Asia-Pacific Trade Briefs

Russian Federation

Merchandise Trade: Merchandise trade accounted for 79.5% of the country's total trade in 2015. Since 2014, trade and foreign direct investment (FDI) in the country have been affected by heightened international economic sanctions and geopolitical tensions. Exports are heavily concentrated in mining, commodities, with petroleum oils and gases collectively accounting for around 55% of total exports. Therefore, the decline in world fuel prices has adversely affected the trade performance of the country, and merchandise exports contracted sharply by 31.6%. Similarly, merchandise imports in 2015 contracted sharply by 37% compared with the Asia-Pacific region's average import decline of 15%. Major imports were concentrated in final consumer goods, such as motor vehicles, medicaments and telephone sets. Weakened domestic consumption as a result of falling export revenues, currency depreciation and the ban on food imports from the United States and countries in the European Union contributed to the severe import contraction.

Services trade: In 2015, services trade exports and imports contracted by 21.3% and 27%, respectively. Other commercial services, transportation services and travel services accounted for 45%, 33% and 17% of services exports, respectively, and for 45%, 40%, and 13% of services imports, respectively. In 2015, among those major services sectors, travel services experienced the largest decline at 28% for exports and 31% for imports.

Intraregional trade: In 2015, 31.2% of goods exports were directed to other Asia-Pacific economies. China was the largest intraregional export destination (10.9%), followed by Turkey (6.7%). Meanwhile, 31.3% of goods imports came from the Asia-Pacific region. China (21.1%) was the most important intraregional source of imports.

Foreign direct investment (FDI): The Russian Federation was both a major foreign investor and recipient of FDI in North and Central Asia. FDI outflows and inflows reached a five-year peak in 2013 at US$71 billion and US$53 billion, respectively; however, from 2014, they contracted after being adversely affected by international economic sanctions and the economic crisis. In 2015, the investment contraction continued with inflows dropping by 66.3% and outflows decreasing by 58.6%.

Tariffs: In 2014, average applied and effectively applied MFN tariffs were at 7.6% and 6.9%, respectively, which were slightly higher than the respective averages for the Asia-Pacific economies of 6.9% and 5.9%. Average MFN bound duty was 11%, which was considerably lower than the average of 20% for Asia-Pacific economies; the binding coverage was 100% of tariff lines.

Trade costs: International trade costs for the Russian Federation remained higher compared with the most efficient major traders in Asia and the Pacific. The level of trade costs for the Russian Federation is 59.3% higher on average than for East Asia-3, while only slightly higher than the costs incurred by the European Union-3 in reaching major trading economies of Asia and the Pacific (China, India, Indonesia and Russian Federation).

Trade agreements: The Russian Federation has 10 preferential trade agreements (PTAs) in force, which is more than the average of 7.6 PTAs for economies in the Asia-Pacific region. However, only 13.4% of total exports and 12.9% of total imports are with the Russian Federation's PTA partners, which was much lower than the average trade coverage by PTAs of Asia-Pacific economies at 33.3% for exports and 44% for imports.

