

CRIMEAN DIGEST



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Republic of Crimea Exports and Foreign Trade



**Special Edition
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Chapter 1

Historical Essay



The theory classifies all forms of foreign economic relations into going back a long way (so-called "old") and recently formed ("new"). The "old" forms include foreign trade and capital exports (currency credit and financial relations), and "new" - scientific and technical exchange, joint construction and operation of joint ventures, formation of free economic zones, participation in interstate economic integration.



Significant changes in foreign trade of Republic of Crimea occurred in 2014, i.e. with the accession to the Russian Federation

Foreign trade turnover decreased by 5.4 times, exports and imports decreased by 4.5 and 6.5 times, respectively.

Decrease in the volume of foreign trade of Republic of Crimea in 2014 was the **result of several reasons**: the effect of trade and investment **sanctions**, foreign trade indicators have declined due to **transition of Russian trade to the domestic trade**, changes resulted as the result of **new technique of calculating foreign trade turnover**, namely, excluding the 2014 trade data with other countries of the Customs Union, i.e. Belarus and Kazakhstan. Thus, **the reduction in the volume of exports, imports** and, consequently, the turnover of foreign trade of Republic of Crimea in 2014 in fact, **wasn't as big as the statistics show**.

Since then more than half of the foreign trade of Republic of Crimea was accounted for by non-CIS countries (in 2015 - 53.2% of turnover, in 2016 – 60.7%). **In 2015** major foreign trade partners of the region were **Panama** (13.6% of total turnover), **Turkey** (12.3%), **China** (8.6%), **India** (7%). Among the CIS countries - **Ukraine** (36.8%); **In 2016** - **China** (20.1%), **Turkey** (7.5%), **Italy** (7.9%), **Switzerland** (5.3%), **Belarus** (14.5%), **Ukraine** (14.4%).



After the accession of Republic of Crimea to Russia, the structure of foreign trade has changed. Thus, in the structure of foreign trade the **share of non-CIS countries has increased, the share of the European Union countries and the Ukraine has decreased**, the main foreign trade partners of the region emerged: China, Turkey, Panama, India, among CIS countries - primarily Belarus.

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After the accession of Crimea to Russia, **the commodity structure** of its foreign trade has changed significantly. In 2015 more than half of the exports were **two groups of goods** - ships, boats, floating structures and products of inorganic chemistry. The region also exported cereals, ferrous metal, meat and food by-products, oilseeds and fruits (these products accounted for between 4.8% and 6.4% of all exports). In 2016 - **machinery, equipment and vehicles, chemical products and food products, agricultural raw materials** - were the main exported commodities. Here is the data from the Crimean Statistics Service.

COMMODITY STRUCTURE OF EXPORTS OF REPUBLIC OF CRIMEA
thousands of USD

Customs Commodity Code	Product	2015	2016	2017	2018	2019
	Total, million dollars	79.5	47.7	30.0	23.8	33.7
01-24	Food and agricultural raw materials (except textiles)	19,376.3	10,363.4	6,216.6	5,119.3	17,389.4
25-27	Mineral products	424.6	898.5	232.1	46.2	142.9
27	Fuel and energy products	205.9	793.6	204.5	32.6	142.9
28-40	Chemical products, rubber	21,876.0	11,867.8	9,444.3	3,736.0	7,340.2
41-43	Leather raw materials, fur and products from them	30.1	8.7	9.2	12.2	17.6
44-49	Wood and pulp and paper products	112.7	447.4	87.0	88.3	294.0
50-67	Textiles, textile products and footwear	278.9	4,804.1	872.6	471.9	479.3
71	Gems, precious metals and products from them	-	9.9	0.8	0.2	1.1
72-83	Metals and products from them	7,691.9	4,879.1	1,338.3	1,596.6	1,358.3
84-90	Machines, equipment and vehicles	29,463.4	13,312.1	11,385.7	12,502.2	6,366.8
68-70, 91-97	Other products	247.2	1,149.6	457.7	270.9	261.3

¹⁾ Information for 2015 is provided according to the Federal Customs Service as of May 13, 2016, for 2016 - on May 25, 2017, for 2017-2018, according to the Russian Federal Trade Commission on May 23, 2019. For 2019 - 30.04.2020, the results of foreign trade are distributed among the subjects of the Russian Federation at the place of registration of participants in foreign economic activity, taking into account the information about the data of mutual trade with the EAEU countries, in accordance with paragraph 12 of the Customs Statistics Of Foreign Trade Statistics of the Russian Federation on the subjects of the Russian Federation, approved by the order of the Federal Security Service of Russia on July 18, 2011. № 1470. Minor discrepancies between the total and the amount of the material are explained by rounding up the data.

