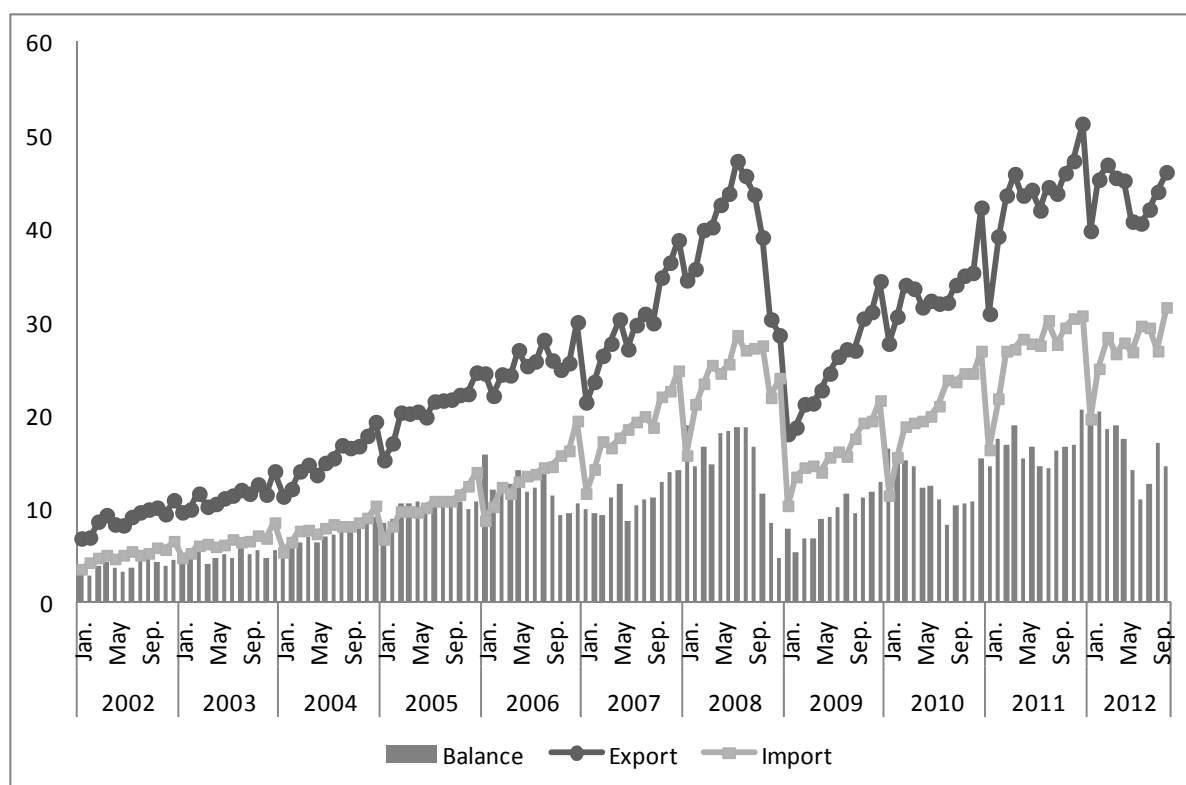


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## Foreign Trade

In October 2012, growth in the Russian foreign trade turnover took place as a result of expansion of trade relations with far abroad states. In October 2012, the value of Russian import amounted to the record-high level in the entire period of observation. At the same time, the number of countries which Russia has a negative trade balance with has increased.

In October 2012, though the main Russian foreign trade indices demonstrated positive dynamics their growth rates lagged much behind the respective indices of October 2011. In October 2012, Russia's foreign trade turnover calculated on the basis of the methods of the balance of payments amounted to \$77.6bn which is 2.9% higher than the respective index of the previous year. Russia exported \$46.1bn worth of goods which figure exceeded by the mere 0.02% the respective index of 2011. It is to be noted that the export to far abroad states increased by 1.1%, while that to CIS states decreased by 5.5%. As compared to October 2011, import deliveries rose by 7.3% to \$31.6bn having achieved the record-high level in the entire period of observation, which situation can be explained by growth of 8.9% in import of goods from far abroad states with a 2% decrease in deliveries from CIS states.



Source: The Central Bank of the Russian Federation

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

Though the trade balance was a positive one (\$14.5bn), however, due to fast growth rates of import deliveries it decreased by 12.9% as compared to October 2011.

At present, prices on fuel and energy goods remain at a high level which factor contributes to the positive dynamics of Russian export. In the last quarter of 2012, the Brent oil

price fluctuated at the level of \$110 a barrel with the maximum level of \$115.89 a barrel and the minimum level of \$105.5 a barrel registered on October 11 and November 3, respectively. In October 2012, the monthly average price amounted to \$111.6 a barrel which is 2% higher than the respective index of 2011.

In October 2012, the average Urals oil price rose to \$110.38 a barrel having exceeded by 1.84% the level of October 2011.

According to the data of monitoring of the Ministry of Finance of the Russian Federation, from November 15 till December 14, 2012 the average Urals oil price amounted to \$108.66 a barrel. By Resolution No. 1368 of December 21, 2012 the rate of export duty on crude oil was set in the amount of \$395.6 per ton from January 1, 2013 (\$396.5 per ton in December 2012).

