TRADE SNAPSHOT

H1 2021 Exports

EXECUTIVE SUMMARY

- UK exports were down 4.5% in H1 2021 compared to H1 2020, and 17.3% when compared to pre-COVID levels of H1 2019.
- The on-going impacts of the COVID-19 pandemic, and the new trading relationship with the EU, resulted in a drop in EU exports of 15.9% in H1 when compared to H1 2020, and 27.4% compared to H1 2019.
- Exports to the Republic of Ireland, our biggest export market, fell significantly with a loss of 22% compared to 2020, and 27% compared to pre-COVID data - a loss of more than £0.5bn.
- Sales to non-EU countries were up 13% in H1 2021 compared to H1 2020, driven by a return to growth in China, Singapore, Australia, Japan and the Gulf region.
- Exports to China were up more than a quarter compared to 2020, with increased sales of nearly £100m. However, the loss of sales to Germany, Spain and Italy of around a third, resulted in lost exports totalling £445m in the past year.

Data Sources: Her Majesty's Customs & Excise.

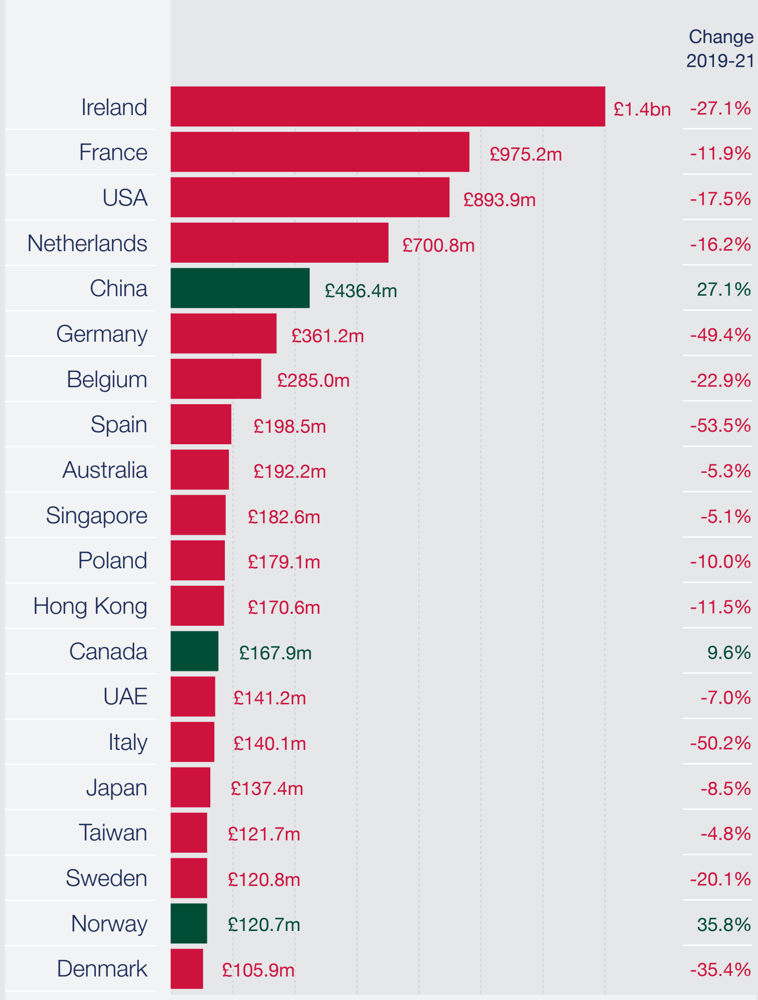
KEY INDICATORS

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
All food and drink	£11.1bn	£9.6bn	£9.2bn	**-17.3%**	**-4.5%**
EU	£6.7bn	£5.8bn	£4.9bn	**-27.4%**	**-15.9%**
Non-EU	£4.3bn	£3.8bn	£4.3bn	**-1.5%**	**13.0%**
EU share	60.8%	60.6%	53.4%	**-7.4pp**	**-7.2pp**
Non-EU share	39.2%	39.4%	46.6%	**7.4pp**	**7.2pp**
Trade balance	-£12.0bn	-£12.6bn	-£11.8bn	**1.8%**	**6.8%**

