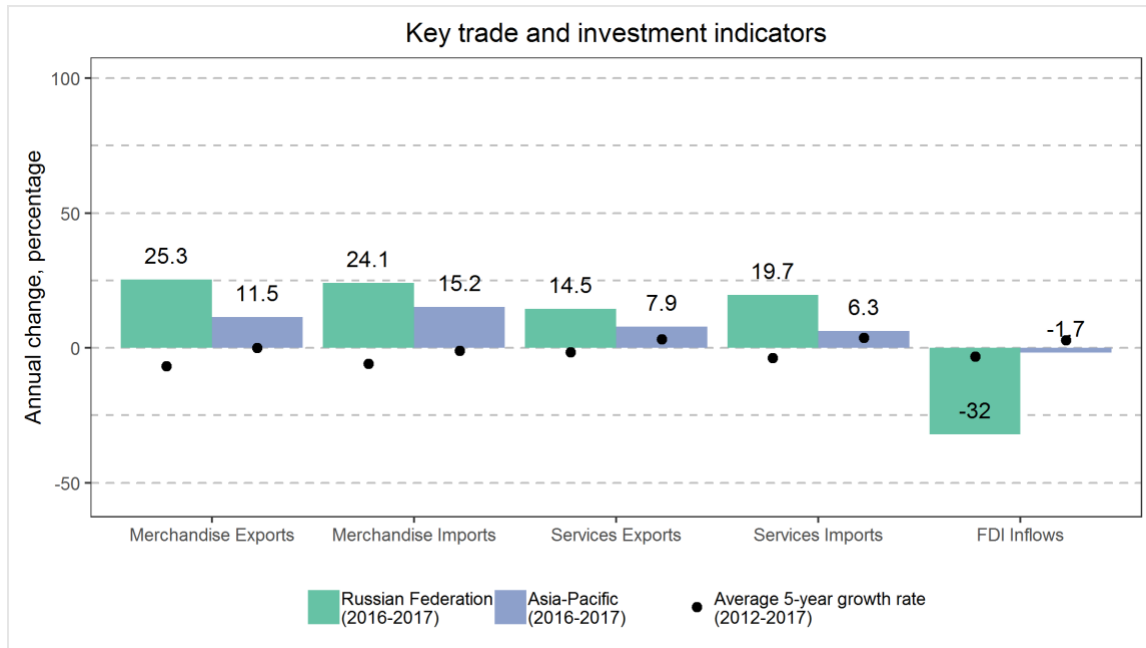




Asia-Pacific Trade Briefs: Russian Federation



Merchandise Trade

Russian Federation has a trade-to-GDP ratio of 46.6%. Merchandise trade accounted for 80.4% of Russian Federation's total trade in 2017. Russian Federation's merchandise exports declined by 6.7% on average during 2012-2017, lower than the Asia-Pacific average of 0% during the same time period. In 2017, Russian Federation's merchandise exports grew by 25.3%, while in the Asia-Pacific region they increased by 11.5% in the same year. Meanwhile, Russian Federation's merchandise imports decreased by 5.8% on average during 2012-2017, and recorded an increase of 24.1% between 2016 and 2017.

Services Trade

In 2017, Russian Federation's commercial services' shares of total exports and imports were 13.9% and 26.8%, respectively. Commercial services exports declined by 1.5% on average during 2012-2017, lower than the Asia-Pacific average of 3.2% during the same time period. In 2017, Russian Federation's commercial services exports grew by 14.5%, while in Asia-Pacific region they increased by 7.9%. Meanwhile, Russian Federation's commercial services imports decreased by 3.7% on average during the 2012-2017 period, recording a growth rate of 19.7% from 2016 to 2017.

