

EXPORTS SNAPSHOT

Q1 2018

KEY INDICATORS

	Q1 2017	Q1 2018	Change
All food & drink	£4.95bn	£5.22bn	5.5%
EU	£3.06bn	£3.31bn	8.2%
Non-EU	£1.89bn	£1.91bn	1.2%
EU share	61.7%	63.3%	1.60pp
Non-EU share	38.2%	36.6%	-1.60pp
Trade balance (inc. alcohol)	-£6.2bn	-£5.8bn	+5.5%

BRANDED GOODS*

	Q1 2017	Q1 2018	Change
World	£1.33bn	£1.41bn	6.2%
EU	£0.93bn	£1.03bn	10.7%
Non-EU	£0.40bn	£0.38bn	-4.3%
EU share	70.1%	73.0%	2.9pp
Non-EU share	29.9%	27.0%	-2.9pp

*food and non-alcoholic drinks

Executive Summary

- Q1 2018 exports of food and drink rose by 5.5% (y-o-y) from £5.0bn in Q1 2017 to £5.2bn.
- Q1 2018 food and drink export growth to EU markets (+8.2%) rose quicker than to non-EU markets (+1.2%). This was also the case for exports of branded goods.
- Positive growth was recorded in all of the top ten products (including whisky, chocolate, cheese, wine and beef), apart from salmon and beer.
- The Czech Republic moved into the top 20 export markets for UK food and drink, up 52.3% after sales of sugar confectionery increased in Q1 2018.
- FDF has developed sector deal proposals as part of the Government's Industrial Strategy activity to boost specialist export support including increased market research access, in-market specialists and an online export portal.

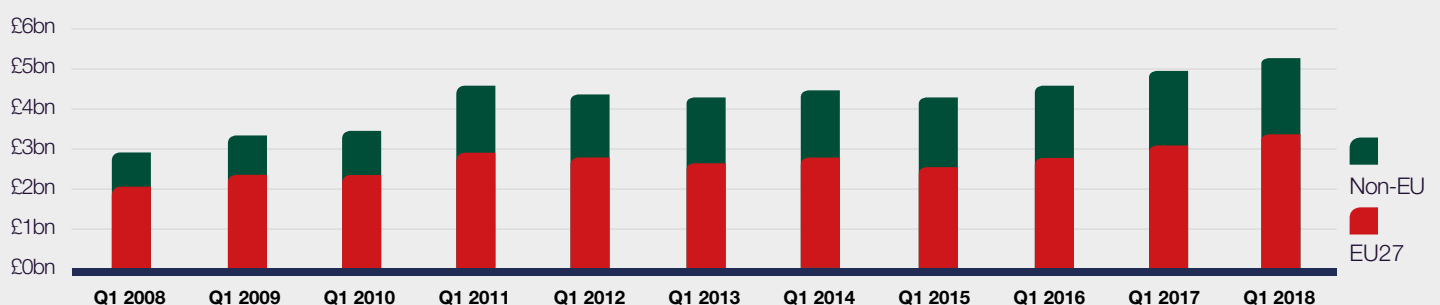
TOP 20 MARKETS

Ireland	£981.0m	↑ 13.6%
France	£518.8m	↓ -0.4%
United States	£461.4m	↓ -9.0%
Netherlands	£381.1m	↑ 9.5%
Germany	£352.8m	↑ 5.6%
Spain	£209.1m	↑ 6.5%
Belgium	£172.5m	↑ 6.8%
Italy	£145.4m	↑ 12.2%
China	£132.4m	↑ 9.0%
Hong Kong	£112.7m	↑ 2.8%
Singapore	£99.9m	↑ 30.9%
Australia	£98.0m	↑ 21.9%
Poland	£96.5m	↑ 14.1%
Denmark	£85.6m	↑ 8.4%
United Arab Emirates	£81.9m	↓ -0.3%
Canada	£70.5m	↓ -9.0%
Sweden	£68.6m	↓ -5.4%
Japan	£56.7m	↑ 5.4%
Taiwan	£52.6m	↑ 18.2%
Czech Republic	£44.7m	↑ 52.3%

