MONITORING OF RUSSIA'S ECONOMIC OUTLOOK
trends and challenges of socio-economic development

2(175) March 2025

FOREIGN TRADE OUTCOME IN 2024

Alexander Knobel, Candidate of Economic Sciences, Senior Researcher, Head of the Foreign Trade Department, Gaidar Institute;

Alexander Firanchuk, Candidate of Economic Sciences, Senior Researcher, Foreign Trade Department, Gaidar Institute

In 2024, Russian exports amounted to $417 bn (-1.7% vs. 2023). Non-raw non-energy exports are also stagnating. The share of markets of neutral countries continues to increase, exceeding 85%. Shipments to China saw a slight rise in crude oil and LNG, while coal exports declined. The discount for Russian crude in China remains near zero. Despite the discussion of various restrictions, LNG exports to Europe continue to grow.

Russian imports amounted to $294 bn (-2.8% vs. 2023). Imports from China increased, hitting 39% of total imports. Significant volumes of critical pharmaceuticals and medical equipment continue to come from the EU, while China's role in this segment remains insignificant.

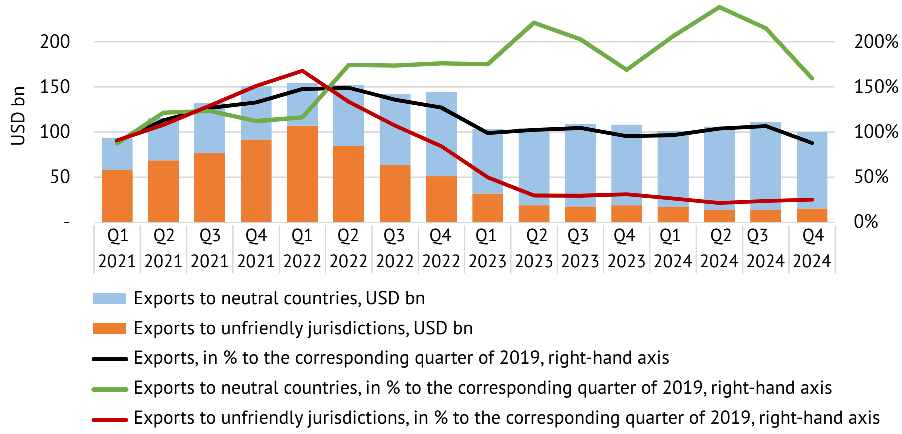
Dynamics of Russia's foreign trade turnover

In 2024, the value volumes of merchandise trade changed slightly compared to the previous year, while the dynamic within the year was uneven. In Q4, exports demonstrated the worst dynamic (-6.8% y-o-y), while imports, on the contrary, demonstrated the highest growth (+5.0%). As a result, the trade balance in Q4 ($20.4 bn) was one third below the level of the same period of 2023 ($31.4 bn).

Exports in 2024 in value terms, according to the Bank of Russia, amounted to $417.2 bn (-1.7% vs. 2023). In the last two months of 2024, exports volumes were 13% below the 2023 level. This is consistent with the data of the General Administration of Customs (GAC) of China, showing weaker imports dynamic of imports of Russian goods in November-December 2024 (-6%) compared to January-October of the same year.

The reasons for this decline can be attributed to the price situation on global commodity markets, as well as the imposition of sanctions against Gazprombank and other financial organizations, which put additional pressure on Russian exports at the end of 2024. As a result, in Q4 2024, exports volumes were the lowest since the COVID-19 pandemic, amounting to 87% of the volume of the corresponding quarter of 2019 (*Fig. 1*).

According to estimates based on mirror statistics, the share of markets of unfriendly jurisdictions continued to decline in 2024, reaching 14.2% (-6.1 p.p. by 2023), which is 4-fold less than their share in the pre-sanctions period (62% in 2021).



Note. From 2022, own estimates are based on the data on Russian exports to major unfriendly jurisdictions and aggregate exports according to the Federal Customs Service and the Bank of Russia; Q4 2024 – on the basis of the Bank of Russia's data.

Fig. 1. Exports dynamic in 2021–2024

Source: Own calculations on the data released by the FCS, Bank of Russia, Eurostat, COMTRADE, General Administration of Customs (GAC) of China.

