

EXPORTS SNAPSHOT

Q3 2017

KEY INDICATORS

	Q3 2017	Change	YTD 2017	Change
All food & drink	£5.9bn	14.7%	£16.1bn	11.0%
EU	£3.5bn	12.5%	£9.7bn	10.7%
Non-EU	£2.4bn	18.2%	£6.4bn	11.4%
EU share	58.8%	-0.01pp	60.4%	-0.16pp
Non-EU share	41.2%	+0.01pp	39.5%	+0.16pp
Trade balance	-£5.6bn	0.7%	-£18.0bn	11.1%

Executive Summary

- Q3 2017 exports of food and drink reached £5.9bn, up 14.7% on 2016.
- Q3 2017 export growth to non-EU markets (+18.2%) out-performed those to EU markets (+12.5%), raising the non-EU share to 41.2%.
- From January to September 2017, exports increased 11.0% to £16.1bn against the same period in 2016.
- Exports of branded goods saw growth of 12.7% to £4.3bn (YTD 2017) against the same period a year before, demonstrating further strong progress towards FDF's branded export ambition.
- The food and all drink trade deficit increased by 0.7% in Q3.
- All of the top 10 export products reported growth YTD 2017, apart from soft drinks which report a slight dip of -0.1% (by value) due to reduced sales to Ireland.

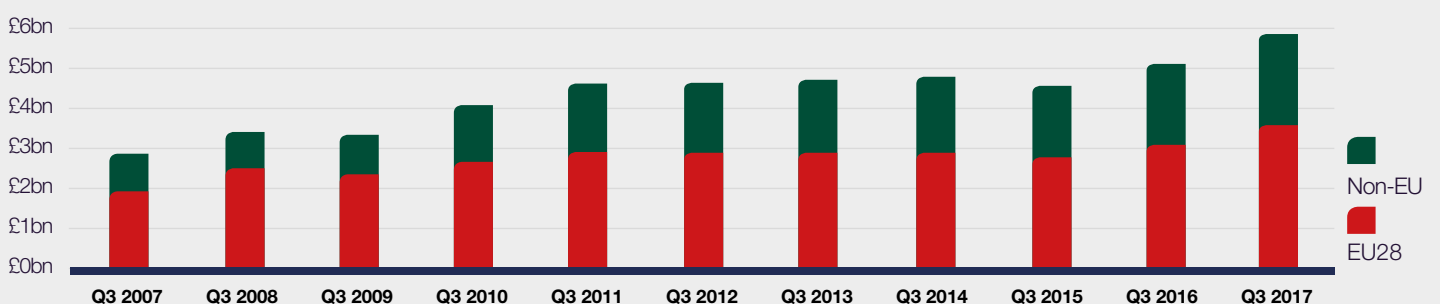
Top 20 Markets (YTD 2017)

Ireland	£2718.5m	↑ 12.0%
France	£1684.3m	↑ 9.4%
United States	£1620.8m	↑ 7.7%
Netherlands	£1098.8m	↑ 14.9%
Germany	£1037.7m	↑ 9.7%
Spain	£696.1m	↓ -7.1%
Belgium	£493.7m	↑ 33.5%
China	£420.1m	↑ 37.6%
Italy	£401.5m	↑ 5.9%
Hong Kong	£327.6m	↑ 24.9%
Australia	£295.8m	↑ 21.5%
Poland	£269.5m	↑ 19.3%
Singapore	£265.6m	↑ 31.0%
United Arab Emirates	£254.9m	↑ 1.9%
Denmark	£252.6m	↑ 18.5%
Canada	£243.2m	0.0%
South Korea	£233.2m	↑ 54.6%
Sweden	£215.4m	↑ 10.3%
South Africa	£180.9m	↑ 6.4%
Japan	£170.3m	0.0%

TOP 10 PRODUCTS

	YTD 2017	Change		
		Value	% Value	% Volume
Whisky	£3156.9m	£311.1m	10.9%	5.1%
Salmon	£578.5m	£172.7m	42.5%	21.2%
Chocolate	£501.9m	£30.9m	6.6%	-2.7%
Beer	£475.0m	£50.3m	11.8%	-4.2%
Cheese	£448.1m	£90.8m	25.4%	3.2%
Wine	£412.4m	£72.9m	21.5%	26.8%
Gin	£387.3m	£39.7m	11.4%	7.9%
Beef	£360.9m	£40.5m	12.7%	-3.1%
Pork	£329.7m	£51.1m	18.3%	0.9%
Soft drinks	£320.9m	-£0.3m	-0.1%	-7.4%