Foreign Direct Investment (FDI)

Russian Federation recorded an average annual FDI inflows decline of 3.2% from 2012 to 2017, smaller than the Asia and the Pacific's 2.9% average annual FDI inflow growth. At the same time, Russian Federation experienced a decline in FDI inflows by 32% in 2017. In terms of FDI outflows, Russian Federation had an average annual FDI outflows growth of 5.4% in the last five years, larger than the Asia and the Pacific's 3.5%



average annual FDI outflow growth. In 2017, Russian Federation experienced an increase in FDI outflows by 33.7%.

Top Trade Partners

In 2017, the largest trade partner of Russian Federation was China, representing 10.9% of its exports and 21.3% of its imports. 7.1% of Russian Federation's exports and 10.7% of Russian Federation's imports by value were traded with Germany, its second largest trade partner. Other significant trade partners were Netherlands, Belarus, Italy, United States, Turkey, Republic of Korea, Japan, and Kazakhstan.

Top Traded Products

The largest product category exported by Russian Federation in 2017 was "Petroleum oils and oils obtained from bituminous minerals; crude" (2709), with an export share of 26% of total exports, followed by the second most exported product category, "Petroleum oils and oils from bituminous minerals, not crude; preparations n.e.c, containing by weight 70% or more of petroleum oils or oils from bituminous minerals; these being the basic constituents of the preparations; waste oils" (2710), which accounted for 16.2% of Russian Federation's total exports. In terms of imports, "Medicaments; (not goods of heading no. 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic use, put up in measured doses (incl. those in the form of transdermal admin. systems) or packed for retail sale" (3004) represented 3.7% of total imports, standing out the top imported product category. Meanwhile, "Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data (including wired/wireless networks), excluding items of 8443, 8525, 8527, or 8528" (8517) had a share of 16.2%, the second largest imported product category in Russian Federation in 2017.

Tariffs

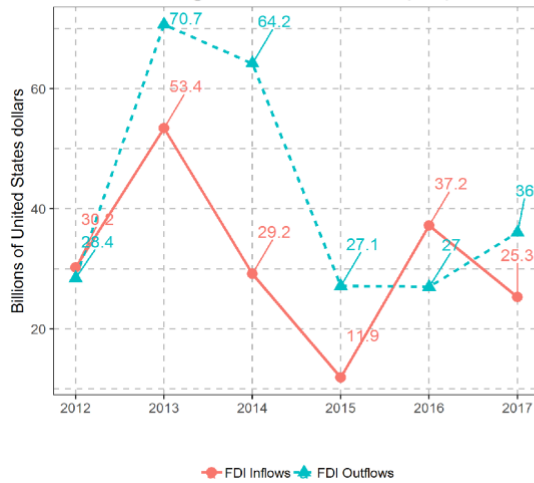
In 2017, average MFN applied and effectively applied tariffs in Russian Federation were 6.53% and 5.45%, respectively - lower than the averages for the Asia-Pacific economies of 7.46% and 6.91%, respectively. Average MFN bound tariff rate of 7.31% was lower than the Asia-Pacific average of 26.35%. Russian Federation acceded to the WTO on 22 August 2012. Currently, 100% of Russian Federation's tariff lines are bound.

Trade Costs

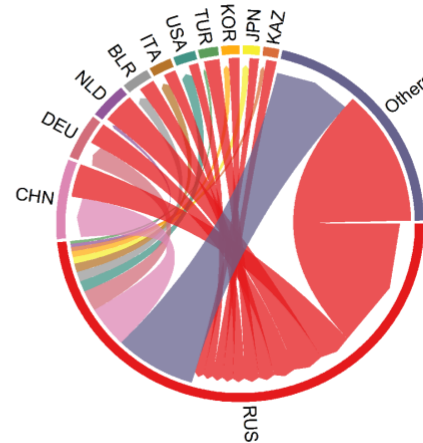
Russian Federation's average trade costs with major trading economies in the region, are presented in the graph below. Trade costs in Russian Federation remained higher compared with the most efficient traders in Asia and the Pacific.



