



INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers

“EXPORT TO RUSSIA”

NOVEMBER 14, 2014
BEIRUT

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I. Russia: Facts and Figures

Russia: Facts & Figures 2014

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Population: 143,700,000

Surface: 17,098,242 km² (Crimea not included)

Density: 8.4/km²

GDP: USD 2.1 trillion

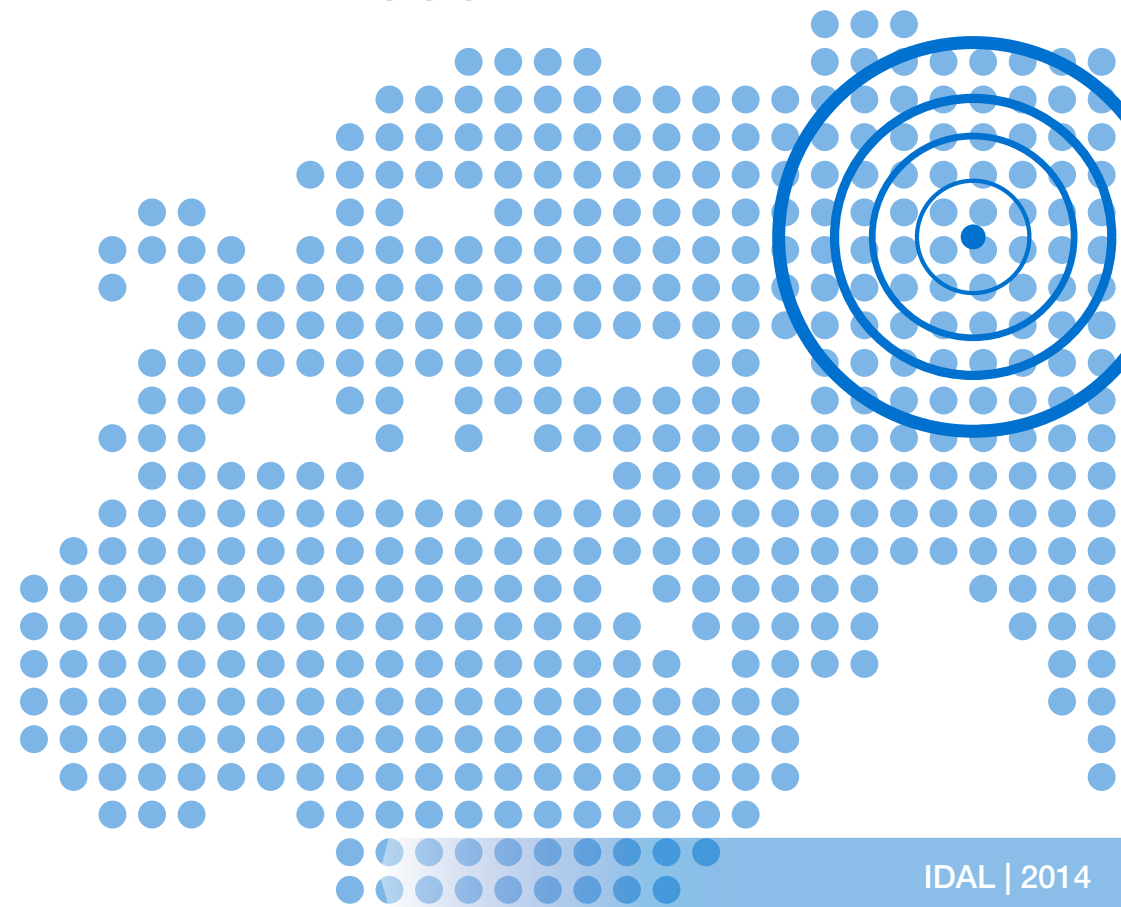
GDP Growth: 1.3%

GDP per Capita: USD 24,298

Public Debt (% of GDP): 13.9%

Inflation: 6.5%

Unemployment Rate: 5.5%



Russia: Facts & Figures 2014

2

Russia is the 6th largest economy in the World.

Russia is one of the largest producers of oil and natural gas globally.

Russia ranks 3rd globally in terms of FDI inflow (USD 94 billion).

Major Cities in Russia

3

City	Population
Moscow	11,503,501
Saint Petersburg	4,879,566
Novosibirsk	1,473,754
Yekaterinburg	1,349,772
Nizhny Novgorod	1,250,619

Major sea ports and harbors

4

Black Sea and Sea of Azov:

Novorossiysk,
Rostov-on-Don, Sochi,
Tuapse, Yeysk.