Chapter 2

How the Export Activities are Carried out in Republic of Crimea



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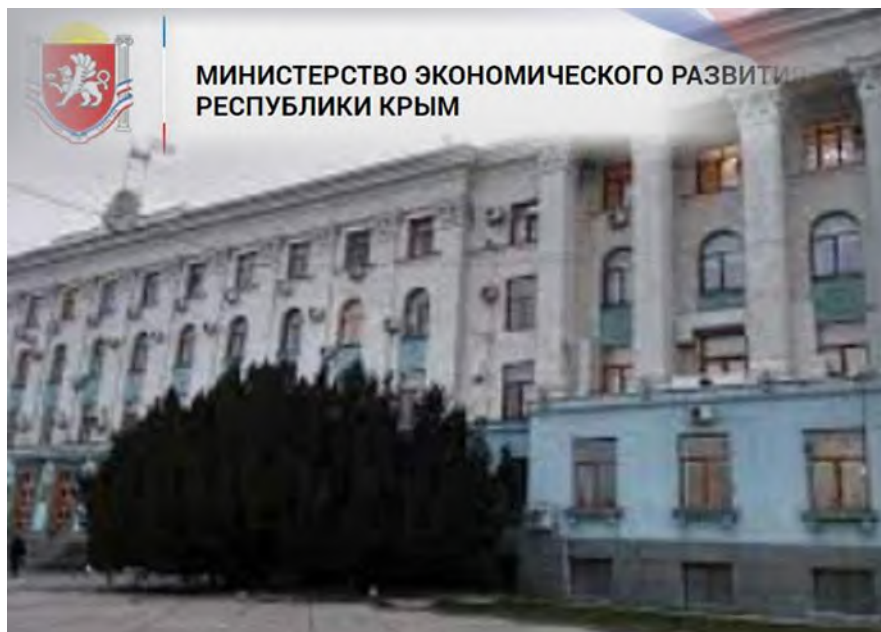


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The major export activities are carried out by the Ministry of Economic development of Republic of Crimea. It also supports the actions of The [Export Council Under the Head of Republic of Crimea](#). This is a permanent coordinating, advisory and deliberative body under the Head of the Republic of Crimea.

The purpose of its work is:

- Promotion of export activities
- Establishment of an effective infrastructure to support exports
- Development of Republic's cooperation with the regions of Russia
- Solutions of the problems that arise in the activities of exporters.



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The Export Council includes representatives of the executive bodies of the Government of Republic of Crimea, of the Russian Export Center, organizations of infrastructure that support entrepreneurship and investment activities of Republic of Crimea, public organizations and associations of entrepreneurs, active exporters and business entities that are planning to carry out export activities from various industries, including those operating in the service industry



IN THE SECOND QUARTER OF 2021 EXPORT COUNCIL UNDER THE CHAIRMAN OF THE REPUBLIC OF CRIMEA IN A NEW COMPOSITION will develop proposals for:

- Elimination of institutional, regulatory, administrative restrictions and barriers in export activities
- Inclusion in strategic planning documents of a proposal for development of export activities in Crimea
- Measures of Government support for export-oriented business in Crimea
- Priority areas of export activities

WILL ALLOW TO ESTABLISH INTERACTION WITH:

- Ministry of Industrial Policy of Republic of Crimea
- Ministry of Agriculture of Republic of Crimea

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The only entity in Crimea that assists and supports foreign economic activity is the [Southern Regional Export Support Centre](#)

Center Services

The Southern Regional Export Support Center provides a wide range of financial and non-financial support measures, interaction with relevant ministries and departments.

ALL SERVICES OF THE CENTER ARE FREE FOR SMALL AND MEDIUM-SIZED BUSINESSES OF THE REPUBLIC OF CRIMEA

- EXPORT CONSULTATIONS
- CERTIFICATION AND STANDARDIZATION
- TRANSLATION OF PRESENTATION MATERIALS
- EXPORT TRAINING
- SEARCH FOR A FOREIGN PARTNER
- MARKETING AND PATENT RESEARCH



РОССИЙСКИЙ
ЭКСПОРТНЫЙ ЦЕНТР

23

EXPORTER

fifty

CONTRACTS

twenty

MILLION DOLLARS

Chapter 3

Some Statistics on Foreign Trade and Exports of Republic of Crimea



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According to customs statistics, the foreign trade turnover of Republic of Crimea in 2020 is estimated at 74.9 million U.S. dollars or 79.5% of 2019 volume. Trade turnover from October to December 2020 amounted to USD 16.3 million, or 68.3% of the volume of the same period in 2019.