Figure 1. Key trade and investment indicators

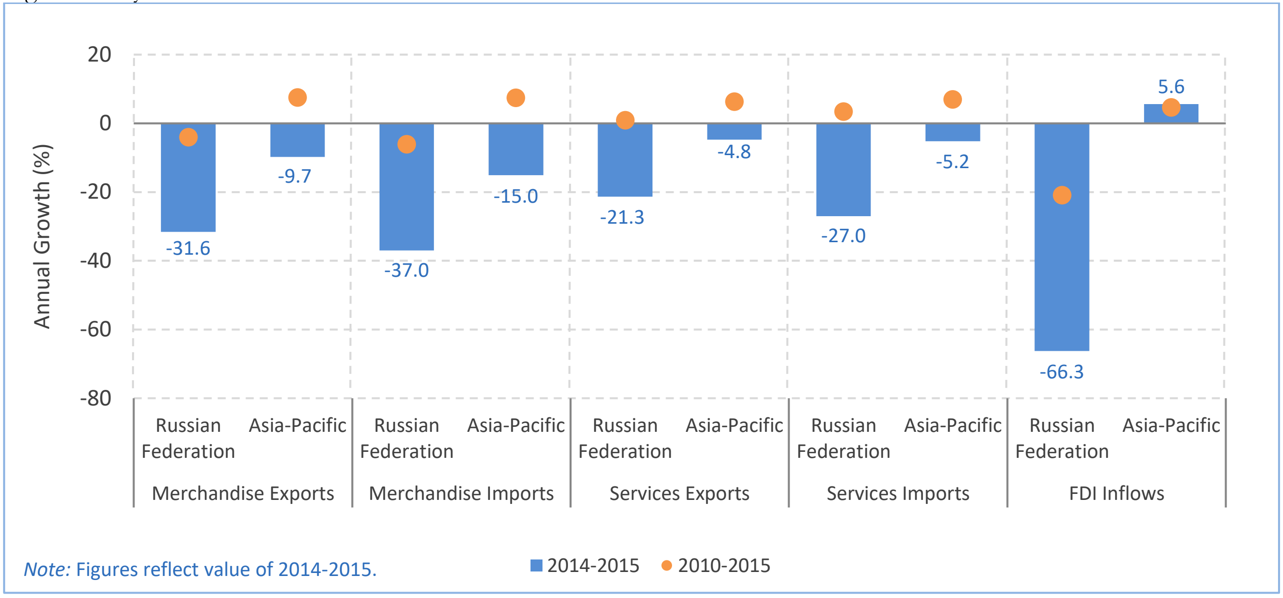

Figure 2. Top merchandise markets

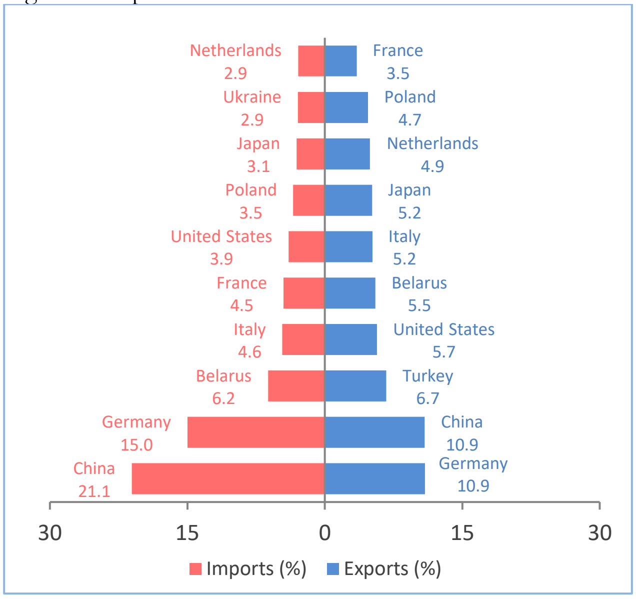

Figure 3. Top merchandise products

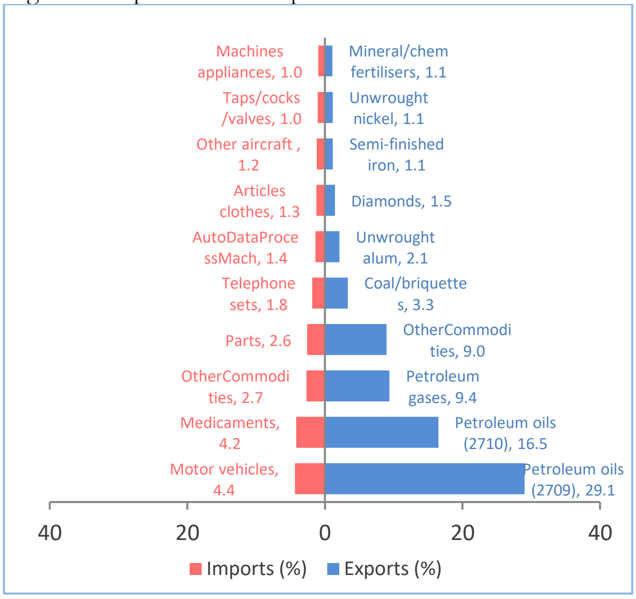