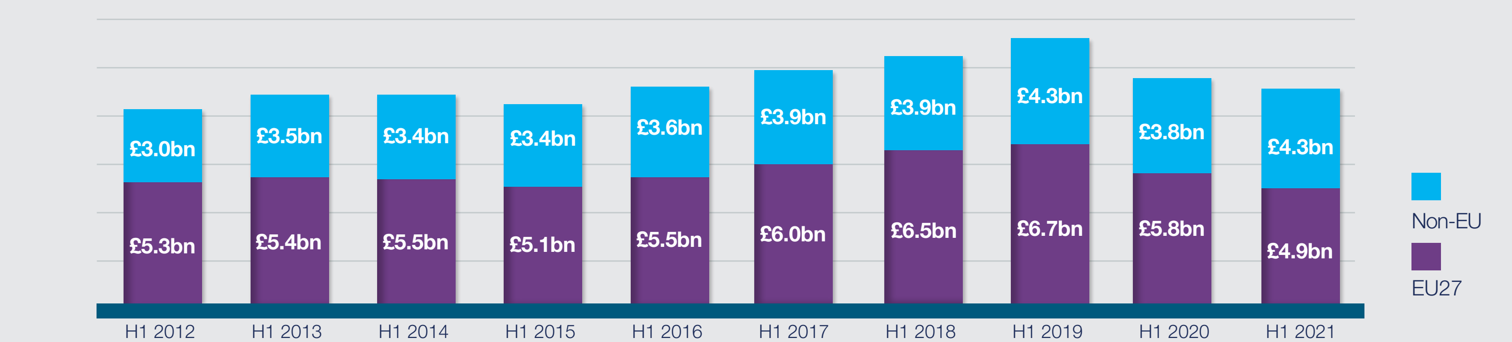
TOP 10 PRODUCTS

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
Whisky	£2.2bn	£1.5bn	£2.0bn	**-9.3%**	**31.4%**
Salmon	£394.3m	£303.2m	£355.9m	**-9.8%**	**17.4%**
Chocolate	£347.3m	£311.5m	£329.1m	**-5.2%**	**5.6%**
Pork	£252.5m	£298.5m	£300.5m	**19.0%**	**0.6%**
Cheese	£344.2m	£300.9m	£249.1m	**-27.6%**	**-17.2%**
Soft drinks	£217.7m	£195.0m	£237.4m	**9.0%**	**21.8%**
Wine	£345.1m	£228.5m	£228.5m	**-33.8%**	**0.0%**
Breakfast cereals	£244.5m	£243.3m	£222.3m	**-9.1%**	**-8.6%**
Gin	£332.6m	£252.1m	£215.3m	**-35.3%**	**-14.6%**
Beer	£234.5m	£189.3m	£205.5m	**-12.4%**	**8.6%**

TOP 20 MARKETS



H1 UK FOOD AND DRINK EXPORTS OVER 10 YEARS



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FDEA Food & Drink Exporters Association