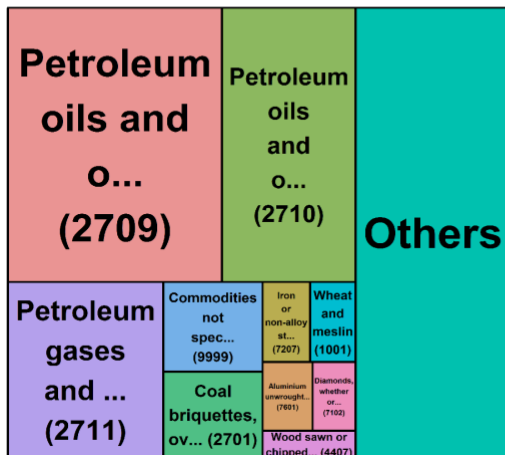
Foreign Direct Investment (FDI)



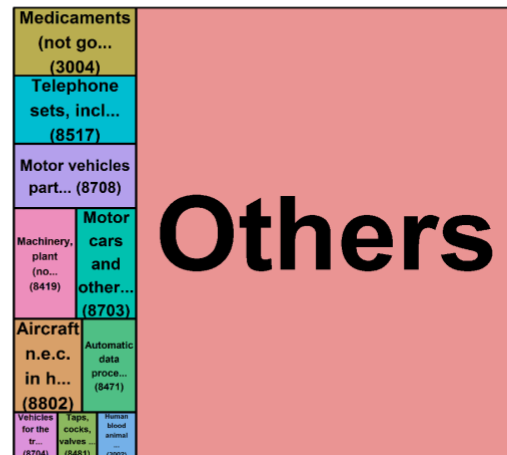
Top 10 trade partners, 2017



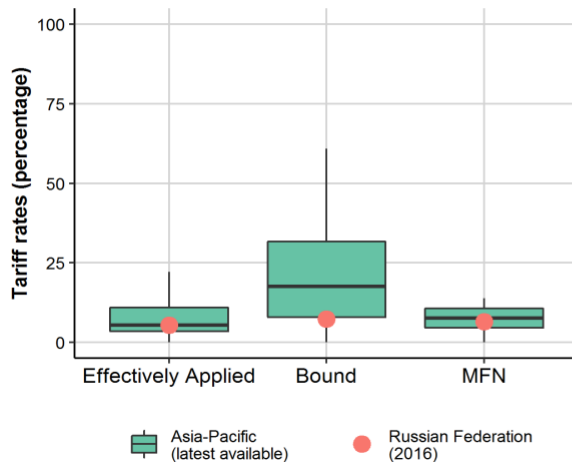
Top merchandise exports



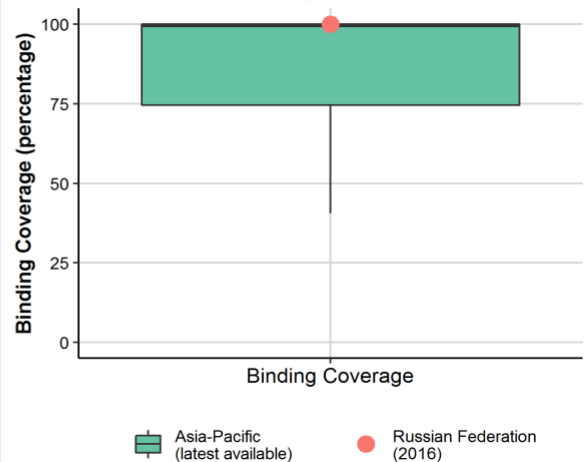
Top merchandise imports

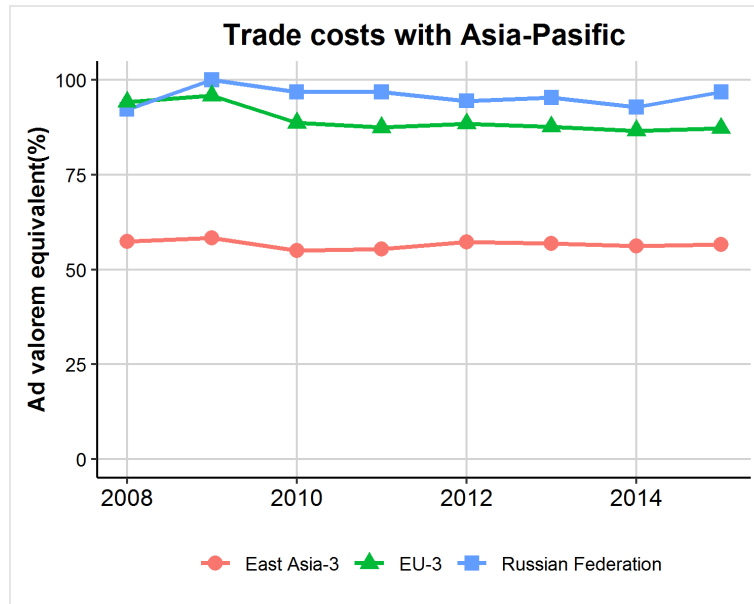


Import Tariffs



Binding coverage





Trade Agreements

Russian Federation has 10 trade agreements in force, 0 signed agreements pending ratification, and 4 trade agreements under negotiation. Of the economy's total exports, 14.3% are directed to its trade agreement partners, while 12.7% of its total imports come from trade agreement partners.

Title	Status	Year in force	Share of total exports (%)	Share of total imports (%)
Azerbaijan-Russian Federation	in force	1993	0.54	0.31
Russian Federation - Turkmenistan	in force	1993	0.10	0.04
Russian Federation-Uzbekistan	in force	1993	0.74	0.45
Georgia-Russian Federation	in force	1994	0.27	0.20
Kazakhstan-Russian Federation-Belarus	in force	1997	8.49	7.15
Common Economic Zone (CEZ)	in force	2004	10.72	9.31
Russian Federation - Serbia	in force	2006	0.26	0.49
Treaty on a Free Trade Area between members of the Commonwealth of Independent States (CIS)	in force	2012	11.89	9.78
Eurasian Economic Union (EAEU)	in force	2015	9.22	7.45
Viet Nam-Eurasian Economic Union (EAEU)	in force	2016	9.72	8.92
China-Eurasian Economic Union (EAEU)	under neg.	NA	20.16	28.68
Eurasian Economic Union (EAEU) - Iran	under neg.	NA	9.59	7.62
Russia-New Zealand	under neg.	NA	0.02	0.10
Korea-EAEU	under neg.	NA	9.32	8.37



