

# EXPORTS SNAPSHOT

## H1 2018

### KEY INDICATORS

	H1 2017	H1 2018	Change
All food & drink	£10.16bn	£10.68bn	5.1%
EU	£6.25bn	£6.71bn	7.3%
Non-EU	£3.90bn	£3.96bn	1.6%
EU share	61.5%	62.8%	1.3pp
Non-EU share	38.4%	37.1%	-1.3pp
Trade balance (inc. alcohol)	-£12.6bn	-£12.1bn	-4.4%

### BRANDED GOODS\*

	H1 2017	H1 2018	Change
World	£2.7bn	£2.8bn	4.6%
EU	£1.9bn	£2.0bn	9.6%
Non-EU	£0.9bn	£0.8bn	-6.0%
EU share	68.2%	71.4%	3.2pp
Non-EU share	31.8%	28.6%	-3.2pp

\*food and non-alcoholic drinks

### Executive Summary

- H1 2018 exports of all food and drink hit £10.68bn, up 5.1% on 2017, led by growth to the EU27.
- Growth in exports to EU countries (+7.3%) outpaced those to non-EU countries (+1.6%).
- The top five markets made up over half (52%) of overall food and drink exports, with exports to Ireland alone representing a share of 18.5%.
- H1 2018 exports of branded goods rose by 4.6% overall, despite a fall in exports to non-EU markets which was due to negative growth in sales of animal feed and sweet biscuits.
- The fastest growing UK exports by value within the top 10 were breakfast cereals, gin, and beef.
- Over the past 10 years, from H1 2008 to H1 2018, food and drink exports have grown by 75%, with an average annual growth rate of 5.2%. Over the same period, exports to non-EU countries grew faster (109%) than those to EU countries (59%).

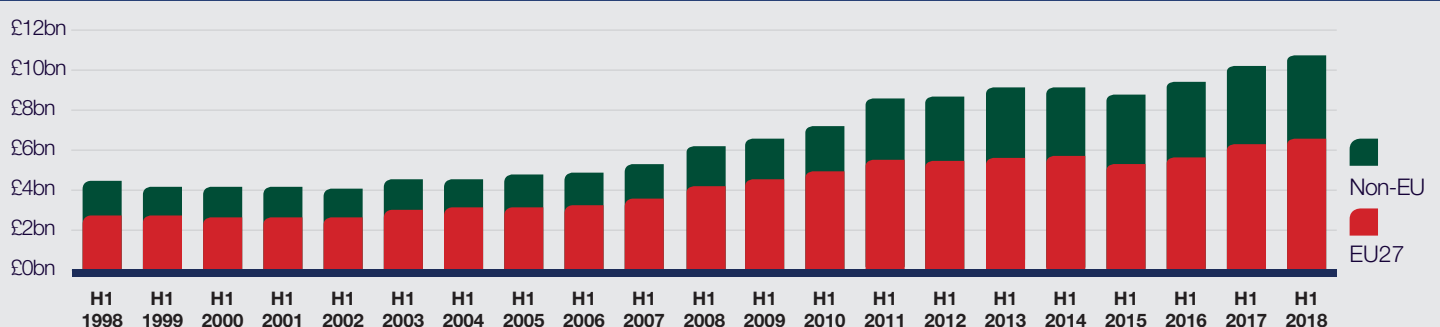
### TOP 20 MARKETS

Ireland	£1975.2m	↑ 12.0%
France	£1056.8m	↓ -2.7%
United States	£981.9m	↓ -6.4%
Netherlands	£794.9m	↑ 11.7%
Germany	£706.8m	↑ 4.7%
Spain	£462.2m	↑ 13.7%
Belgium	£343.6m	↑ 4.5%
China	£296.5m	↑ 8.6%
Italy	£283.0m	↑ 5.9%
Hong Kong	£216.6m	↓ -0.9%
Australia	£204.2m	↑ 19.3%
Poland	£188.4m	↑ 12.5%
Singapore	£186.8m	↑ 22.5%
United Arab Emirates	£170.7m	↑ 3.8%
Denmark	£167.7m	↑ 1.0%
Canada	£141.7m	↓ -6.9%
Sweden	£139.9m	↓ -4.2%
Japan	£122.0m	↑ 10.6%
Taiwan	£102.9m	↑ 8.5%
South Africa	£93.7m	↑ 1.8%