TRADE SNAPSHOT

H1 2021

EXPORTS TO THE EU

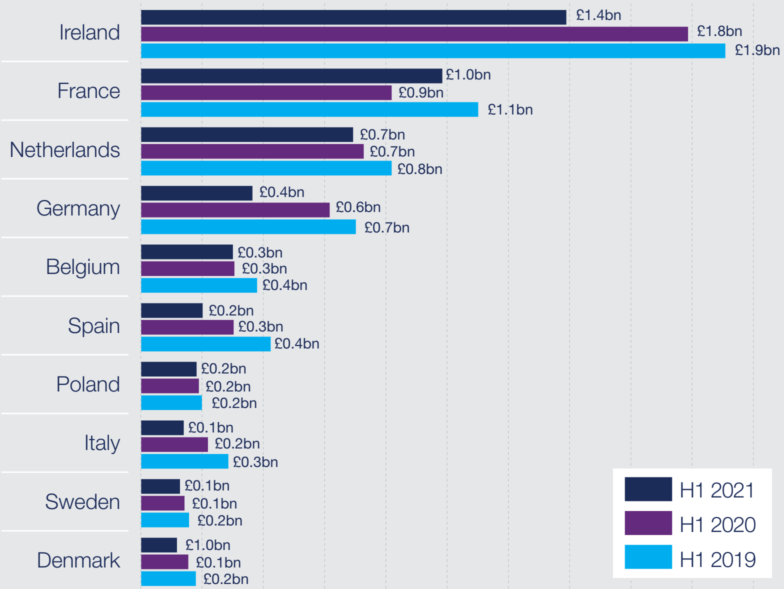
- Exports to most EU member states fell significantly compared with H1 2019 and H1 2020 figures. Exports to the Republic of Ireland were down more than £0.5bn compared to pre-COVID figures.
- Exports to Germany, Spain and Italy were down more than a third in the past year. The only increases in sales in 2021 were to France, Lithuania, Romania and Hungary.
- Sales to France increased 14.4% when compared to 2020, but were down 11.9% compared to pre-COVID levels - a loss of £132m of exports.
- Exports of cheese and beef were down around a quarter compared to H1 2020 because of the new challenges facing exporters of products of animal origin to the EU.
- Some products have shown signs of recovery since 2020, with rises in sales of whisky, milk and cream, and savoury snacks.

Data Sources: Her Majesty's Customs & Excise

TOP 10 PRODUCTS EXPORTED TO THE EU

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
Whisky	£661.1m	£484.0m	£579.1m	-12.4%	19.7%
Chocolate	£267.3m	£231.1m	£217.9m	-18.5%	-5.7%
Salmon	£193.4m	£171.8m	£217.7m	12.6%	26.7%
Lamb and mutton	£183.3m	£182.0m	£174.8m	-4.6%	-4.0%
Cheese	£263.4m	£234.6m	£173.3m	-34.2%	-26.1%
Beef	£231.2m	£191.6m	£145.4m	-37.1%	-24.1%
Milk and cream	£176.9m	£136.5m	£143.2m	-19.0%	5.0%
Soft drinks	£163.9m	£138.0m	£139.0m	-15.2%	0.8%
Savoury snacks	£132.7m	£126.2m	£131.1m	-1.2%	3.9%
Sauces and condiments	£142.8m	£125.4m	£123.0m	-13.9%	-2.0%