Baltic Sea:

Baltiysk, Kaliningrad,
Primorsk, St. Petersburg,
Vyborg, Vysotsk.

White Sea, Barents Sea, & other seas of Arctic Ocean:

Arkhangelsk, Dudinka,
Igarka, Murmansk, Tiksi,
Vitino.

Seas of Pacific Ocean:

Kholmsk, Magadan,
Nakhodka Vostochny Port,
Nevelsk,
Petropavlovsk-Kamchatsy,
Vanino, Vladivostok

Caspian Sea:

Astrakhan, Makhachkala.



II. Lebanese – Russian Trade Relations

Bilateral Trade Agreement between Lebanon and Russia aiming at:

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1- Developing trade and economic cooperation between the 2 parties.

2- Encouraging investments between the 2 countries.

3- Providing tariffs and tax exemptions on imported goods as well as research and development.

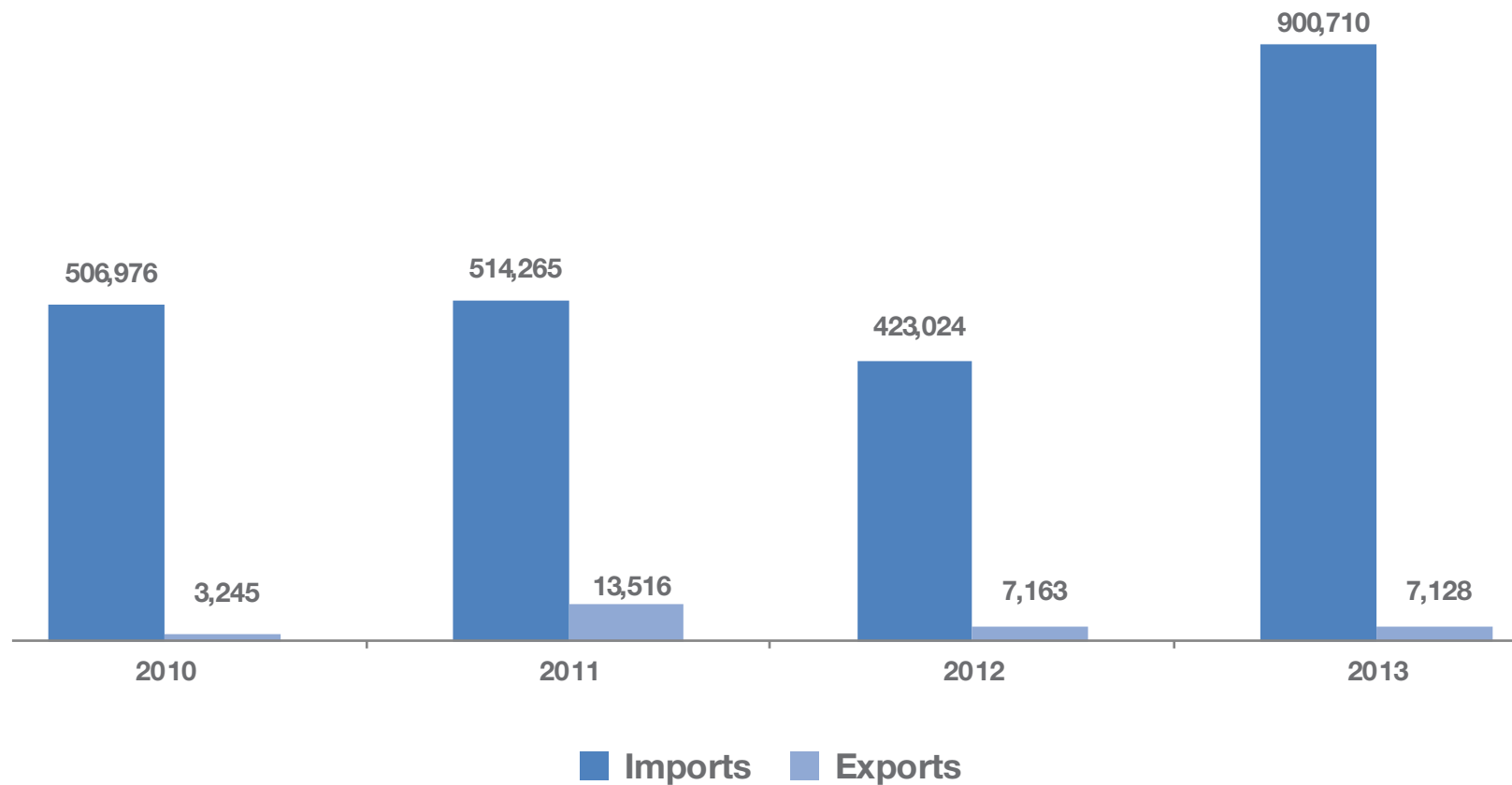
4- Facilitating transit operations.

