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RUSSIA'S FOREIGN TRADE IN JANUARY-MAY 2025: TRADE TURNOVER WITH CHINA DECLINED

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

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

In the first five months of 2025, Russian exports fell to \$162.1 bn (-6.2% compared to 2024) on the back of a decline in the value of oil exports. The share of fuel and energy products fell to 56%. Other export groups showed growth, most notably in the export of machinery and equipment. The share of unfriendly jurisdictions' markets stabilized at 15%. Imports to Russia remained at last year's level and amounted to \$109.5 bn (up 1.7%). The share of goods from unfriendly jurisdictions continues to decline, while supplies of medicines remain close to pre-sanction levels. In trade with China, oil supplies declined in the first half of the year, and the discount on the price of Russian crude oil went up to 4.6%. Against the backdrop of declining demand in China, supplies of heavy distillates, coal, and LNG decreased. At the same time, exports of key non-ferrous metals, such as aluminum, nickel, and copper, grew significantly. Supplies of Chinese goods in the first half of the year dropped (-8.7%) due to a significant decline in car imports (-61%) amid moderate growth in other product categories.

Dynamics of Russia's trade turnover

The value of trade in goods in the first five months of 2025 remained slightly below the figures for the same period in 2021 before the sanctions, both for exports (-1.9%) and imports (-2.7%).

Exports in January-May 2025 amounted to \$162.1 bn in terms of value, down significantly from the same period last year (-6.2%). This was due to a decline in the value of fuel exports (15.9%) amid steady growth in exports of other goods (+10.1%) (Fig. 1). As a result, the share of fuel and energy products in exports fell to 56.2% (-6.5 p.p.).¹ At the same time, there was a decline in exports of food products (-13.7%). Other commodity sectors showed growth: metals (+11.8%) and chemical products (+21.4%). The most significant growth was recorded in exports of machinery, equipment, transport vehicles, and the "other goods" category, which rose to \$10.2 bn (+41.1%), with their share in total exports increasing to 6.6% (+2.2 percentage points). This indicates that

1 Based on the share of the "Mineral products" group (25-27) in Russian exports.

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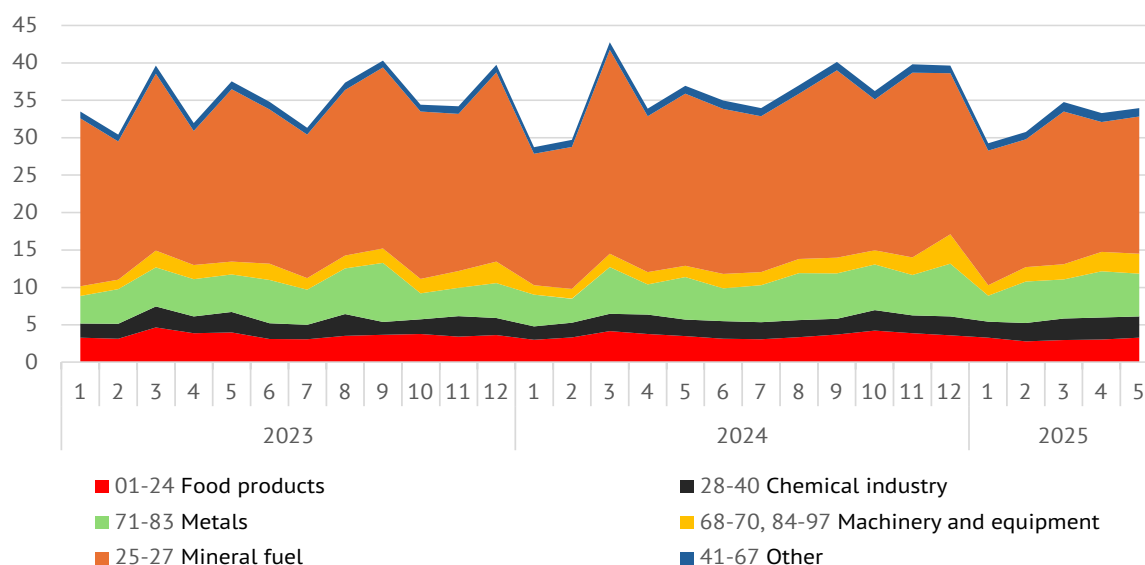


Fig. 1. Export dynamics by industry in 2023–2025

Source: Own calculations on the bases open data released by FCS.