Figure 4. Trade within region and rest of the world

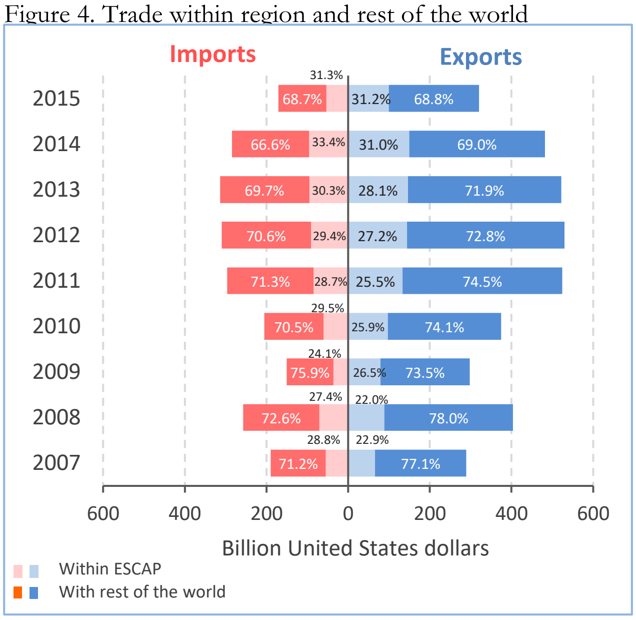

Figure 5. Foreign direct investment

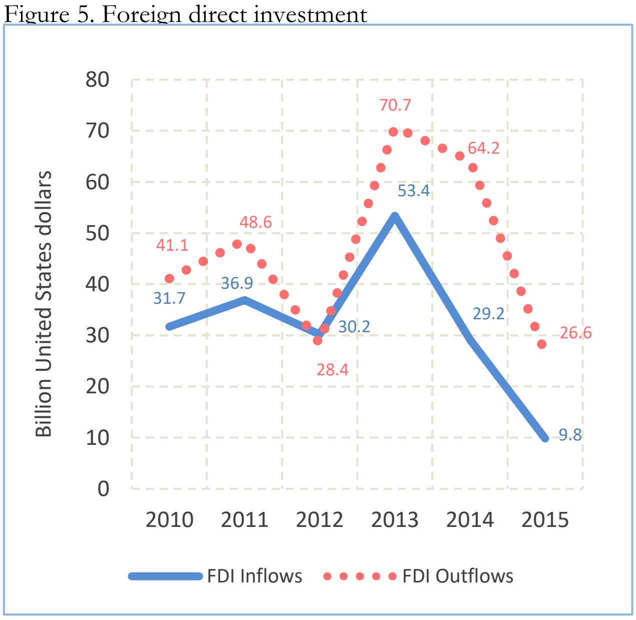

Figure 6. Tariffs (2014)

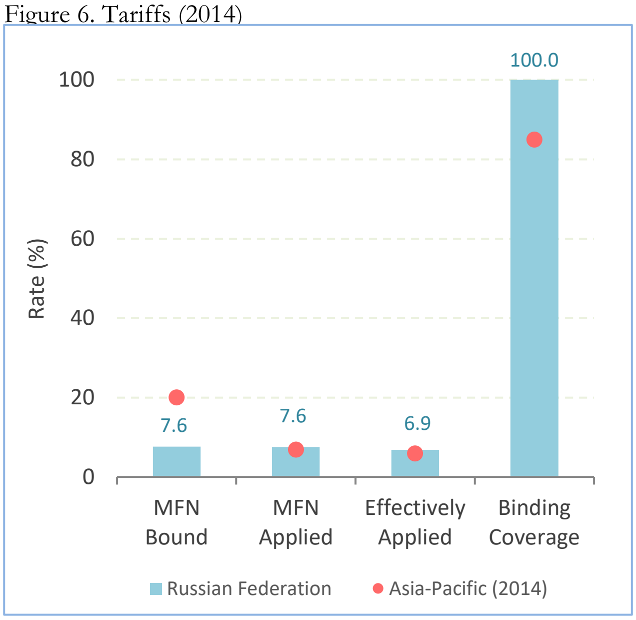

Figure 7. Trade costs