5- Encouraging communication and exchange of expertise.

Lebanon is a net importer of Russian produces

2

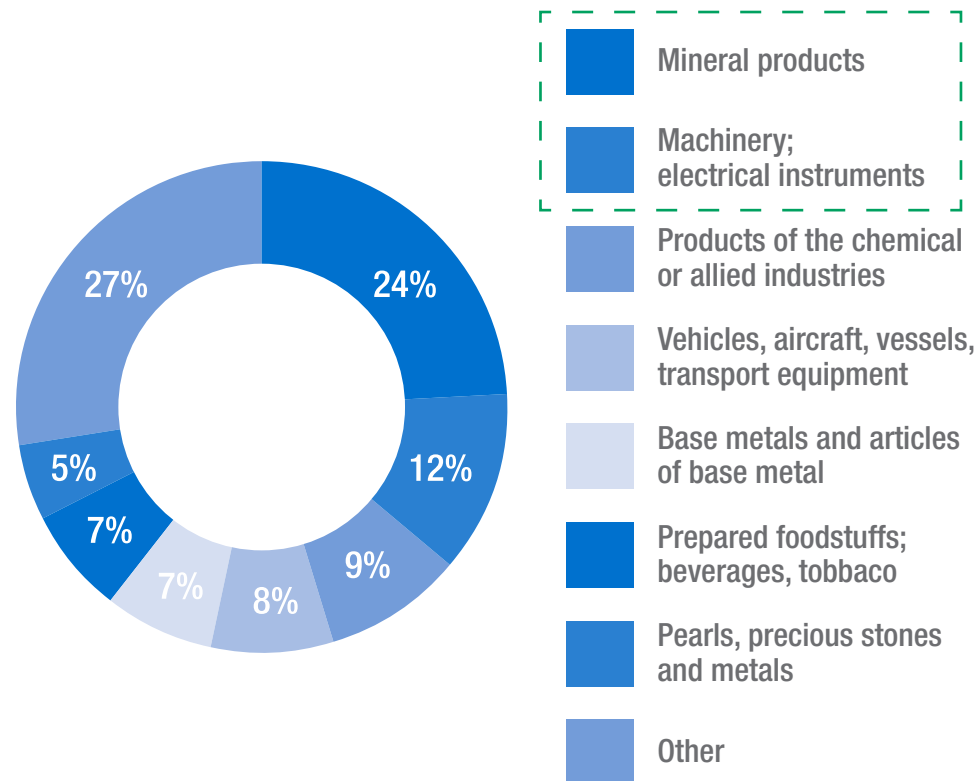
Trade Activity between Lebanon & Russia
(USD '000) | 2010-2013