TOP 10 EU MARKETS



EU EXPORTS BY COUNTRY

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
Ireland	£1.9bn	£1.8bn	£1.4bn	-27.1%	-22.2%
France	£1.1bn	£852.1m	£975.2m	-11.9%	14.4%
Netherlands	£836.1m	£742.0m	£700.8m	-16.2%	-5.5%
Germany	£714.1m	£625.0m	£361.2m	-49.4%	-42.2%
Belgium	£369.5m	£292.4m	£285.0m	-22.9%	-2.5%
Spain	£426.4m	£308.3m	£198.5m	-53.5%	-35.6%
Poland	£199.0m	£191.1m	£179.1m	-10.0%	-6.3%
Italy	£281.4m	£212.0m	£140.1m	-50.2%	-33.9%
Sweden	£151.2m	£126.9m	£120.8m	-20.1%	-4.9%
Denmark	£163.9m	£139.0m	£105.9m	-35.4%	-23.8%
Latvia	£73.0m	£81.2m	£80.7m	10.6%	-0.5%
Czech Republic	£63.5m	£59.8m	£43.1m	-32.2%	-28.0%
Greece	£61.3m	£39.8m	£38.3m	-37.5%	-3.8%
Portugal	£69.6m	£72.1m	£37.7m	-45.8%	-47.6%
Romania	£35.1m	£29.8m	£31.1m	-11.2%	4.4%
Lithuania	£19.9m	£15.5m	£28.2m	41.6%	82.0%
Finland	£42.2m	£45.5m	£28.1m	-33.3%	-38.2%
Austria	£37.3m	£34.1m	£25.4m	-32.0%	-25.6%
Hungary	£23.4m	£22.7m	£24.0m	2.5%	5.9%
Cyprus	£34.3m	£32.7m	£23.4m	-31.7%	-28.4%
Malta	£30.8m	£25.0m	£20.2m	-34.3%	-19.0%
Bulgaria	£27.6m	£24.3m	£18.2m	-34.0%	-25.1%
Estonia	£14.2m	£10.9m	£9.1m	-36.1%	-16.6%
Slovenia	£9.9m	£9.5m	£6.7m	-31.7%	-29.2%
Slovakia	£9.6m	£13.5m	£5.7m	-41.1%	-57.8%
Croatia	£15.5m	£10.4m	£5.5m	-64.5%	-47.0%
Luxembourg	£4.3m	£6.5m	£2.2m	-49.2%	-66.2%

TRADE SNAPSHOT

H1 2021

CENTRAL AND SOUTH AMERICA

- While exports are down to the EU, we have seen growth in non-EU markets, including in Central and South America where sales to some countries have doubled since H1 2020.
- The fastest growing major export markets in the region were Mexico, Brazil, Colombia and Chile.
- This increase has been driven by a recovery in whisky exports, supported by strong growth in demand for a range of other UK products that are growing rapidly from a much lower baseline.
- Mexico offers significant growth opportunities for many UK producers but this is contingent on the UK securing a more ambitious trade deal that tackles prohibitively high tariff rates.
- Similarly, the UK's planned accession to the Trans-Pacific trade bloc (CPTPP) could offer benefits for UK exporters to Mexico, Chile and other countries via reduced tariff rates.

CENTRAL AND SOUTH AMERICA - GROWTH MARKETS

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
Colombia	£29.5m	£18.7m	£45.3m	**53.9%**	**142.6%**
Chile	£34.1m	£17.3m	£35.5m	**4.1%**	**105.4%**
Mexico	£68.4m	£35.5m	£74.9m	**9.6%**	**111.2%**
Brazil	£49.1m	£37.1m	£69.4m	**41.4%**	**87.2%**

TOP 3 EXPORTS TO CHILE

	H1 2021	H1 Change 2019-2021	H1 Change 2020-2021
Whisky	**£19.9m**	**45.5%**	**208.5%**
Coffee	**£2.3m**	**-16.6%**	**46.6%**
Animal Oils	**£1.6m**	**1850.3%**	**227.2%**

TOP 3 EXPORTS TO COLUMBIA

	H1 2021	H1 Change 2019-2021	H1 Change 2020-2021
Whisky	**£38.6m**	**85.7%**	**146.3%**
Oats	**£2.1m**	**NA%**	**20234.6%**
Spirits	**£1.3m**	**69.4%**	**17751.7%**

