

EXPORTS SNAPSHOT

FID|E|A
Food & Drink
Exporters Association

fdf

2016

KEY INDICATORS

	2015	2016	Change
All food and drink	£18.2bn	£20.2bn	10.5%
Food & non-alcoholic drink	£12.4bn	£13.8bn	11.8%
EU	£8.9bn	£9.9bn	10.4%
Non-EU	£3.4bn	£4.0bn	15.6%
EU share	72.3%	71.4%	-0.9pp
Non-EU share	27.7%	28.6%	0.9pp
Trade balance (inc. alcohol)	-£21.2bn	-£22.4bn	5.7%

BRANDED GOODS

	2015	2016	Change
World	£4.6bn	£5.2bn	11.5%
EU	£3.2bn	£3.5bn	8.6%
Non-EU	£1.4bn	£1.7bn	18.0%
EU share	69.3%	67.5%	-1.8pp
Non-EU share	30.7%	32.5%	1.8pp

Executive Summary

- Full year 2016 exports of food and drink exceeded £20bn for the first time, up 10.5% on 2015
- Full year 2016 exports of food and non-alcoholic drink hit record levels of almost £14bn, up 11.8% on 2015
- Exports of branded goods saw growth of 11.5% to £5.2bn compared to 2015
- Exports to non-EU markets (+ 15.6%) of food and non-alcoholic drink out-performed EU markets (+ 10.4%), however the EU buys 71.4% of the total by value
- The food and drink trade deficit increased by 5.7% in 2016
- UK products were exported to a record 217 international markets in 2016, five more than in 2015

What happened throughout 2016?

- The UK economy grew by 2% in 2016, down from 2.2% in 2015
- GDP increased by 1.9% across the EU28
- Food and drink exports were stronger at the end of the year, with Q4 2016 up 24% on Q1 2016
- Demand was up in every single one of the UK's top 20 markets in 2016
- The sharp fall in the value of sterling following the vote to leave the EU has made UK exports more competitive overseas
- We expect to see the full impact of weaker sterling filtering through in H1 2017 as companies negotiate new sales agreements
- Strong export growth in 2016 has been supported by the collective efforts of industry and Government to promote UK food and drink overseas

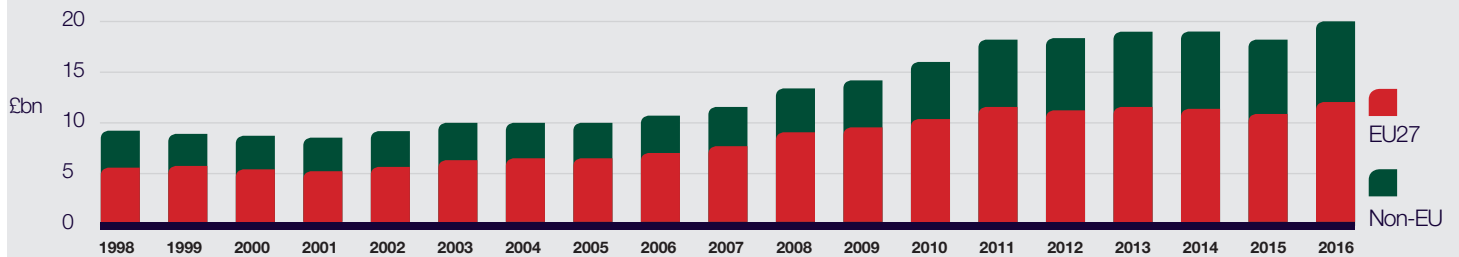
TOP 20 MARKETS

Ireland	£3340.3m	↑8%
United States	£2153.6m	↑13.0%
France	£2122.2m	↑7.8%
Netherlands	£1295.6m	↑0.4%
Germany	£1283.1m	↑13.3%
Spain	£985.8m	↑18.0%
Italy	£524.1m	↑17.9%
Belgium	£519.9m	↑15.1%
China	£439.5m	↑51.1%
Hong Kong	£379.3m	↑10.6%
United Arab Emirates	£350.4m	↑6.9%
Australia	£337.7m	↑12.4%
Canada	£328.7m	↑9.0%
Poland	£319.5m	↑31.1%
Singapore	£299.7m	↑7.1%
Denmark	£288.0m	↑6.2%
Sweden	£267.9m	↑7.5%
South Korea	£231.5m	↑23.6%
South Africa	£224.7m	↑1.8%
Japan	£223.2m	↑3.4%