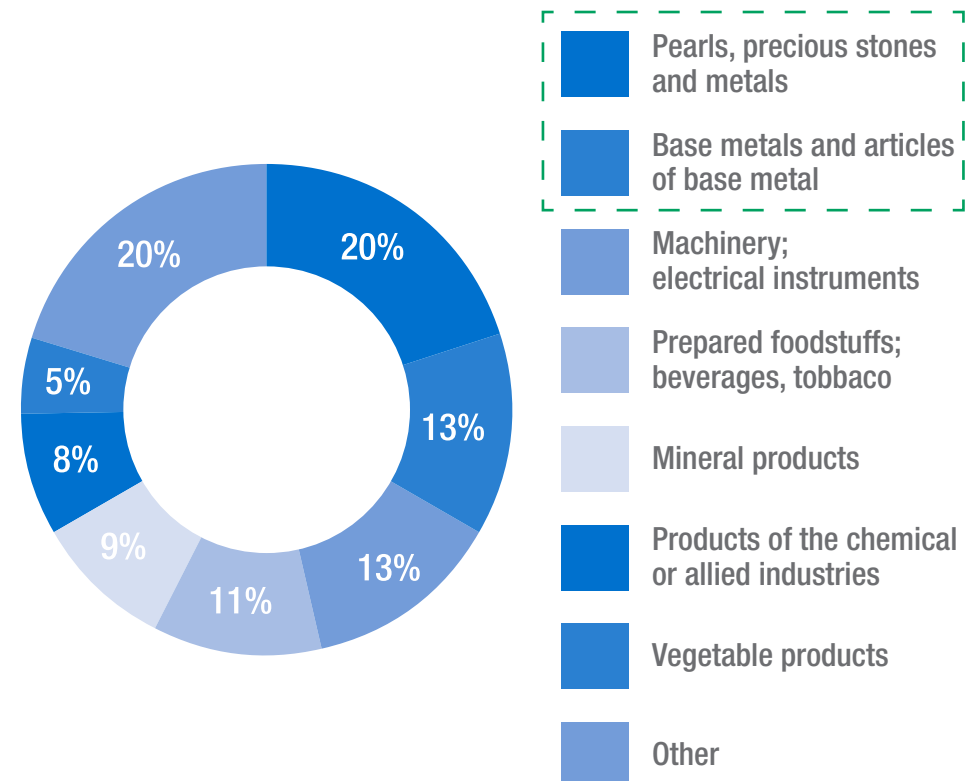
Source: Higher Council of Customs

With imports of Mineral Products and Machinery and Equipment topping the list. Export of Pearls dominate total exports

Imports from Russia
(USD '000) | 2013



Exports to Russia
(USD '000) | 2013



Source: Higher Council of Customs



III. Russian Market Overview

Facts and Figures: Why is there a potential

1

Processed Food

Russia imports around 55% of its food needs notably meat, fish and dairy products and beverages.

Imports have grown significantly since 2000, it increased 6 times with a total import bill above USD 40 billion in 2013.

Agricultural produced and processed food and beverages account for about 13% (in value terms) of the country's total imports.

Agricultural Produce

Russian consumption of fruits & vegetables is highly dependent on imports which make up around 50% of local consumption.

In 2013, the total imports of fresh produce in Russia were 9.09 million Metric Tons.

Imports are lower in the summer (July – September) when the market is full of cheap local fruits. Most imported fruits are available during the first 6 months of the year and consumption peaks from October to May.

The top 5 most imported fruits and vegetables products are: Apples; Citrus; Bananas; Potatoes and Grapes



Apples capture 20% of the Russian fruit market. Russia's apples import volume reached around 1.2 Million Tons.¹



Potatoes are the Russian second bread, with an average consumption of 67.5 kg/person/year. Russia imports table potatoes as well as seed potatoes around 420,000 Metric Tons each.³



Russia's citrus consumption is entirely dependent on imports knowing that they don't grow citrus. The imported citrus volume reaches 1.5 Million Tons.²



Russia remains in the top importers of Grapes in the world. The grapes consumption reached 3.5 Kg/Capita. Russia imports more than 360,000 Metric Tons of grapes per year.⁴



The average monthly consumption of Bananas in Russia reached 110,000 tons. Ecuador bananas make up 90% of the Russian market.

¹Illyana & Hansen "Fresh Deciduous Fruit Annual", 2013, USDA Foreign Agricultural Services.

²Illyana "Russians Love Citrus but U.S. Share Tiny" 2011, USDA Foreign Agricultural Services.

³Vassilieva "Overview of Potato Supply and Demand in Russia", 2013, USDA Foreign Agricultural Services.

⁴Index Mundi.

The top 5 most imported Agro Food products are: Meat; Fish; Oil; Alcohol and Dairy



The imported meat volume reached an average of **US\$ 6.5 Billion** between 2010 and 2012. The main imported meat products were the bovines meat, the swine meat, the edible offal of red and poultry meat, the poultry meat and the pig and poultry fat.



Russia remains a top 10 global importer of alcoholic beverages with Russian consumers showing greater interest in the blossoming wine culture. Between 2010 and 2012, Russian imported around **US\$2.7 Billion**, each year, of alcoholic beverages.



The main imported fish products are the fresh and frozen whole fish, the fish fillet, the crustaceans and the mollusks. These imports volume reached an average of **US\$ 2.2 Billion** between 2010 and 2012.



Russia is a large importer of dairy products, for the domestic production does not satisfy the demand of the population. Imported products account for **12.8%** of the total supply of dairy products to the Russian market.



The share of the vegetable oil and fat sector in the total volume of output of the Russian food processing industry is **4%**.