258 Participants, Including 181 Legal Entities, Carried Out Foreign Trade Activities In 2020

Below is the generalized data of Crimean Statistical Bureau

Foreign Trade of the Republic of Crimea

	2016	2017	2018	2019	2020
Export					
Total, million U.S. dollars	47.7	30.0	23.8	33.7	33.9
Including:					
with CIS countries	21.3	16.3	13.8	32.3	26.4
with non-CIS countries	26.5	13.8	10.0	1.4	7.5
Total, as a percentage of the total number	100	100	100	100	100
Including:					
with CIS countries	44.5	54.2	58.0	95.8	77.9
with non-CIS countries	55.5	45.8	42.0	4.2	22.1



Commodity Export Structure of the Republic of Crimea (Thousands, U.S. dollars)

Product name	2016	2017	2018	2019	2020
TOTAL					
Total, million dollars	47.7	30.0	23.8	33.7	33.9
Food and agriculture raw materials (except textile)	10,363.4	6,216.6	5,119.3	17,411.8	18,101.4
Mineral products	898.5	232.1	45.2	147.1	3.5
Including fuel and energy products	793.6	204.5	32.6	142.9	0.3
Chemical products, rubber	1,1867.8	9,443.2	3,735.0	7,340.5	6,383.2
Leather raw materials, fur and products from them	8.7	9.2	12.2	17.6	5.3
Wood, pulp and paper	447.4	87.0	88.3	294.0	396.6
Textiles, textile shoes	4,804.1	872.5	471.9	479.3	205.1
Gems, precious metals and products from them	9.9	0.8	0.2	1.1	0.2
Metals and products from them	4,879.1	1,338.3	1,596.6	1,358.3	982.3
Machines, equipment and vehicles	13,312.1	11,385.7	12,502.5	6,367.7	7,727.0
Other products	1,149.6	457.7	270.9	261.3	95.8

The main trading partners of Republic of Crimea (in order of descending value): **Ukraine** - 33.6% (2019 - 38.0%), **Belarus** - 21.8% (2019 - 18.1%), **Armenia** - 8.4% (2019 - 8.5%), **China** 7.8 % (2019 - 2.9 %), **Turkey** - 6.6 % (2019 - 3.9 %), **Italy** - 5.7 % (2019 г. - 9,5 %), **India** - 3,7 % (2019 - 0,1 %), **Kazakhstan** - 3,3 % (2019 - 3.5%), **Serbia** - 1.4% (2019 - 0.6%), **Republic of Korea** - 1,2 % (2019 г. - 1.2 %).

The biggest export items from Crimea are: poultry meat (\$6.5 million), spirits (\$1.8 million), wine (\$1.1 million). In stable demand are sugar and confectionery, ready-made products from meat and fish, dairy products, eggs, honey. The importers are interested in engineering products (\$4.8 million, or 26.9%) and chemical products (\$3.3 million, or 18.6%).

Close trade relations remain with **Uzbekistan, Kyrgyzstan and Armenia**. Trade with **Turkey** is growing - 10.7% (2019 - 3.7%), with **China** - 6.4% (2019 - 1.5%), with **India** - 6,3 % (2019 – 0.2 %), with **Republic of Korea** – 1.9 % (2019 – 1.3 %), with **Moldova** – 1.4 % (2019 – 0.5 %).

At the stage of drafting paperwork for supply of equipment to **Kuwait** is **INTERCHEMSPECMONTAZH**. The company manufactures equipment for processing of sticky-containing waste, including wastewater, for processing of soil contaminated with petroleum products, processing of plastic by thermal treatment, and water purification systems of various configurations.

In the near future, the list of commercial partners of the Crimean Republic may include the **Republic of Chad**. The authorities of the African state are primarily ready to import mineral fertilizers and animal feed, as well as electrical equipment. In addition, the country is interested in exporting construction services and to invite Russian, including Crimean, road construction companies for projects in Chad.

Other countries with which negotiations are under way include **Ethiopia, Egypt and Morocco**.

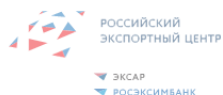
And, summarizing, here is selected data for 2021 (source: ["Russian Export Center"](#))

