

RUSSIA'S FOREIGN TRADE IN NOVEMBER 2014

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In September 2014, the Russian foreign trade volume calculated on the basis of the methods of the balance of payments amounted to \$64.6bn which is 12.4% lower than that in the same period of the previous year; it is to be noted that the export of goods from Russia fell by 13.4% to \$38.8bn, while the import to Russia, by 10% to \$25.8bn. As compared to September 2013, in September 2014, the surplus of the trade balance decreased by 18.6% to \$13bn. According to the data of the Central Bank of Russia, in January–September 2014, Russia's foreign trade volume amounted to \$614bn which is 3.1% lower than in January–September 2013. It is to be noted that the export fell by 0.7% as compared to the same period of 2013. Within nine months of 2014, as compared to the same period of 2013 the share of far abroad countries increased from 85.4% to 86.2%, while the share of CIS countries fell from 14.6% to 13.8%.

In October 2014, the World Trade Organization (WTO) published the World Trade Report 2014¹ which includes the main indices defining the current trends of development of the international trade in goods and services. In 2013, growth in the global trade was still moderate: 2.2% (2.3% in 2012). Early in 2014, the volume of the global trade in goods kept growing slowly: in Q1 2014 it increased by 2.1% as compared to the same period of 2014.

In 2013, weak growth rates of the global trade were justified by a combination of a number of factors, including a decrease in demand on import in developed countries (-0.3%) and moderate growth in import in developing economies (4.7%). As regards export, only slight growth of 1.5% and 3.6% is registered both with developed countries and developing countries, respectively. In 2013, indices of development of trade and industry were affected by prolonged recession in the EU, the high level of the rate of unemployment in the countries of the eurozone (except for Germany) and uncertainty about scaling down of the period of the Fed's monetary stimulus.

As regards the foreign trade volume, the world's largest economy is China with its foreign trade volume amounting to \$4,159bn which is 7.5% higher than the index of 2012. From 1994, China's trade balance surplus has been positive and in 2013 it amounted to \$259bn (2.7% of GDP).

As regards the value of the foreign trade volume which amounted to \$3,909bn in 2013, the United States was rated the second. It is to be noted that in the US there is still a high deficit of trade balance: in 2013 it amounted to \$749bn (4.5% of GDP).

Germany retained the third place; in 2013 its foreign trade volume amounted to \$2,642bn. The posi-

tive surplus of the trade balance amounted to \$264bn (7.3% of GDP).

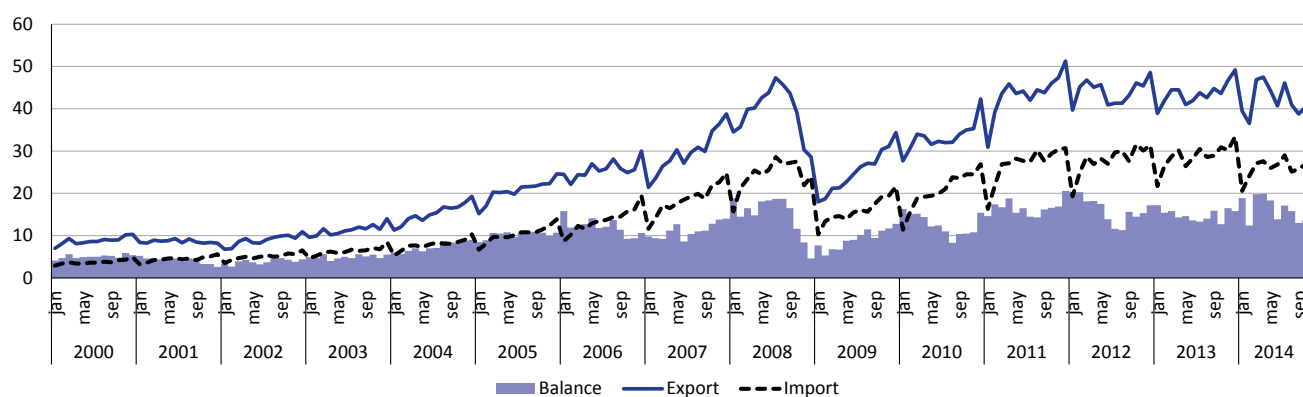
The Russian Federation with the volume of export amounting to \$523bn moved to the 10th place from the 8th place which it occupies in 2012. The share of the Russian export in the total volume of the global export of commodities amounted to 2.8%. As regards the volume of import, Russia remained at the 16th place having purchased \$343bn worth of goods abroad. The share of the Russian import in the total volume of the global import remained at the level of 1.8%.