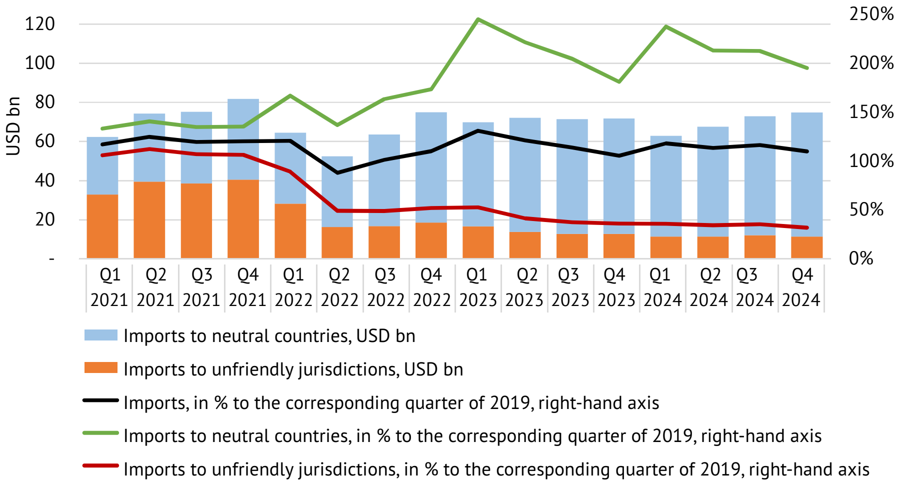
Non-resource non-energy exports (NNE) also stagnated in 2024. According to estimates based on the Federal Customs Service's statistics on exports of commodity industries, the volume of NNE amounted to $145 bn, which corresponds to a 2% decline against 2023. The goal of ensuring NNE growth by at least two thirds by 2030 requires an average annual growth rate of 7.5%, i.e. about 10 p.p. higher than the current one. Exports of machinery, equipment and "other goods", which include the most technologically advanced exports, also decreased by 3.3% in the first 10 months of last year, remaining significantly below the pre-sanctions level (-43% vs. the corresponding period of 2021).

Imports in 2024 in value terms, according to the Bank of Russia, amounted to $294.5 bn (-2.8% vs. 2023), with annual dynamics remaining more stable (*Fig. 2*). The increase in the value of imports relative to 2019 (+16%) is comparable to the accumulated inflation of international trade (10.6% in 2023 to 2019)[1] and the estimate of the remaining premium on the delivery of goods to Russia comes to 3.5–8.4%.[2] Thus, this increase in the value of imports relative to the level of 2019 does not mean an increase in the physical volumes of imported goods.

The reorientation of imports has been completed. Data from major unfriendly jurisdictions show a decline in the share of direct shipments of their goods in Russian imports from 50–55% in recent pre-sanctions years to 19.7% in 2023 and 16.6% in 2024. The share of unfriendly jurisdictions in Russian imports calculated based on their statistics is a minimal estimate, as significant volumes of goods arrive through bypass trade, i.e. through neutral countries, often with a formal change of the manufacturing country. The large scale of such shipments can be revealed by analyzing the trade of small economies, such as Armenia.[3]

1 The estimate for Russian imports in 2023 against 2019 is 10.6%, data for 2024 are not available yet. WTO «Merchandise import unit value fixed-base indices». URL: https://stats.wto.org/. The assessment takes into account the movement of world prices of certain categories of goods and the structure of the country's imports.
2 *Firanchuk A.* (2024) "Sanction impact on Russian import prices" / SSRN https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5006373
3 Ibid.

Foreign trade outcome in 2024



Note. From 2022, own estimates are based on the data on Russian exports to major unfriendly jurisdictions and aggregate exports according to the Federal Customs Service and the Bank of Russia; Q4 2024 – based on the Bank of Russia's data.

Fig. 2. Imports dynamic in 2021–2024

Source: Own calculations on the data released by the FCS, Bank of Russia, Eurostat, COMTRADE, General Administration of Customs (GAC) of China.

Substitution of European goods by supplies from China

The degree of substitution of European goods by Chinese goods varies considerably by sector (*Fig. 3*). China has successfully replaced the EU in the supply of motor vehicles, mechanical equipment and a few other categories of machinery and equipment. However, in the most high-tech product groups – pharmaceuticals, medical equipment, aviation equipment – the growth of imports from China was insignificant.