Q3 UK FOOD AND DRINK EXPORTS



EXPORTS SNAPSHOT

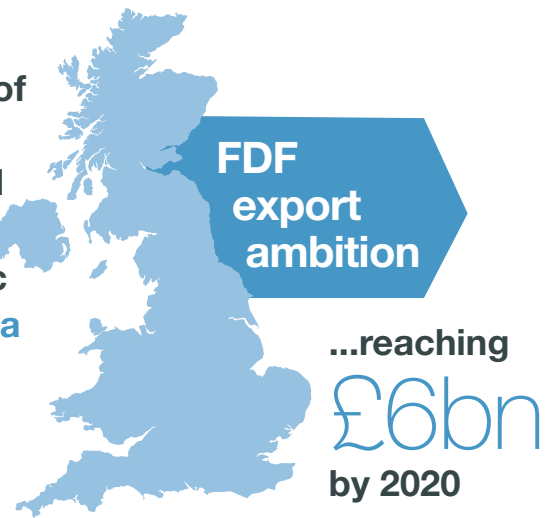
Q3 2017

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.
- Exports of branded products grew by 14.3% in Q3 reaching £1.5bn. From January to September 2017, branded exports grew to £4.3bn.
- Based on latest figures, branded export growth is on track to reach our target ahead of schedule.
- FDF is currently developing proposals as part of the Government's Industrial Strategy activity to boost specialist export support with an aim of delivering ambitious long-term export targets.

BRANDED GOODS				
	Q3 2017	Change	YTD 2017	Change
World	£1.5bn	14.3%	£4.3bn	12.7%
EU	£1.0bn	8.6%	£2.8bn	10.2%
Non-EU	£0.6bn	25.5%	£1.4bn	18.1%
EU share	63.0%	-3.3pp	66.4%	-1.5pp
Non-EU share	37.0%	+3.3pp	33.7%	+1.5pp

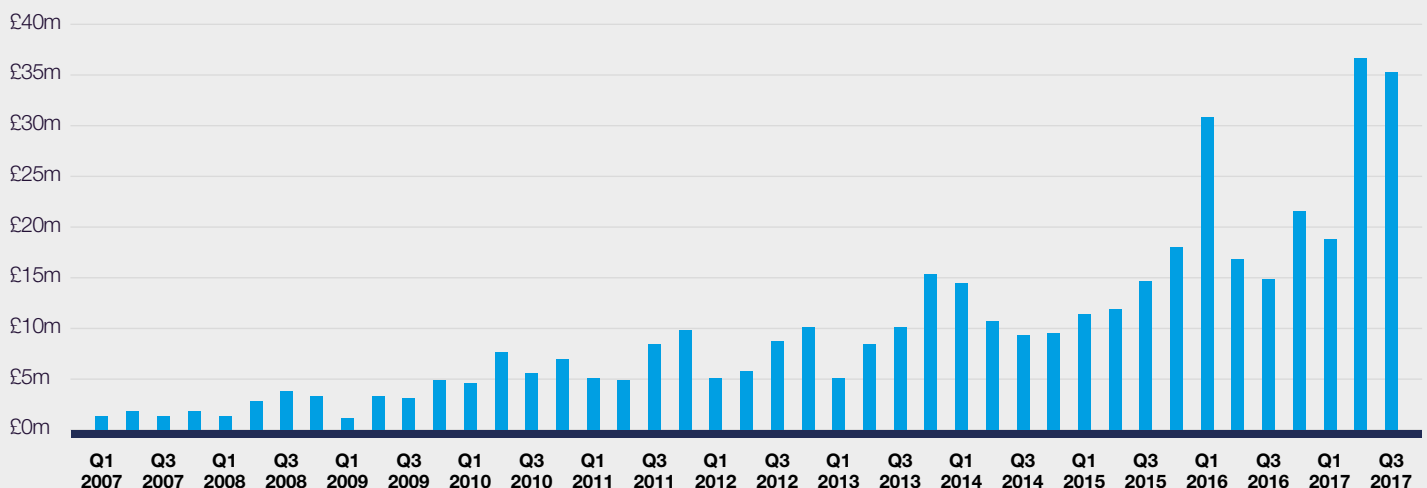
Grow exports of branded food and non-alcoholic drink by a third...



China one of the top 3 potential markets

- China was identified as one of the top 3 target markets that food and drink companies would like to target, according to the [Grant Thornton](#) survey commissioned by FDF. It was also one of the highest growth markets from January to September 2017.
- Export growth to China remains strong, rising by 38% YTD 2017 to £420m, up from £305m in the same period last year. Notable product growth was recorded for salmon (51%), whisky (52%) and beer (155%).