TOP 10 PRODUCTS

	Q1 2018	Change		
		Value	% Value	% Volume
Whisky	£955.0m	£58.5m	6.5%	2.9%
Chocolate	£185.5m	£27.8m	17.6%	12.6%
Cheese	£161.9m	£17.5m	12.1%	19.8%
Salmon	£146.0m	-£40.7m	-21.8%	-16.1%
Wine	£145.0m	£11.6m	8.7%	16.3%
Beef	£137.1m	£21.1m	18.2%	7.2%
Gin	£119.0m	£10.7m	9.9%	10.7%
Breakfast cereals	£111.2m	£25.8m	30.3%	29.1%
Pork	£111.0m	£1.4m	1.3%	4.7%
Beer	£109.1m	-£16.1m	-12.8%	-16.3%

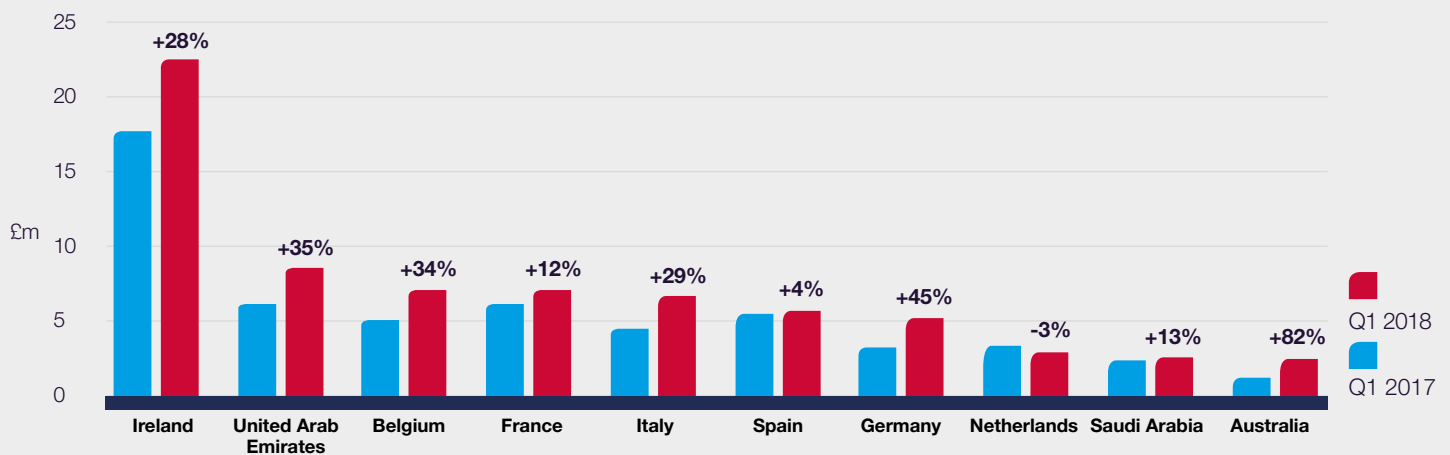
ALL UK FOOD AND DRINK EXPORTS OVER 10 YEARS



Fastest Product Growth: Breakfast Cereals

- Breakfast cereals was the UK's eighth largest category for exports in Q1 2018, recording the fastest growth rate in the quarter, increasing by 30% to £111.2m.
- The top five markets for breakfast cereals are Ireland, the UAE, Belgium, France and Italy. The fastest growth market for the sales of UK breakfast cereals was Australia in Q1 2018.

TOP 10 BREAKFAST CEREALS EXPORT DESTINATIONS



Industrial Strategy: Japan focus

- In FDF's food and drink sector deal proposal for exports, we propose targeting five key growth markets that emerged as the top target markets for food and drink exporters in [Grant Thornton](#) research commissioned by FDF.
- While food and drink businesses are looking to sell to these markets, they struggle to do so due to market complexity, cost, and unfamiliarity. Japan was identified as one such market.
- Between 2007 and 2014, UK exports have grown at a slower rate than the EU27 average for food and drink exports to Japan.
- As such, there is significant untapped potential in the Japanese market and with extra in-market support, UK food and drink exporters could maximise this potential.
- With the Rugby World Cup being held in Japan in 2019 and the Olympic Games in 2020, we see an opportunity for food and drink companies to showcase their products.
- Food and drink exports to Japan rose by 5% in Q1 2018, from Q1 2017, to £56.7m and it is now the UK's 18th largest export destination for food and drink.
- There was notable growth in the following product categories: sweet biscuits (119%), pork (88%), soft drinks (90%) and cheese (507%).

QUARTERLY FOOD AND DRINK EXPORTS TO JAPAN

