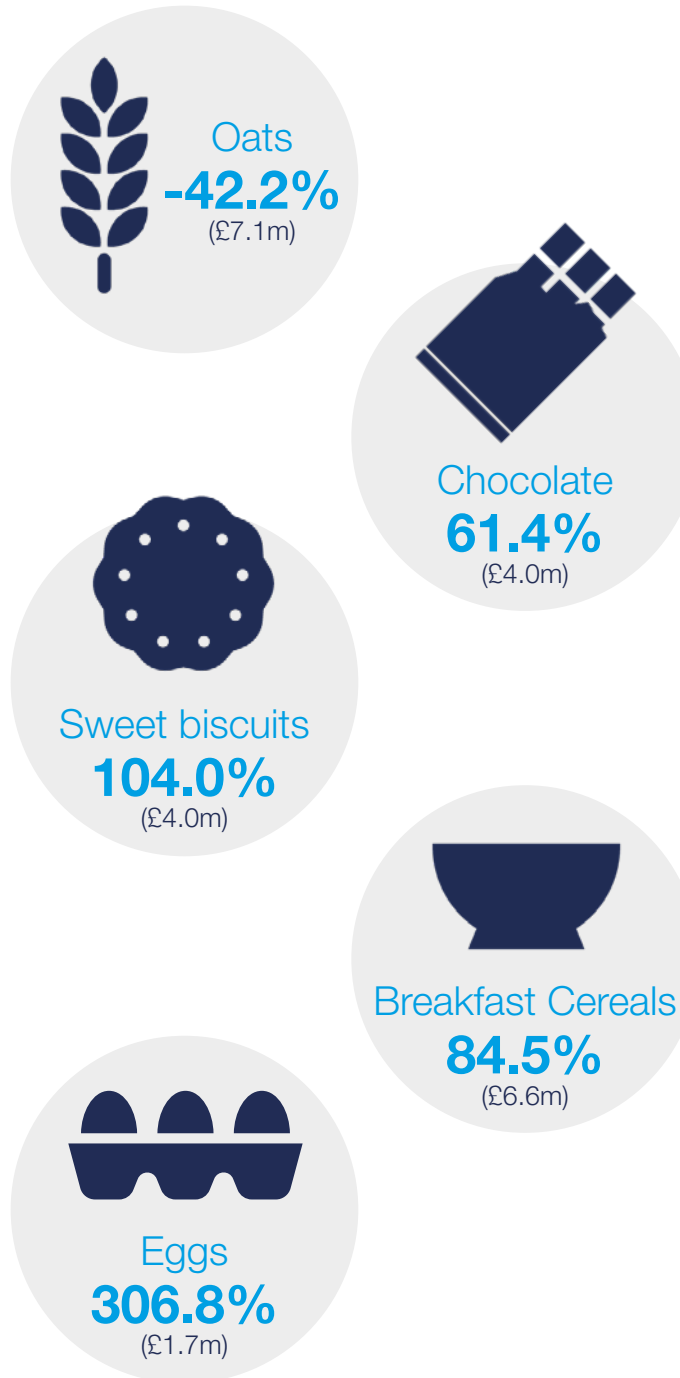
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### SAUDI ARABIA MOVES INTO TOP 20 EXPORT MARKETS

- In FDF's Food and Drink Sector Deal submission for exports, we propose targeting five key growth markets. The Gulf region (including Saudi Arabia) was identified as one such market.
- This formal submission set out three activities to enhance export volumes and values including: an **export portal** to act as a focal point for export information and guidance; a **market research** unit that would produce research to inform business export activity and market prioritisation; and additional **in-market specialists** in five priority markets.
- Our sales to Saudi Arabia rose by 198% from Q1 2009 to Q1 2019.
- Between January and March 2019, our exports grew by 28.6%, moving Saudi Arabia into our top 20 export markets.
- The top 5 UK products sold to Saudi Arabia in Q1 were oats, breakfast cereals, chocolate, sweet biscuits and eggs.
- Three digit growth was recorded in 9 of the top 20 UK export products sold to Saudi Arabia in Q1, including sugar (+3,782%).
- Overall, 43 different product categories were sold to Saudi Arabia in Q1, ranging from soft drinks to dairy products and processed foods.

### TOP 5 UK PRODUCTS SOLD TO SAUDI ARABIA



Percentages here represent growth on Q1 2018

### BRANDED GOODS<sup>1</sup>

	Q1 2018	Q1 2019	Change
World	£1.41bn	£1.53bn	<b>8.4%</b>
EU	£1.03bn	£1.09bn	<b>5.9%</b>
Non-EU	£0.38bn	£0.44bn	<b>15.4%</b>
EU share	73.1%	71.4%	<b>-1.7pp</b>
Non-EU share	26.9%	28.6%	<b>1.7pp</b>

<sup>1</sup> Food and non-alcoholic drink.

### EXPORTS OF UK BRANDED GOODS

- Over the past 10 years (from Q1 2009 to Q1 2019), UK branded goods exports have increased by 110%.
- Within the top 5 export markets for branded goods, growth to the Netherlands was the highest at 13% in Q1.
- Saudi Arabia was the top 11th market of UK branded goods exports, recording growth of 82%, which was driven by breakfast cereals, chocolate and sweet biscuits.
- FDF's industry ambition is to grow exports of branded food and non-alcoholic drink by a third, from a 2014 baseline, to reach £6bn by 2020.

### TOP 10 MARKETS OF Q1 BRANDED GOODS EXPORTS