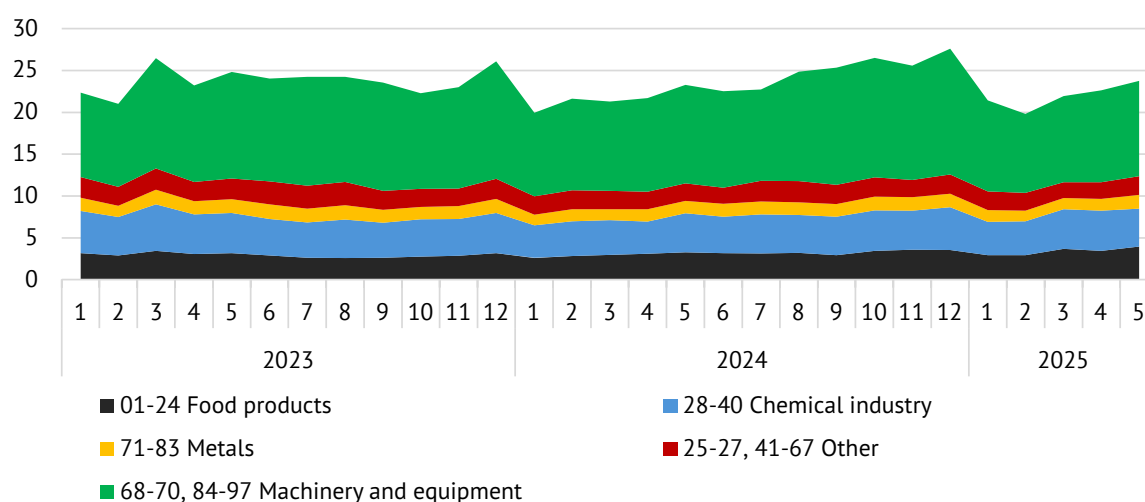


Fig. 2. Imports dynamics by industry in 2023–2025

Source: Own calculations on the bases open data released by FCS.

a significant part of the decline that occurred after the introduction of sanctions has been overcome.¹

Imports in January-May 2025 amounted to \$109.5 bn (up 1.7% year-on-year) (Fig. 2). Noteworthy is the stagnation in imports of machinery, equipment, and transport vehicles (-2.8%) amid growth in other categories of goods (+6.3%). Overall, the observed import dynamics appear modest, given the 13.5% strengthening of the real ruble exchange rate (compared to January-May 2024).

Trade reorientation has been largely completed in both exports and imports. According to estimates based on mirror statistics,² the share of Russian exports

1 Exports in January-May 2023 amounted to \$8.44 bn, compared to \$13.4 bn in the same period of 2021 before the sanctions.

2 Based on detailed Eurostat and COMTRADE statistics from the Federal Customs Service on total export and import volumes.

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to unfriendly jurisdictions stabilized at 15% (+0.1 p.p. compared to January-May 2024), which is four times lower than their share in the pre-sanctions period. The share of imports from unfriendly countries continues to decline gradually, to 16.5% (-1.1 p.p. compared to January-May 2024), i.e., it is now three times lower than in the pre-sanctions period.

It should be noted that EU trade with Russia shows the opposite trend compared to non-sanctioned EAEU countries (Armenia, Kazakhstan, Kyrgyzstan). While European goods deliveries to Russia in January-May 2025 (US\$13.4 bn) were 2.9 times lower than the pre-sanctions level,¹ EU exports to non-sanctioned EAEU countries (US\$6.8 bn), on the contrary, increased 2.2-fold. The situation changed similarly in the EU market: imports of Russian goods fell 4.5-fold to \$14.5bn, while supplies from the three EAEU countries rose 60% to \$14.1bn.

We would like to note separately that the most stable position in the structure of European Union supplies to Russia remains the group of medicines (HS 30). Their imports in monetary terms increased in January-May 2025 to \$4.2 bn (up 31% from the average for the comparable periods of 2018–2021). Currently, this group accounts for 32% of all EU supplies to the Russian market.

Supplies to China

In H1 2025, Russian exports to China amounted to \$59.3 bn (down 9.5% year-on-year), reducing Russia's share of Chinese imports to 4.8% (*Table 1*). The overall decline in exports (-\$6.2 bn) is entirely attributable to a decrease in the value of oil exports (-\$8.0 bn). China's imports of Russian oil amounted to \$25.0 bn (down 24.2%) in value terms and 49.1 mn tons (down 10.9%) in physical terms. As a result, the share of Russian oil fell to 16.9% (down 2.8 p.p.). Supplies of light distillates remained at \$1.1 bn (up 1.3%), as an increase in physical volumes to 1.82 mn t (up 16.8%) offset lower prices.

China saw a decline in coal demand, LNG, and heavy distillates markets. As a result, Russian coal imports fell significantly, to \$3.84 bn (down 27.9%) and 39.0 mn tons (down 10.1%), but its market share grew (30.4%; +3.5%). LNG imports fell to \$1.83 bn (down 14.5%) due to a decline in volumes (down 13.1%), while their share remained unchanged (6.7%; +0.1 p.p.). Supplies of heavy distillates fell significantly to \$1.77 bn (down 44.7%) and 3.69 mn tons (down 39.2%), leading to a decline in Russia's share (26.4%; down 2.6 p.p.).