In September 2014, the Russian foreign trade volume calculated on the basis of the methods of the balance of payments amounted to \$64.6bn which is 12.4% lower than the respective index of the previous year; it is to be noted that the export of goods from Russia fell by 13.4% to \$38.8bn, while import to Russia, by 10% to \$25.8bn. In September 2014, as compared to September 2013 the trade balance surplus decreased by 18.6% to \$13bn.

The oil market was in depression throughout the entire Q3. For the first time in 14 months, on September 5, 2014 the Brent oil price fell below \$100 a barrel due to weak economic data of the world's largest energy consumers. Late in September, Brent oil prices fell below \$95 a barrel. So, within a quarter the price of Brent fell by nearly 16%, that is, the worst result since April–June 2012. A drop of 13% in the price on WTI to \$91.16 a barrel was the most substantial one during that period, too.

In mid-October, a surge of oil prices to the week's maximum of \$85 a barrel was short-termed and prices started to fall fast again. Early in November, amid forecasts of oil reserves in the US and the news that the OPEC was not going to cut production of oil until it fell to \$70 a barrel, the Brent oil price depreciated to the minimum value from October 2010, that is, below \$80 a barrel.

¹ http://www.wto.org/english/res_e/publications_e/wtr14_e.htm



Source: The Central bank of the Russian Federation

Fig. 1. The main indices of the Russian foreign trade (billion USD)

In September 2014, Urals oil prices fell by 5.2% against August 2014 and amounted to \$95.8 a barrel; as compared to September 2013 the oil price fell by 13.5%. In January–September 2014, Urals oil prices fell by 2.5% on the respective period of 2013 to \$105.1 a barrel.

In the period from October 15 till November 14, 2014 included, the average price of the monitoring of the Urals crude oil prices in the period from October 15 till November 14, 2014, included amounted to \$603.5 a ton. As a result, in December the rate of export customs duties on oil and petroleum products will be reduced. In December 2014, the export of petrol will be charged at the rate of \$277.5 a ton (\$317.7 a ton in November). In December, the duty on petrol and diesel fuel will be set at \$249.7 a ton (\$285 a ton in November) and \$180.3 a ton (\$205.8 a ton), respectively. In December, the duty on other petroleum products will be set at \$183.1 a ton (\$209 a ton).

In September 2014, on the global market of nonferrous metals prices were falling, too. The above situation was justified by weakening demand on Asian markets, including that of China. After a three-month appreciation of aluminium prices, in September 2014

they depreciated against the previous month due to growth in global supply in a situation of insufficient demand. Also, the continued appreciation of the US dollar against other main currencies contributed to containment of growth in prices on nonferrous metals.

According to the data of the London Metal Exchange, in September 2014 aluminium, copper and nickel depreciated by 1.9%, 1.8% and 2.7%, respectively, as compared to the previous month. However, prices on nickel and aluminium appreciated by 31.2% and 13.2%, respectively, as compared to September 2013, while copper prices fell by 4.0%. In January–September 2014, aluminium and copper were traded 2.2% and 6.0% lower as compared to the respective period of the previous year, while prices on nickel appreciated by 11.9%.

In September 2014, the average value of the FAO food price index amounted to 191.5 points which is 5.2 points (2.6%) and 12.2 points (6.0%) lower than the index of August and the respective period of the previous year, respectively. As a result of a decrease – which lasts for six months running – registered in September, the value of the index amounted to the minimum level since August 2010. So, in September