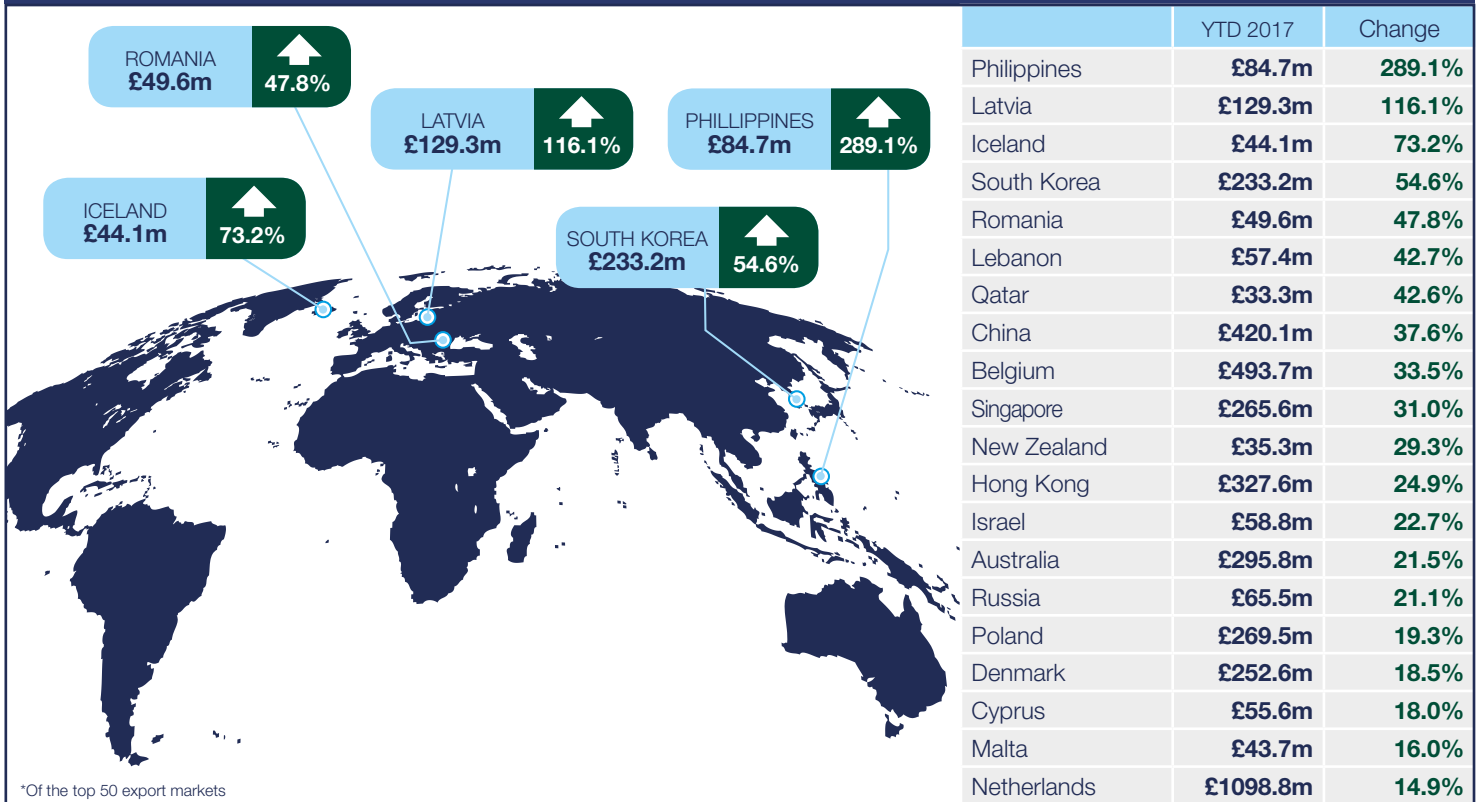
Q3 BRANDED FOOD AND DRINK EXPORTS TO CHINA