TOP 10 PRODUCTS

	2016	Change		
		Value	% Value	% Volume
Whisky	£4095.3m	£153.2m	3.9%	5.5%
Chocolate	£663.4m	£79.2m	13.6%	7.7%
Beer	£595.4m	£89.1m	17.6%	10.0%
Salmon	£579.2m	£81.7m	16.4%	-9.3%
Cheese	£498.8m	£49.4m	11.0%	7.7%
Wine	£490.1m	£49.6m	11.3%	-14.0%
Beef	£445.9m	£17.5m	4.1%	2.0%
Soft drinks	£427.8m	£47.7m	12.6%	0.6%
Wheat	£389.2m	£123.9m	46.7%	49.2%
Breakfast cereals	£385.6m	£16.6m	4.5%	-2.8%

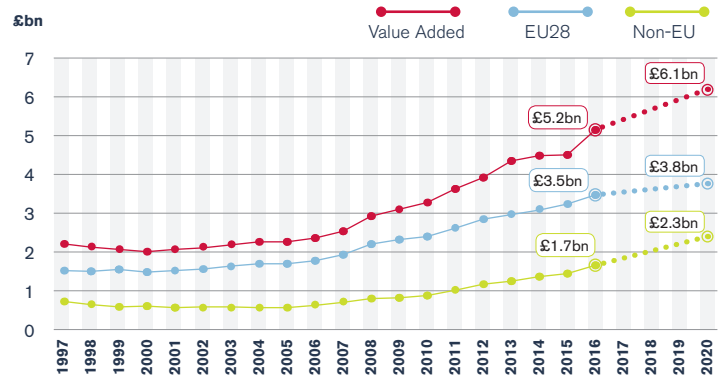
UK FOOD AND DRINK EXPORTS



FDF Ambition

- FDF's industry ambition is to grow exports of branded food and non-alcoholic drink by a third, from a 2014 baseline, reaching £6bn by 2020
- With 2016 branded goods exports already reaching £5.2bn, overall growth is on track to reach our target by 2020 with both non-EU and EU exports having increased over the year

EXPORTS OF BRANDED FOOD & NON-ALC DRINK



TOP 10 MARKETS FOR BRANDED EXPORTS

Ireland	£1315.6m	↑ 8.3%
Germany	£472.9m	↑ 14.6%
Netherlands	£390.4m	↑ 0.9%
France	£347.4m	↑ 3.9%
United States	£197.1m	↑ 23.9%
Australia	£144.6m	↑ 15.4%
Spain	£128.1m	↑ 1.4%
Poland	£119.1m	↑ 42.7%
Belgium	£117.9m	↑ 10.7%
Canada	£115.9m	↑ 31.2%

Branded Exports

- Exports of branded food and non-alcoholic drink continued to grow in 2016, up 11.5% on 2015, with growth in each of the top 15 markets
- Together the top 5 markets buy over 50% of UK branded food and non-alcoholic drink, seeing combined growth of 8.6%
- The % share of UK exports to the EU fell from 69.3% in 2015 to 67.5% in 2016 as sales to non-EU markets grew faster than to the EU
- The majority of branded exports were made up of food preparations, meat, fish and dairy products
- The US was the largest non-EU market for branded UK food and non-alcoholic drink, up 24% in the year to £197.1m

CHINA IN FOCUS



Chinese Appetite for UK Branded Goods Grows

- China was the fastest growing market in the UK's top 20, up 51.1% (y-o-y) to £439.5m
- China's appetite for branded food and non-alcoholic drink has risen by 50% in 2016 to £84.7m
- China is highlighted as a priority export market in the joint Government-Industry International Action Plan for Food and Drink
- We've seen a growing interest in UK afternoon tea (scones, jam, tea, sandwiches and cakes) in China linked to the popularity of programmes such as Downton Abbey and the Great British Bake Off
- This has boosted UK exports of 'afternoon tea' including cakes, tea, milk and spring water to China in 2016: tea (+63%), milk powder (+134%), cakes (+26%), spring water (+139%)

TOP 10 PRODUCTS

	Total Value 2016	Change		
		Value	% Value	% Volume
Milk and cream (powders)	£67.4m	£38.6m	134.1%	62.4%
Salmon	£54.6m	-£0.3m	-0.6%	-19.9%
Pork	£43.3m	£18.3m	73.2%	46.9%
Whisky	£42.0m	£0.8m	2.0%	-14.2%
Beer	£20.2m	£16.5m	439.2%	502.7%
Crustaceans	£17.1m	£12.1m	238.9%	224.9%
Whey	£15.1m	£12.7m	531.9%	119.1%
Waters	£8.0m	£4.7m	139.2%	55.8%
Milk and cream (liquid)	£7.8m	-£3.6m	-31.4%	147.8%
Breakfast cereals	£7.7m	£4.4m	132.1%	68.2%

10 YEAR FOOD AND DRINK EXPORT GROWTH TO CHINA