### TOP 10 PRODUCTS

	H1 2018	Change		
		Value	% Value	% Volume
Whisky	£2010.6m	£191.3m	10.5%	4.9%
Chocolate	£340.0m	£41.1m	13.8%	13.3%
Cheese	£322.1m	£34.2m	11.9%	16.7%
Salmon	£312.3m	-£95.1m	-23.3%	-23.9%
Wine	£306.8m	£31.9m	11.6%	33.6%
Gin	£280.4m	£45.3m	19.3%	12.5%
Beef	£268.7m	£39.6m	17.3%	9.7%
Breakfast cereals	£241.4m	£46.0m	23.5%	22.7%
Beer	£235.3m	-£25.6m	-9.8%	-11.4%
Pork	£220.6m	-£4.9m	-2.2%	-0.3%

### UK H1 FOOD AND DRINK EXPORTS



## H1 2018

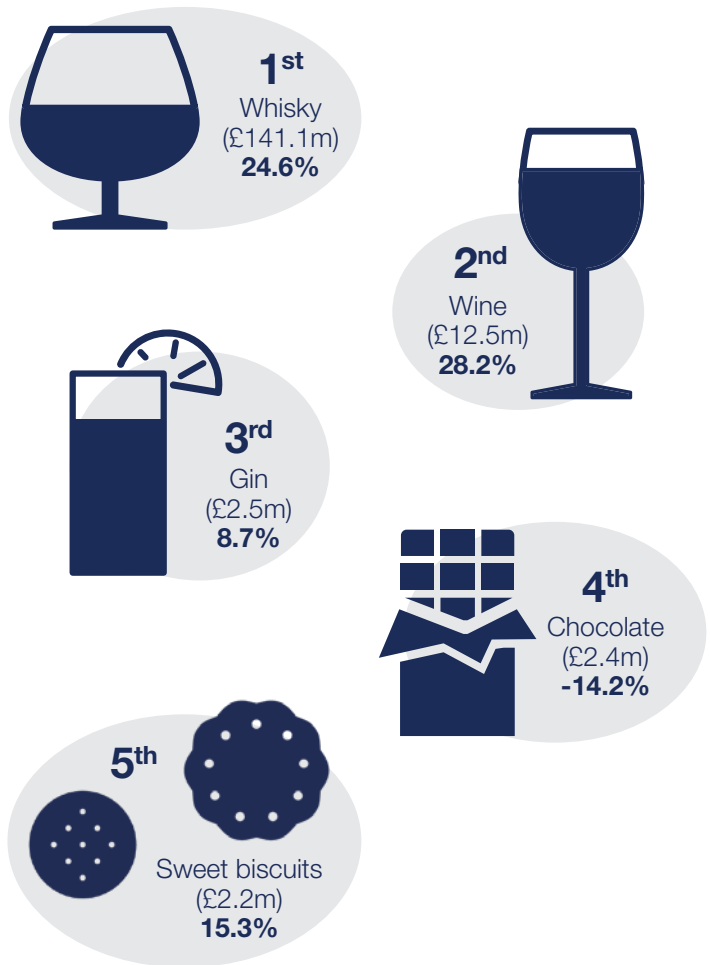
### What happened in H1 2018?

- Food and drink manufacturers generated a Gross Value Added (GVA) increase of 2.0% (y-o-y) in Q2, up from 1.6% in Q1.
- Prices of food and soft drinks grew on average by 2.8% over H1 2018 (y-o-y).
- In FDF's Q2 [confidence survey](#), almost a quarter of companies reported increased volume of sales to markets outside of the EU.
- Increased export demand was also noted as a top opportunity for 2018.