Table 1

MONTHLY AVERAGE GLOBAL PRICES IN SEPTEMBER OF THE RESPECTIVE YEAR

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Oil (Brent), USD/a barrel	27.1	42.68	61.7	62.1	75.9	104.7	68.64	77.76	109.97	113.4	111.6	97.34
Natural gas, USD/1 m BTU	3.97	4.41	6.58	8.77	8.54	14.85	7.13	8.28	10.85	11.08	11.6	9.24
Copper, USD/a ton	1816.4	2892.6	3858.0	7602	7656.5	6990.9	6195	7709.3	8314.8	8087.7	7159.3	6872.2
Aluminium, USD/a ton	1415.0	1726.0	1840.0	2473	2392.9	2525.8	1833	2202.4	2296.7	2064.1	1761.3	1990.4
Nickel, USD/a ton	9996.1	13298	14228	30131	29605	17795	17462	22643	20392	17288	13801	18035

* The market of Europe, average contract price, Franco-border.

Source: calculated on the basis of the data of the London Metal Exchange and the Intercontinental Oil Exchange (London).

the most sustained period of uninterrupted decrease in the value of the above index from the end of the 1990s was registered. Among different commodity groups, the highest decrease was registered as regards sugar, dairy products, as well as grain and vegetable oil, while prices on meat remained stable. An underlying factor which had a downward effect on international prices on primary products was appreciation of the US dollar exchange rate.

According to the data of the Central Bank of the Russian Federation, in January–September 2014 Russia's foreign trade volume amounted to \$614bn which is 3.1% lower than the level of January–September 2013. It is to be noted that the export amounted to \$381.3bn, that is, a 0.7% reduction on the respective period of 2013. The above took place due to a 6.4% decrease in supplies to CIS states. Within that period, supplies of goods to far abroad countries exceeded by 0.3% the level of the previous year. As a result, within nine months of 2014 in the total volume of the export the share of far abroad countries increased from 85.4% to 86.2% as compared to the respective period of 2013, while the share of CIS countries decreased from 14.6% to 13.8%.

The import fell by 6.2% to \$232.8bn. It is to be noted that import purchases in CIS countries decreased substantially: the import of goods from those countries fell by 23.3%, while that from far abroad countries, by 6.8%. The share of far abroad countries in the total volume of the Russian import rose to 88.1% against 85.5% in January–September 2013, while the share of CIS countries fell to 11.9% against 14.5%.

The trade balance surplus remained a positive one at the level of \$148.4bn (\$144bn in January–September 2013).

Within 9 months of 2014, as compared to January–September 2013 in the pattern of export the share of food products rose from 2.8% to 3.6%, while the share of chemical produce fell from 6.1% to 5.7%. The shares of other commodity groups of the expanded nomen-

clature remained virtually at the level of 2013. It is to be noted that there were substantial changes within the group of fuel and energy goods. Due to a 5.1% reduction in the physical volumes of export of oil abroad, its share in the export of goods of the fuel and energy complex fell from 46.7% in January–September 2013 to 44.8% in January–September 2014. Also, the share of natural gas fell from 17.7% to 16.3% due to a reduction of physical volumes of export.

At the same time, there is growth in export supplies of petroleum products. So, there was growth in the export of diesel fuel (10.5%), liquid fuel without biodiesel (3.5%) and motor petrol (2.5%). As a result, the share of petroleum products in the export of goods of the fuel and energy sector rose from 29.8% in January–September 2013 to 33.1% in January–September 2014.

In January–September 2014, the import decreased by all the commodity groups of the expanded nomenclature, except for fuel and energy commodities (a 10.4% growth) and precious stones, precious metals and articles fabricated with use of them (a 15.3% growth).

The import of goods of the fuel and energy complex rose due to a 77.6% growth in purchases of petroleum products. It is to be noted that in January–September 2014 the import of motor petrol and liquid fuel without biodiesel increased 3.3 times over and 11 times over, respectively, as compared to January–September 2013.

In January–September 2014, the volume of the foreign trade of the Russian Federation with countries of the Customs Union fell by 7.2%. It is to be noted that in mutual trade with the Republic of Belarus there was a decrease both in the Russian export of goods and the Russian import of goods: 1% and 14.9%, respectively.

In mutual trade with the Republic of Kazakhstan, the Russian export of goods fell by 18.1%, while the Russian import of goods rose by 21.9%.

The share of the countries of the Customs Union in the Russian foreign trade volume decreased from 7% in January–September 2013 to 6.7% in January–September 2014. ●