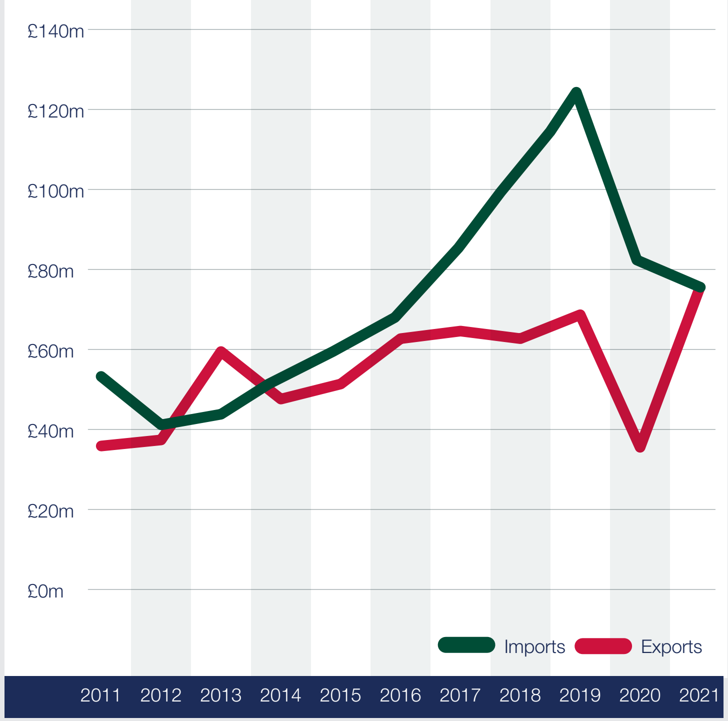
TOP 3 EXPORTS TO BRAZIL

	H1 2021	H1 Change 2019-2021	H1 Change 2020-2021
Whisky	**£46.5m**	**56.5%**	**121.9%**
Gin	**£6.3m**	**44.8%**	**110.4%**
Cereals	**£2.2m**	**1213.7%**	**3287.3%**

TOP EXPORTS TO MEXICO

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
Whisky	£47.0m	£26.9m	£58.6m	**24.9%**	**117.7%**
Vegetable oils	£0.0m	£0.0m	£6.3m	**36781.3%**	**13038.3%**
Coffee	£2.5m	£2.1m	£2.5m	**-2.3%**	**18.5%**
Gin	£2.4m	£1.4m	£1.2m	**-50.4%**	**-13.9%**
Ice cream	N/A	£0.0m	£1.0m	**N/A**	**4126.1%**

H1 TRADE WITH MEXICO



Data Sources: Her Majesty's Customs & Excise

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TRADE SNAPSHOT

H1 2021

IMPORTS FROM THE EU

- UK imports were down nearly 6% in H1 2021 compared to 2020, and 9.2% compared to pre-COVID levels in 2019.
- Ongoing impacts of the COVID-19 pandemic, and the new trading relationship with the EU, resulted in a drop in imports from the EU of 11.2% in the past year, worth nearly £1.7bn.
- The loss of UK exports to the EU led to reduced demand for EU ingredients for use in UK manufacturing. Import substitution by UK manufacturers and retailers also contributed.
- Imports from the top five EU suppliers all fell significantly, with the Netherlands and Ireland down nearly a fifth and Germany nearly a third - a combined loss of £1.4bn sales to the UK.
- Products of animal original were heavily impacted, with a large fall in imports of pork, cheese and beef. This is likely to deteriorate further in 2022 after the UK's full border controls are in place.

Data Sources: Her Majesty's Customs & Excise

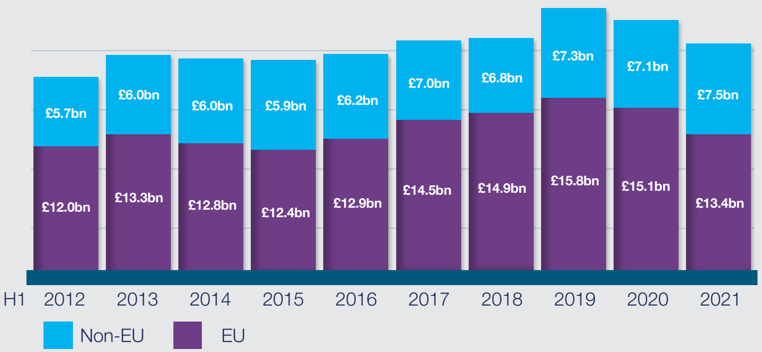
KEY INDICATORS

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
All Partners	£23.1bn	£22.2bn	£20.9bn	-9.2%	-5.8%
EU	£15.8bn	£15.1bn	£13.4bn	-14.9%	-11.2%
Non-EU	£7.3bn	£7.1bn	£7.5bn	3.1%	5.5%