### Singapore and Australia the fastest growth markets

- UK food and drink exports grew by 22.5% to Singapore and 19.3% to Australia in H1 2018, representing the fastest growth markets within the largest 20 markets.
- The top 5 products sold to Singapore were whisky, wine, gin, chocolate and sweet biscuits.
- Sales of gin were up 115% to Australia, while soft drinks exports rose by 99%. Outside of the top 10 products, pasta sales to Australia were up 257% in H1 2018.
- UK exports to China, Australia and Singapore all grew over 40% between H1 2016 and H1 2018.
- Australia and China are two of the UK Government's priority export markets, with campaign activities running between 2016 - 2020 as part of the UK Food and Drink International Action Plan.

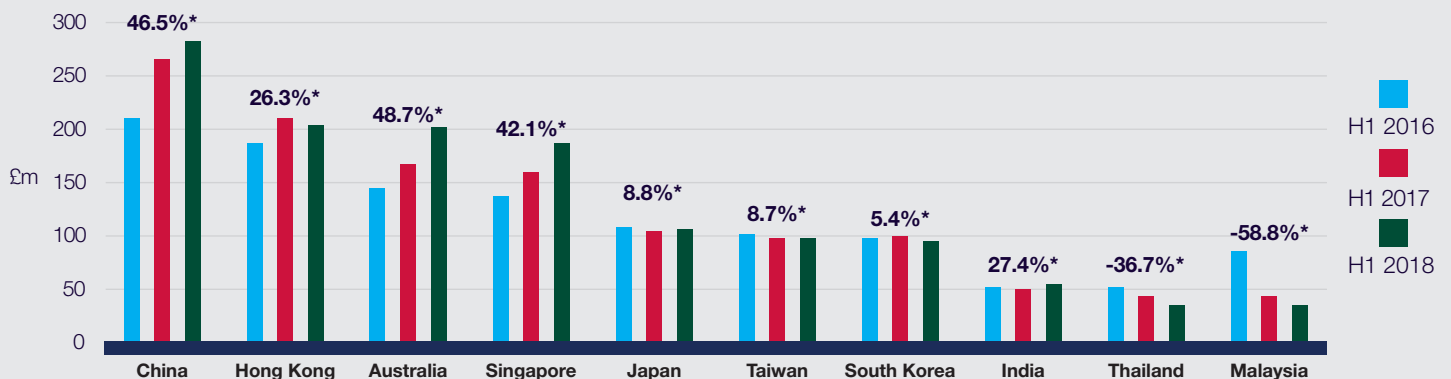
### TOP 5 PRODUCTS TO SINGAPORE



### TOP 10 PRODUCTS TO AUSTRALIA

	H1 2018	Change		
		Value	% Value	% Volume
Whisky	£56.6m	£11.6m	25.8%	5.9%
Gin	£10.3m	£5.5m	114.5%	43.7%
Chocolate	£8.0m	£0.9m	13.2%	16.5%
Breakfast cereals	£7.9m	£2.7m	53.2%	78.0%
Sweet biscuits	£6.5m	£-1.6m	-19.9%	-6.0%
Sauces and condiments	£6.0m	£0.2m	3.8%	14.9%
Beer	£5.6m	£1.2m	26.6%	10.0%
Savoury biscuits	£4.8m	£2.0m	72.2%	35.5%
Soft drinks	£4.4m	£2.2m	99.3%	289.4%
Cakes	£4.3m	£-4.2m	-49.3%	-43.5%

### TOP 10 ASIA PACIFIC MARKETS FOR UK FOOD AND DRINK EXPORTS



\* the percentages here refer to the percentage change between H1 2016 and H1 2018.

### Food and Drink Sector Deal: Market Access

- FDF has developed a Sector Deal proposal as part of the Government's Industrial Strategy activity to boost specialist export support including increased access to market research, in-market specialists and the development of an online food and drink export portal.
- For the in-market specialists, we propose targeting five priority growth markets identified by food and drink exporters in research FDF commissioned [Grant Thornton](#) to undertake. The priority markets are China, the USA, India, Japan and the UAE.
- While food and drink businesses are looking to sell to these markets, they struggle to do so due to market complexity, cost and unfamiliarity.