Imports of means of transport from China over the period from 2021 to 2024 (+$21 bn) was twice as much as the pre-sanction imports volume from the EU ($10.6 bn). Similarly, the growth in imports from China offset the decline in EU shipments of organic chemicals and footwear. Two-thirds of the growth

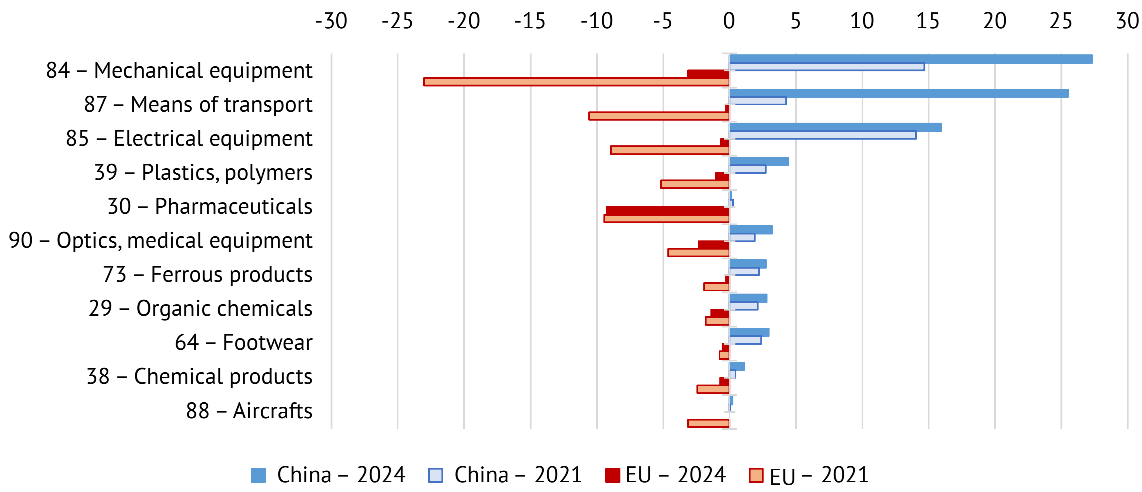


Fig. 3. Comparative dynamics of supplies of major commodity groups from the EU and China to Russia in 2024 vs. 2021

Source: Own calculations on the data released by the General Administration of Customs (GAC) of China and Eurostat.

in supplies of mechanical equipment from China (+$12.6 bn) offset for the decrease in imports from the EU (-$19.9 bn). In other major commodity groups, the increase in imports from China was less than the decrease in European supplies. The aviation equipment stands out, where China, due to limited production capacity, was unable to increase supplies, while imports from the EU fell to zero.

The volume of pharmaceuticals from the European Union to Russia remains at the pre-sanctions level ($9.3 bn in 2024 vs. $9.4 bn in 2021). China is still an insignificant supplier of this category of products, with shipments of $107 million in 2024. The Russian market remains dependent on European drugs and pharmaceutical substances. The experience of sanctions against Iran shows that direct restrictions on the supply of medicines are unlikely to be imposed. However, possible delays in supplies due to transactional and logistical difficulties create certain risks.

Trade with certain countries

Russian share in the EU imports remains at an elevated level in a number of important commodity categories (*Table 1*). In 2024, Russia accounted for 91.7% of European imports of unprocessed nickel. Russia also dominated the supplies of nuclear reactors and fuel elements with a share of 72.3%. Russian shipments accounted for 44% to 50% of such commodities as pig iron, ferroalloys, semi-finished iron and non-alloy steel products, and rapeseed. Russian mineral and nitrogen fertilizers, ammonia and natural gypsum accounted for a quarter to a third of EU imports.

Table 1

Volumes and shares of Russian exports in EU imports

TN VED item code and name	Value in 2024, USD mn	Share in 2024, %	Value in 2021, USD mn	Share in 2021, %
7501 – Unprocessed nickel	715	91.7	1 386	95.2
8401 – Nuclear reactors and their components	590	72.3	283	62.5
1204 – Rapeseed	208	49.0	186	36.9
7201 – Pig iron	458	48.3	380	28.8
7207 – Semifinished iron and steel products	1 718	44.8	3 091	50.7
7203 – Ferroalloys	376	44.2	719	64.8
3105 – Mineral fertilizers	876	33.0	1 098	41.2
2510 – Natural gypsum and anhydrite	201	32.6	236	40.5
2814 – Ammonia	342	28.9	483	30.3
3102 – Nitrogen fertilizers	777	26.2	754	25.0
2803 – Carbon (carbon black, graphite)	130	17.2	528	62.9
3104 – Potash fertilizers	157	15.6	242	21.9

Note. Positions with supply volumes of more than $100 million and Russia's share of more than 15% in 2024, excluding natural gas and LNG, are given.

Source: Own calculations based on the Eurostat data.

Against the backdrop of **the general degradation of trade with the EU**, it should be noted that for several major commodity groups the trade reduction since pre-sanctions 2021 was minimal, while growth was observed for some groups. While mineral fuel exports decreased by 80% in value terms, to $24.2bn, and Russia's share fell from 27% to 4.7%., Russian LNG supplies amounted to $7.8 bn (+28% by 2021), while maintaining a 20% market share. Fertilizer supplies declined insignificantly to $1.8 bn (-14%), while maintaining a 26% market share. The value of fish exports remained almost unchanged at $751 mn (+5%), non-precious metals[1] at $294 mn (-5%) and sunflower seeds at $272 mn (-7%).