Exports by country

	3 months	3 months	3 months	3 months		
	2019	2020	2021	Percent	Growth Rate, mln. USD	Growth Rate, %
	million \$					
1 Belarus	1,4	1,8	3,1	36,1%	+1,3	+70,2
2 Ukraine	3,1	4,6	3,1	35,7%	-1,6	-33,5
3 China	0,1	0,6	1,0	12,1%	+0,5	+76,7
4 Kazakhstan	0,4	0,5	0,5	6,2%	+0,1	+16,0
5 Kyrgyzstan	0,2	0,0	0,3	3,1%	+0,2	+442,6
6 Uzbekistan	0,1	0,1	0,2	2,9%	+0,2	+195,2
7 Armenia	0,1	0,1	0,2	1,8%	+0,1	+200,5
8 Mongolia	0,0	—	0,1	0,7%	+0,1	☑
9 Turkey	—	0,0	0,1	0,7%	+0,0	+143,1
10 Abkhazia	0,0	0,0	0,0	0,2%	-0,0	-50,1
11 Taiwan (China)	—	—	0,0	0,2%	+0,0	☑
12 Tajikistan	0,0	0,0	0,0	0,1%	-0,0	-39,7
13 Israel	0,0	0,0	0,0	0,1%	-0,0	-71,5
14 Serbia	—	0,0	0,0	0,1%	+0,0	+274,0
15 Czech Republic	—	—	0,0	0,1%	+0,0	☑



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Republic of Crimea

Export Reference Data: January — March 2021

Non-Commodity Non-Energy Exports

Product	Volume. million \$	Part
1 390410 Polivinyll chloride pure	0.026	0,301%
2 731414 Braided stainless steel fabric. except for endless machine tapes	0.019	0,225%
3 902610 Devices to measure and control the flow or level of liquid	0.011	0,127%
4 847710 Injection-casting machines	0.003	0,036%
5 030289 Other fresh fish	0.003	0,032%
6 853540 High-voltage lightning rods. restraints and voltage extinguishers	0.002	0,020%
7 392119 Porous films and sheets of other plastics	0.001	0,017%
8 392020 Single-layer polypropylene films and sheets	0.001	0,013%
9 200860 Other cooked cherries and cherries	0.001	0,011%
10 847190 Readers. coding machines	0.001	0,011%

Component in Russia's Non-Commodity Non-Energy Exports

Product	Million \$	Percent
1 3206 Inorganic dyes	1.9	8.5%
2 2208 Strong spirits	0.6	2.0%
3 0207 Meat and by-products of poultry	1.5	2.0%
4 2836 Carbonates	0.7	1.5%
5 0504 The guts and stomachs of animals	0.1	1.3%
6 8467 Pneumatic and power tools	0.2	1.0%
7 8543 Other special electrical devices	0.4	0.9%
8 1701 Sugar	0.5	0.9%
9 7323 Black metal kitchen utensils	0.1	0.5%
10 0406 Cheese and cottage cheese	0.1	0.5%
11 7314 Fabric. grids. mesh of black metals	0.0	0.4%
12 3917 Plastic pipes. fittings and hoses	0.2	0.4%
13 0203 Pork	0.3	0.4%
14 2009 Fruit and vegetable juices	0.0	0.3%
15 9021 Orthopedic devices, artificial body parts	0.0	0.3%

Chapter 4

Export Strategy of Republic of Crimea for the Period up to 2025



In 2018, the Head of the Republic of Crimea approved Export strategy of the Republic of Crimea for the period up to 2025 and the 2018-2019 Export Strategy Plan

The export strategy is aimed at meeting the key needs of exporters at all stages of the export cycle and describes the main tools to support exporters and export-oriented enterprises. Target indicators and indicators of the Export Strategy are synchronized with the target indicators and indicators of the Passport of the priority project "Systemic Measures for the Development of International Cooperation and Export" of the priority area "International Cooperation and Export", approved by the Presidium of the Council under the President of the Russian Federation for Strategic Development and Priority Projects on November 30, 2016. In order to implement the Export Strategy, the total resource support from the budget of the Republic in the amount of 400 million rubles is provided for the implementation of the Export Strategy for the period 2018-2025.



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In particular, the Strategy reflects the priorities for development of the export activities of enterprises in the region and takes into account the challenges facing the Russian Federation in the field of international cooperation and exports, including:

- Average annual growth rate of non-commodity non-energy exports in terms of value at least 7% by 2025;
- Growth in non-commodity non-energy exports of goods in value terms by at least 15% by the end of 2018 and at least twice by 2025;
- Growth in services exports by at least 20-25% by the end of 2018 and at least twice by 2025;
- Increase in the number of exporters by at least 10.3% by the end of 2018, at least twice by 2025.

Subject	Potential (as a base - the 2013 data)	Actual 2016	Assessment 2017	2018	2020	2025
Number of countries-partners	121	57	22	25	70	80
Volume of non-commodity exports, mil. USD	904.9	47.7	19.2	23	50	500
Export growth	-	-	-	15%	20%	200%
Number of exporters	219	31	21	25	60	150

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Information from the following sources was used in the preparation of this issue:

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Business and Culture Center of
Republic of Crimea

<http://bccrc.ru>

E-mail: info@bccrc.ru