### COMPARISONS OF FOOD AND DRINK EXPORTS TO CHINA, THE US AND JAPAN

CHINA	2015	2016	2017	CAGR* 2015-17	% change
UK	£289.9m	£438.7m	£564.5m	24.9%	94.7%
SPAIN	€765.1m	€1112.2m	€1090.2m	12.5%	42.5%
IRELAND	€509.2m	€697.0m	€713.8m	11.9%	40.2%
DENMARK	€701.7m	€883.6m	€873.8m	7.6%	24.5%
GERMANY	€1285.5m	€1663.5m	€1444.1m	4.0%	12.3%
FRANCE	€2315.7m	€1938.6m	€2368.5m	0.8%	2.3%

US	2015	2016	2017	CAGR* 2015-17	% change
IRELAND	€709.9m	€897.9m	€1031.2m	13.3%	45.3%
SPAIN	€1469.9m	€1673.6m	€1804.1m	7.1%	22.7%
UK	£1901.9m	£2154.8m	£2272.6m	6.1%	19.5%
FRANCE	€3492.6m	€3811.9m	€4146.4m	5.9%	18.7%
GERMANY	€1596.4m	€1680.0m	€1746.8m	3.0%	9.4%
DENMARK	€361.4m	€362.4m	€393.0m	2.8%	8.7%

JAPAN	2015	2016	2017	CAGR* 2015-17	% change
IRELAND	€35.6m	€54.5m	€90.3m	36.3%	153.3%
SPAIN	€653.4m	€739.1m	€858.2m	9.5%	31.3%
GERMANY	€329.4m	€353.2m	€422.7m	8.7%	28.3%
DENMARK	€565.1m	€630.9m	€642.7m	4.4%	13.7%
UK	£216.2m	£222.9m	£238.6m	3.3%	10.4%
FRANCE	€1076.2m	€1074.3m	€1119.7m	1.3%	4.0%

\*Compound annual growth rate

Source of Data: Her Majesty's Customs & Excise (UK - £) and Eurostat (other countries - €)

### China, the US, and Japan

- Comparing UK food and drink sales to these target markets over the past three years with the sales from EU counterparts highlights the huge potential for future UK export growth in food and drink.
- Growth of UK food and drink sales to Japan (+10.4%), for instance, lagged behind the growth of Ireland (+153.3%), Spain (+31.3%), Germany (+28.3%), and Denmark (+13.7%) sales between 2015 and 2017.
- To bridge the gap in export growth to these countries, we propose putting in place food and drink sector commercial and regulatory specialists in these markets as part of a Food and Drink Sector Deal.
- Between 2015 and 2017, UK food and drink exports to China have risen by 94.7%. This success can be attributed in part to the presence of an in-market specialist in China, appointed in 2015, as well as the strong growth of the Chinese consumer market.

# EXPORTS SNAPSHOT

## H1 2018

**F|D|E|A**  
Food & Drink  
Exporters Association

**fdf**

The UK food & drink manufacturing sector employs more than

**117,000**

EU workers almost **1/3** of our workforce



The UK is Ireland's largest trading partner for food and drink.

**41%** of its food & drink exports go to the UK (€4.4bn)



Food & drink contributes

**£28.8bn** to the economy



Soft drink companies have reduced sugars & calories from their products by **18%** since 2012



With the support of industry, the UK Government has set up the most ambitious sugars reduction programme anywhere in the world

to help lower sugar in the national diet



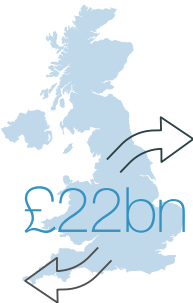
The food & drink industry is the biggest manufacturing sector in the country...

...larger than automotive & aerospace combined



In 2017, total food & drink export figures were worth more than

**£22bn**



Our top three export markets are **Ireland, USA & France**

Grow exports of branded food and non-alcoholic drink by a third...

**FDF** export ambition

...reaching **£6bn** by 2020



The food supply chain employs almost **4 million** people & generates over **£112 billion** of value for the economy each year



Our industry employs over **400,000** people



We will need **140,000** new recruits by 2024



to feed an expected population of **70m** people & meet market demands

Our industry has a turnover of **£97.3bn** accounting for **19%** of total UK manufacturing



**fdf** has pledged to triple apprenticeships within the food & drink industry by 2020