Pipeline gas supplies from Russia to China in H1 2025 amounted to \$4.89 bn (up 23.1%).

It should be noted that there has been a multiple increase in supplies of key Russian non-ferrous metals to the Chinese market. Aluminum imports rose to \$3.10 bn (up 76.1%) and 1.24 mn tons (up 90.5%), leading to an increase in market share to 37.3% (up 14.9 p.p.). Nickel supplies also grew significantly, to \$0.58 bn (up 74.7%), due to an increase in physical volumes (40.9 thousand tons; up 94.3%). Russia's share in China's nickel imports hit 9.0% (+2.1 p.p.). Imports of Russian copper more than doubled to \$2.67 bn (up 127.9%) and 286,000 tons (up 111.3%), while its market share tripled (7.6%; +4.2 p.p.). Copper concentrate supplies grew by 1.5 times to \$1.20 bn (up 59.7%) and 0.34 mn tons (up 57.4%), resulting in an increase in the share of the Chinese market to 3.2% (up 0.9 p.p.).

Imports of ferrous metals, on the contrary, fell sharply to \$202 mn (down 56.3%) and 131 kt (down 78.6%), with a twofold decrease in share to 1.0% (down 1.2 p.p.). Wood supplies decreased slightly to \$1.51 bn (down 9.7%) and 4.53

1 Comparison with the average value for comparable periods in 2018–2021.

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mn tons (down 10.2%), while maintaining a share of 18.7% (+1.1 p.p.). Supplies of chemical products remained at \$2.57 bn (up 2.3%) with a volume of 4.27 mn tons (up 8.6%) and an unchanged market share of 2.1% (+0.07 p.p.).

Table 1

Supply dynamic of key Russian goods to the Chinese market in H1 2025

	In value terms, USD bn	Change in value, in % on H1 2024	In volume terms, mn t	Increase in volume terms, in % on H1 2024	Share of Russian goods on Chinese market, %	Change in share, p.p.
Crude oil	25.01	-24.2	49.11	-11	16.9	-2.75
Heavy distillates	1.76	-44.7	3.69	-39	26.4	-2.55
Light distillates	1.11	1.3	1.82	17	22.8	-2.78
Pipe gas	4.89	23.1	–	–	45.5	6.76
LNG	1.83	-14.5	3.22	-13	6.7	0.11
Coal	3.84	-27.9	38.97	-10	30.4	3.48
Chemicals	2.57	2.3	4.27	9	2.1	0.07
Timber	1.51	-9.7	4.53	-10	18.7	1.13
Ferrous metals	0.20	-56.3	0.13	-79	1.0	-1.19
Copper	2.67	127.9	0.29	111	7.6	4.24
Copper concentrates	1.20	59.7	0.34	57	3.2	0.92
Nickel	0.58	74.7	0.04	94	9.0	2.12
Aluminum	3.10	76.1	1.24	91	37.3	14.86
Total	59.33	-9.5	127.5	-7	4.8	-0.30

Source: Own calculations on data released by General Administration of Customs of China.

The discount on Russian oil, which reached near-zero values at the end of 2024, reappeared in 2025 (Fig. 3). The difference between average prices for Russian oil and prices for supplies from other countries was 2.8% in Q1 2025 and 6.3% in Q2. The discount peaked in May (8.0%), with signs of a decline to 3.2% in June. The average monthly price of Russian oil remained above the price cap throughout the entire period of sanctions.