A similar situation is observed **in exports of Russian goods to the United States**. While the total volume of exports since 2021 has decreased 9.4 times – to $3.27bn, the supplies of two major groups of goods to the US market have changed little. The supplies of two major groups of goods to the U.S. market have changed little. In 2024, fertilizer imports remained at $1.30 bn (+2% to 2021) and inorganic chemical products accounted for $695 mn (-21%). These two groups of goods now account for 61% of US imports from Russia.

Imports from the U.S. fell even more sharply – 12-fold to $526 mn from 2021, with more than half of the shipments now going to optics and medical equipment – $153 mn (-71% by 2021) and pharmaceuticals – $133 mn (-57%). Thus, the decrease in exports of these commodity groups was more significant than from the EU, but less than the overall reduction in US exports to Russia.

Overall, since the beginning of the sanction confrontation, the trade turnover between Russia and the US has decreased 10-fold, which makes Russian trade weakly susceptible to the possible introduction of additional tariffs by the US.

Russian supplies of goods to China remained relatively stable in 2024. China's imports of Russian **crude oil** amounted to $62.4 bn (+3% vs. 2023) or 108.5 mn tons (+1%), while the share of Russian oil in the Chinese market remained at 19.6% (+0.6 p.p.). There is no **discount** on Russian oil from 2024[2] and in Q4 2024 it remained at the level of 1.5%, which is within normal price differences taking into account the quality of imported grades. The average monthly price of Russian crude oil did not fall below $72/bbl. China's imports of Russian **light distillates** amounted to $2.5 bn (+6%), or 3.6 mn tons (-2%), and their market share hit 29% (+0.6 p.p.). Shipments of heavy distillates amounted to $5.2 bn (+11%) or 10.8 mn tons (+7%), and the market share hit 30% (+1.2 p.p.).

LNG supplies also remained relatively stable. A moderate growth in physical volumes to 8.7 mn tons (+6%) was offset by price dynamics, which resulted in value volumes remaining at the same level as last year – $5.2 bn (-2%). **Pipeline gas** supplies from Russia continued to grow – up to $8.0 bn (+25%). Supplies of **chemical products** to China also showed strong growth – up to USD 4.9 bn (+26%).

Russian **coal** supplies fell to 88.4 mn tons (-13% by 2023), the decline in prices led to an even more significant drop in value to $10.5 bn (-27%), and Russia's share fell to 25% (-7.6 p.p.).

Supplies of **timber** and wood products stagnated, amounting to 12.9 mln tons (-6%), or $5.1 bn (-4%).

Aluminum supplies to the Chinese market were stable at 1.2 mn tons (-1%), while one price trend led to an increase in value volumes to $3.6 bn (+25%). The opposite situation is observed with **nickel**: despite the significant growth of supplies to the Chinese market – up to 68 thousand tons (+28%), the value volumes decreased to $1.0 bn (-8%). Shipments of **ferrous metals** halved to

---

1 TN VED 81: Tungsten, molybdenum, tantalum, magnesium, cobalt, bismuth, cadmium, titanium, zirconium, antimony, manganese, beryllium, chromium, germanium, vanadium, gallium, indium, niobium, rhenium, thallium.

2 *Knobel A., Firanchuk A.* Provisional summary of Russia's foreign trade for 2024: Exports grow, imports decline, No. 7(182), 2024, pp. 18–23.

0.69 mn tons (-49%), or $754 mn (-21%), while Russia's share in this market also almost halved to 3.0% (-2.5 p.p.). There was a shift in **copper** shipments away from finished metal towards concentrates. Copper supplies decreased to 335 thousand tons (-14%), or $3.0 bn (-6%), but supplies of copper concentrate increased significantly to 413 thousand tons (+37%), or $1.5 bn (+70%).

The import of Chinese goods to Russia remained stable at the end of the year, amounting to $114.6 bn (+3.2%), but the annual dynamic was uneven. Threats of secondary sanctions led to a decline in deliveries in March (-14.2% vs. March 2023). A steady recovery growth commenced as early as April, and by June the reduction was fully compensated (+6%). In autumn, probably due to the desire to import vehicles before the increase in the utilization fee, the volume of deliveries was 10–27% higher than in similar months of the previous year. However, in November-December they were already 3% below the level of 2023.