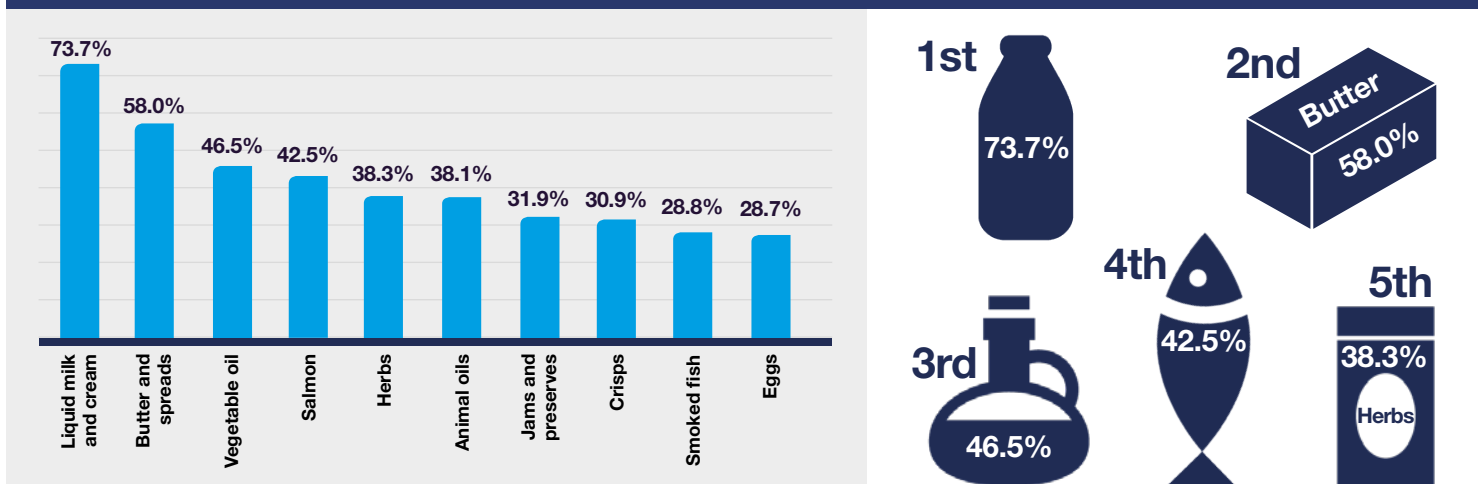
Fastest Growing Export Markets (January to September) 2017

- When looking at the top 50 UK export markets by value, the fastest five growing markets were the Philippines, Latvia, Iceland, South Korea and Romania.
- The surge in growth to the Philippines of 289% was led by higher demand for UK animal feed (1648%), pork (85%), whisky (277%), cheese (1608%) and salmon (227%).
- While overall export growth to Latvia of 116%, up from £60m to £129m, was driven by sales of whisky (131%), wine (239%), gin (86%) and fish fillets (125%).
- Higher demand for breakfast cereals (32%), soft drinks (179%), chocolate (112%) and fruit (4140%) contributed to the overall increase in food and drink exports to Iceland.
- Following the ratification of the EU-South Korea FTA in December 2015, UK food and drink exports have grown significantly. Over the first 9 months of 2017, exports of beer (+208%), shellfish (46%) coffee (32%) as well as butter and spreads (181%) have all increased.
- The top 3 products exported to Romania were whisky (49%), chicken (86%) and cheese (144%).

20 FASTEST GROWING MARKETS YTD 2017*



TOP 10 FASTEST GROWING EXPORTS PRODUCTS YTD 2017



EXPORTS SNAPSHOT

F|D|E|A
Food & Drink
Exporters Association

fdf

Food and Drink Industry Statistics

The UK food & drink manufacturing sector employs more than

117,000

EU workers almost **1/3** of our workforce



The UK is Ireland's largest trading partner for food and drink.

41%

of its food & drink exports go to the UK (€4.4bn)



Food & drink contributes

£28.2bn

to the economy



Soft drink companies have **reduced sugars & calories** from their products by **18%** since 2012



With the support of industry, the UK Government has **set up the most ambitious sugars reduction programme anywhere in the world**



to help lower sugar in the national diet

In 2016, total food & drink export figures were worth more than

£20bn



Our industry employs around

400,000 people



Our top three export markets are

**Ireland,
USA
& France**

The food supply chain employs almost

4 million people

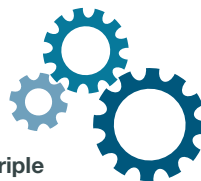
& generates over **£100 billion**

of value for the economy each year



fdf

has pledged to triple apprenticeships within the food & drink industry by 2020



The food & drink industry is the biggest manufacturing sector in the country...

...larger than automotive & aerospace combined



We will need

140,000

new recruits by 2024



to feed an expected population of **70m** people & meet market demands



96%
of our businesses are SMEs