From January 1, 2013, the single rate of export duty on light and dark oil products, except for petroleum, will virtually remain at the same level of \$261.1 per ton (\$261.7 per ton in December). It is to be noted that in January 2013 the duty on petroleum preserved at the level of 90% of the oil duty will not virtually change, either. It will amount to \$356 per ton (\$356.8 per ton in December).

Growth in prices on non-ferrous metals which started in September stopped in October due to a drop in demand in them on the part of leading metal consumers. So, as compared to September 2012, in October prices on copper, aluminum and nickel fell by 0.3%, 4.4% and 0.7%, respectively. In January-October 2012, aluminum, copper and nickel cost 18.1%, 12.1% and 26.0% less, respectively, than in the same period of 2011.

Table 1

### Monthly average global prices in October of the respective year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Oil (Brent), USD/ a barrel	27.2	29.59	49.82	58.52	58.38	82.86	72.84	73.19	82.92	109.47	111.97
Natural gas, USD/1m BTU	3.28	3.88	4.83	7.28	8.97	9.16	15.93	7.6	8.28	11.42	11.58
Copper, USD/per ton	1519.0	1916.4	3012.0	4060	7500	8008	4925.7	6286.8	8292.4	7347.5	8082
Aluminum, USD/per ton	1313.2	1474.8	1822.8	1929	2659	2442	2121.4	1877.8	2447.0	2172.0	1974.3
Nickel, USD/per ton	6840.9	11030	14483	12403	32348	30999	12140	18514	22167	18886	17169

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

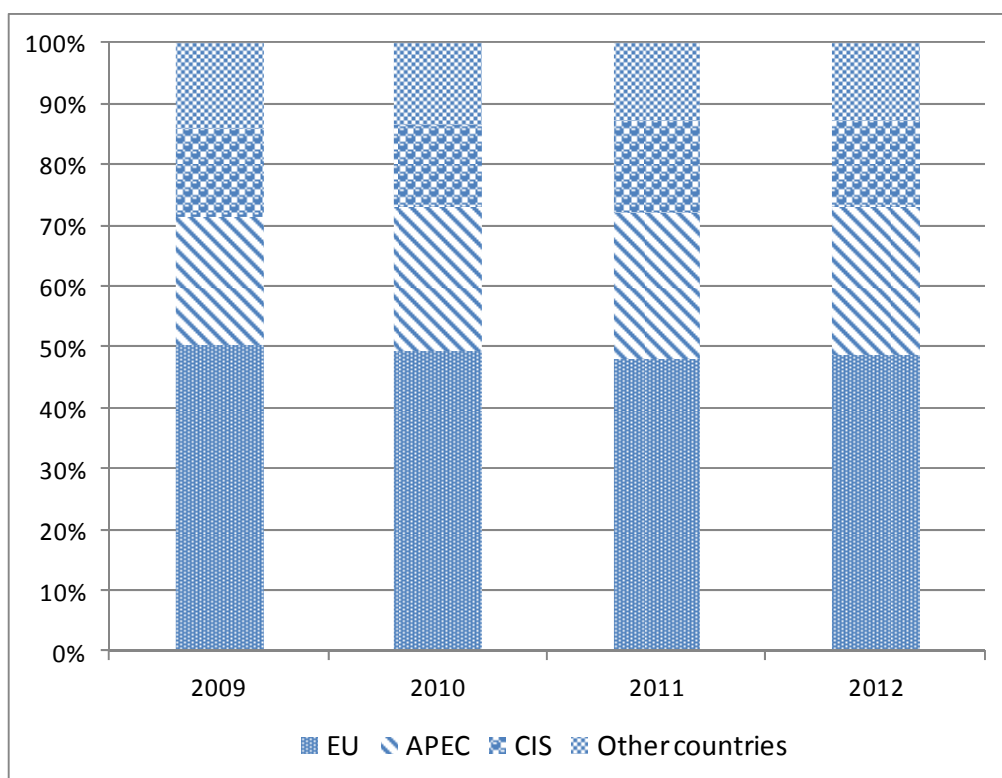
Source: calculated on the basis of the data of the London Metal Exchange and the Intercontinental Oil Exchange (London).

In October 2012, in the market of food products a drop in prices was observed, as well: the average value of the FAO food price index amounted to 213 points which is 2 points lower than the September index. Such a reduction can be mainly explained by a drop in global prices on grain and vegetable oil and fats; it compensated growth in prices on sugar and dairy products. Meat prices remained at the same level. During ten months of 2012, food prices fell on the average by 8% as compared to the respective index of 2011.

In January-October 2012, Russia's foreign trade turnover calculated on the methods of the balance of payments amounted to \$708.4bn which is 3.3% higher than the respective index of the previous year.

In January-October 2012, the trade balance surplus amounted to \$164.6bn which is 2.5% higher than in January-October 2011.