Source: Trade Competitiveness Map

Exporting to Russia: Rules and Regulations

4

Russia no longer requires an Import Quarantine Permit for imported products. *(See GAIN RS1140 Russia No Longer Requires Import Quarantine Permit).*

The importer must obtain a declaration of conformity prior to product shipment. This document certifies that the product conforms to quality standards of the Russian Federation.

The importers must submit originals of all documents necessary for sanitary, phytosanitary control and customs clearance.

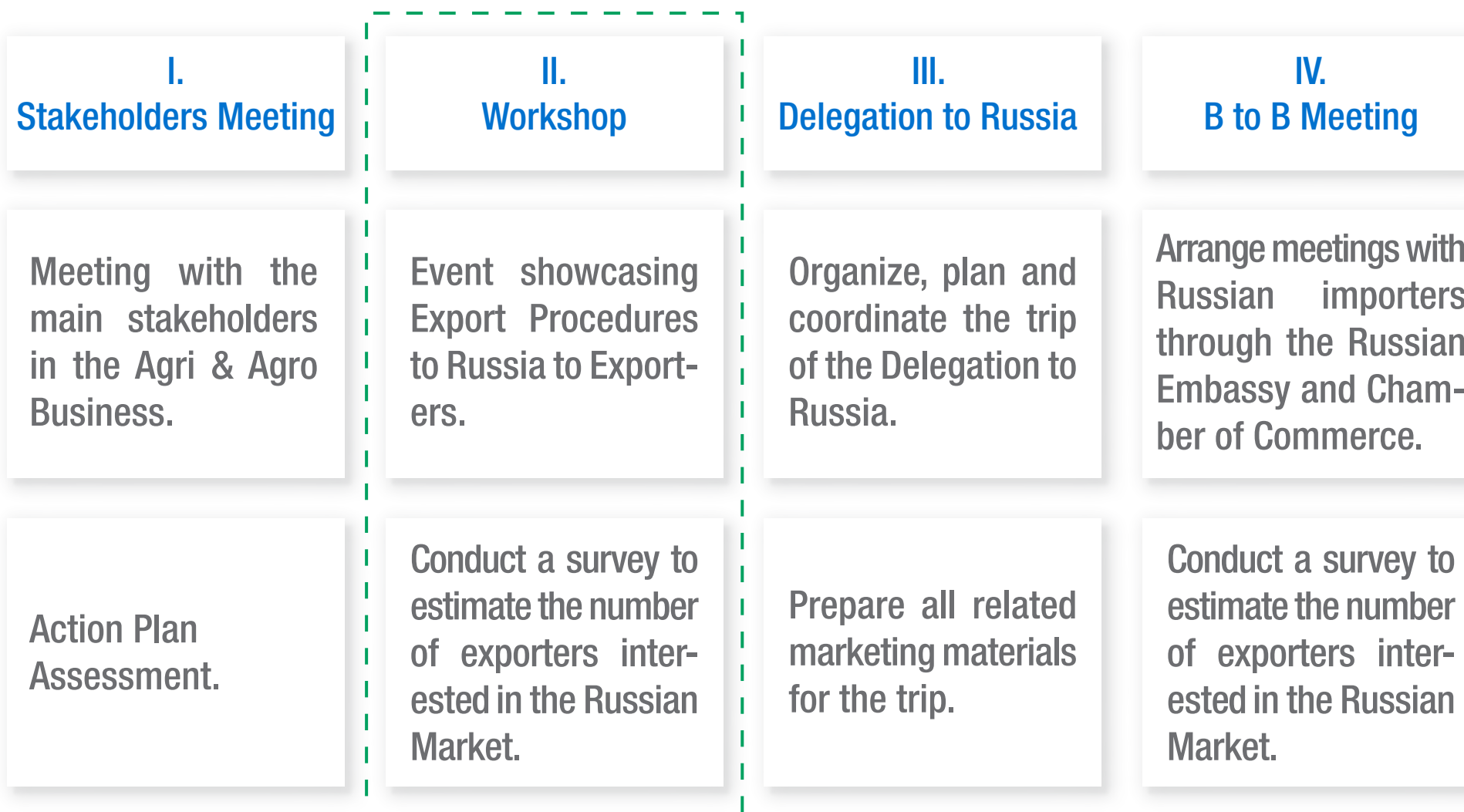
Available at IDAL are packaging requirements for Russia such as weight restrictions and others.



IV. IDAL's Action Plan

There is an opportunity to access the Russian market, therefore we suggest an action plan based on 4 steps

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