Sources: Total commercial services and merchandise trade data were accessed from the WTO statistics website. Bilateral trade data accessed through IMF Direction of Trade Statistics. Product-level data accessed through UN Comtrade database. Tariff data were accessed through the World Bank's WITS and WTO tariff databases. FDI data were accessed through UNCTAD statistics portal. Trade-to-GDP ratio was calculated by summing commercial and merchandise exports and imports and dividing the sum by the latest GDP (current United States dollars), retrieved from the World Bank World Development indicators database. Trade costs data were based on the ESCAP-World Bank trade cost database.

Note: Data are based on economies for which data available only. For regional aggregates, latest data was used in lieu of latest missing values. Merchandise trade data follow the latest HS classification. Products are defined at the 4-digit level. Tariffs are simple average. Trade costs shown are tariff equivalents, calculated as trade-weighted average trade costs of economies with found developing economies in the region (China, India, Indonesia and Russian Federation), where data was available. Trade costs for East Asia-3 comprises China, Japan and the Republic of Korea; trade costs for European Union-3 comprises Germany, France and the United Kingdom.

Definitions: MFN bound tariff is the maximum most-favoured nation (MFN) tariff permitted under WTO obligations. MFN applied tariff is the tariff applied to imports among WTO members. The effectively applied rate is the ratio of collected import tariff revenue and value of imports. Binding coverage refers to the share of bound tariff lines in the total number of tariff lines. For more details contact escap-tiid@un.org.