TOP 10 IMPORTS FROM THE EU

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
Vegetables	£1.2bn	£1.2bn	£1.1bn	-10.8%	-11.7%
Wine	£1.0bn	£841.8m	£967.0m	-3.4%	14.9%
Fruits	£944.4m	£950.7m	£764.2m	-19.1%	-19.6%
Pork	£920.9m	£912.7m	£733.7m	-20.3%	-19.6%
Chocolate	£683.9m	£677.8m	£694.4m	1.5%	2.4%
Cheese	£818.5m	£773.0m	£636.8m	-22.2%	-17.6%
Savoury snacks	£610.5m	£594.9m	£545.3m	-10.7%	-8.3%
Chicken	£720.3m	£630.0m	£517.2m	-28.2%	-17.9%
Beef	£516.2m	£469.9m	£456.8m	-11.5%	-2.8%
Vegetable oils	£393.4m	£387.0m	£377.9m	-3.9%	-2.4%

H1 UK FOOD AND DRINK EXPORTS OVER 10 YEARS



EU IMPORTS BY COUNTRY

	H1 2019	H1 2020	H1 2021	Change 2019-2021	Change 2020-2021
Netherlands	£2.5bn	£2.4bn	£1.9bn	-23.0%	-18.5%
France	£2.1bn	£1.9bn	£1.7bn	-18.2%	-6.9%
Spain	£1.8bn	£1.9bn	£1.6bn	-9.9%	-11.8%
Ireland	£2.1bn	£2.0bn	£1.6bn	-24.2%	-19.6%
Germany	£2.2bn	£2.0bn	£1.4bn	-36.1%	-31.0%
Italy	£1.3bn	£1.3bn	£1.3bn	2.4%	0.9%
Belgium	£1.2bn	£1.1bn	£1.1bn	-2.2%	3.9%
Poland	£795.2m	£876.5m	£934.4m	17.5%	6.6%
Denmark	£629.0m	£584.0m	£506.4m	-19.5%	-13.3%
Sweden	£213.9m	£219.9m	£241.4m	12.8%	9.7%
Greece	£154.0m	£162.2m	£146.1m	-5.1%	-9.9%
Austria	£124.8m	£120.6m	£144.8m	16.0%	20.1%
Portugal	£130.7m	£133.4m	£143.3m	9.6%	7.5%
Lithuania	£77.8m	£74.3m	£96.8m	24.4%	30.4%
Hungary	£87.9m	£80.3m	£94.1m	7.1%	17.2%
Czech Republic	£66.0m	£63.9m	£66.5m	0.8%	4.2%
Cyprus	£54.9m	£64.2m	£56.2m	2.5%	-12.5%
Romania	£48.6m	£40.0m	£41.7m	-14.2%	4.3%
Latvia	£23.5m	£23.4m	£33.2m	40.9%	42.0%
Bulgaria	£55.6m	£48.7m	£30.8m	-44.5%	-36.8%
Estonia	£0.9m	£1.4m	£23.1m	2577.4%	1539.4%
Slovakia	£17.5m	£28.2m	£21.7m	23.9%	-23.2%
Slovenia	£11.1m	£9.3m	£14.1m	27.1%	50.8%
Finland	£20.9m	£11.1m	£7.2m	-65.4%	-34.6%
Croatia	£4.1m	£5.6m	£6.5m	58.6%	16.1%
Malta	£1.5m	£3.1m	£2.2m	46.8%	-27.5%
Luxembourg	£4.1m	£0.9m	£0.8m	-81.3%	-18.9%