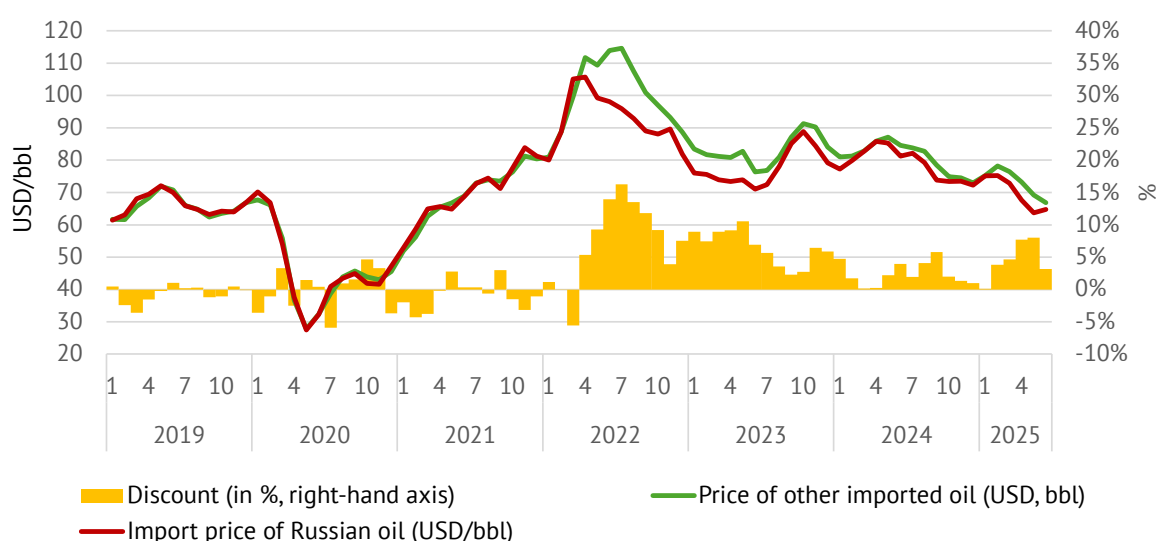


Fig. 3. Prices and discounts on Russian oil supplied to China

Source: Own calculations on data released by General Administration of Customs of China.

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Supplies from China

In H1 2025, Chinese supplies to the Russian market amounted to \$47.2bn (down 8.7% or \$4.5 bn) (Fig. 4). The overall decline is explained by a sharp reduction in car deliveries, which fell by \$4.6 bn (61%) to \$2.9 bn. Deliveries of other categories of machinery and equipment declined slightly (-3.6%), while imports of other goods showed moderate growth (+4.8%). The Russian market's share in total Chinese exports fell to 2.6% (-0.43 p.p.), returning to the levels of H2 2022. It is noteworthy that exports of Chinese goods to other EAEU countries increased to \$28.2 bn (up 8.8%, or \$2.3 bn). Thus, the decline in supplies to Russia is due exclusively to a decrease in domestic demand, including as a result of an increase in the recycling fee.

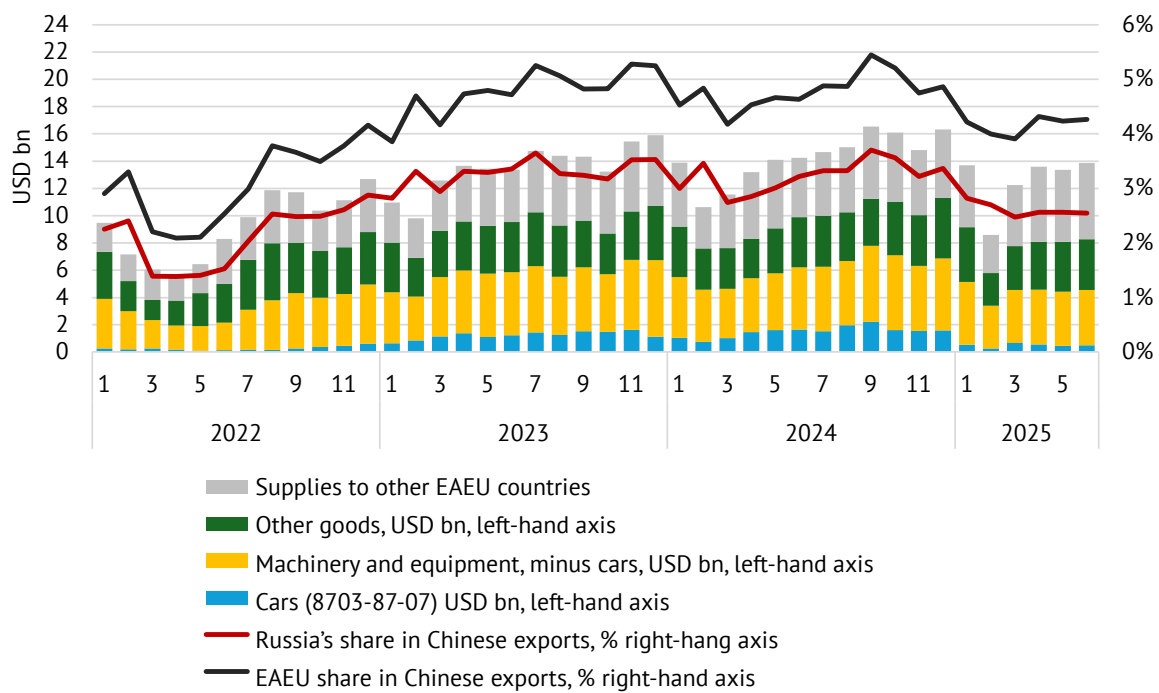


Fig. 4. Supplies of Chinese goods to Russia and EAEU in 2022–2025

Source: Own calculations on data released by General administration of Customs of China. ▲