In the past few years, the geographic structure of the Russian foreign trade did not undergo significant changes. The Russian Federation's main foreign trade partner is still the European Union. In January-October 2012, the share of the European Union in the foreign trade turnover of the Russian Federation increased by 0.7 p.p. to 48.8% as compared to January-October 2011. Russia's main foreign trade partner in that group of countries was the Netherlands whose share rose by 1.7 p.p. and amounted to 10%. Germany was rated the second; its share in the Russian foreign trade turnover grew from 8.7% in January-October 2011 to 8.9% in the same period of 2012. In 2012, Italy was rated the third; its share in the Russian foreign trade turnover amounted to 5.3% having decreased by 0.2 p.p. as compared to 2011. Generally, in ten months of 2012 the EU states increased by 4.4% the volume of foreign trade with Russia including growth of 4.5% and 4.3% in Russian export and import, respectively, as compared to the same period of 2011.



Source: *The Federal Customs Service of the Russian Federation*

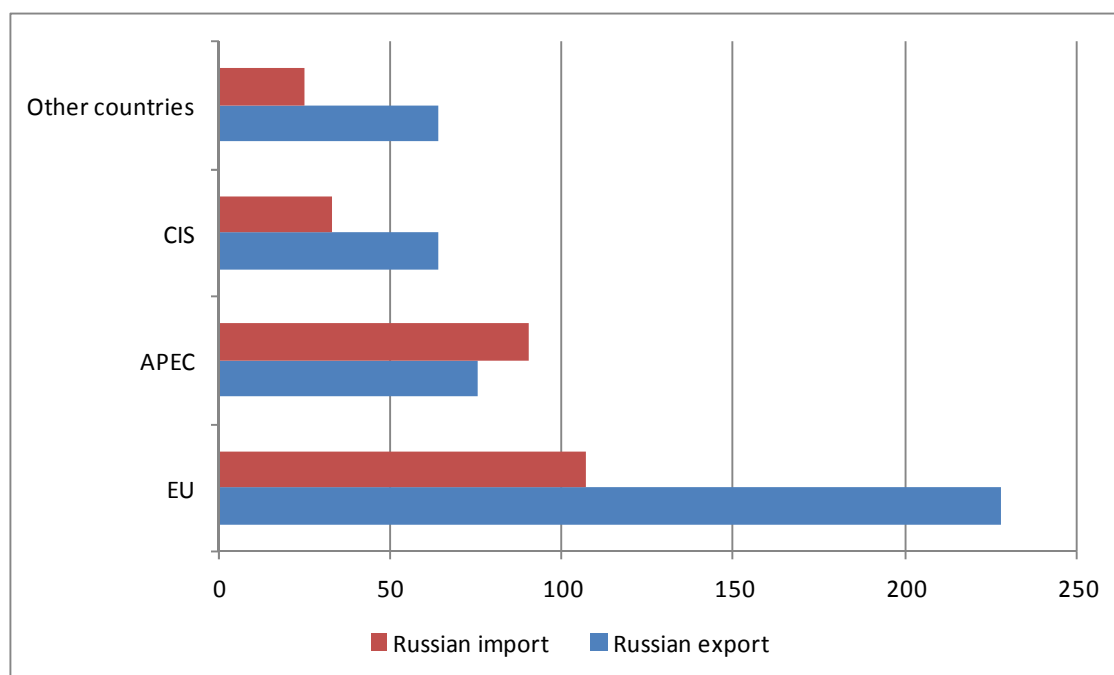
**Fig. 2. Geographic structure of Russian foreign trade (%)**

The share of APEC countries in the Russian foreign trade turnover increased from 23.9% in January-October 2011 to 24.2% in January-October 2012. Russia's main foreign trade partner in that group of countries is China whose share in the foreign trade turnover grew by 0.5 p.p. to 10.6%. Japan is rated the second; its unit weight grew from 3.6% to 3.8%. On the contrary, the US unit weight decreased from 3.8% to 3.4% – the third place in that group of countries. In ten

months of 2012, Russia's foreign trade volume with APEC countries increased by 4% as compared to the same period of 2011. It is to be noted that Russian export to those countries increased by the mere 1%, while Russian import, by 6.7%.

In January-October 2012, the share of CIS states in the foreign trade turnover with Russia decreased from 15.2% to 14.1% as compared to the same period of 2011. Russia's main partners in that group of countries are Ukraine and Belarus. In ten months of 2012, Russia's volume of trade with those countries decreased by 4.7% as compared to the same period of 2011; Russian import fell by 21.6%, while export, by 0.7%.

In January-October 2012, the trade balance with all the groups of countries was positive, except for that with APEC countries (-\$14.4bn).



Source: The Federal Customs Service of the Russian Federation

**Fig. 3. The main Russian foreign trade indices by the group of countries (billion USD)**

While in January-October 2011 the Russian Federation had a trade balance deficit with 21 countries whose share in Russia's total trade volume amounted to 22.8%, in January-October 2012 it had a trade balance deficit with 26 countries whose share in the Russian trade volume grew to 35.4%. In 2012, Russia had a considerable trade balance deficit with China (-\$13.4bn), France (-\$2.1bn), Canada (-\$1.7bn), Austria (-\$1.6bn) and Germany (-\$1.4bn).