Trade Snapshot
H1 2024

food & drink federation

FDEA
Food & Drink Exporters Association

Overview

The Food & Drink Federation (FDF) H1 Trade Snapshot looks at our sector's trade for the first half of 2024. The report shows that food and drink exports declined, driven by a drop in alcohol exports, while food and non-alcoholic exports remained the same. The addition of regulations such as mandatory GB-wide 'not for EU' labelling will threaten any further growth, especially to Ireland, our largest market.

Imports from both EU and non-EU markets continue to increase. However, the situation is fragile, with full controls not yet applied to all EU products and with check rates set to increase.

The EU remains our largest trading partner; however, export volumes are down almost a quarter from last year. Certification requirements continue to be, by far, the biggest obstacle to growth. A decline in beef and poultry imports since the introduction of the Export Health Certificate on EU imports in February 2024 demonstrates the effect of this requirement on trade.

The UK will soon be joining CPTPP, a trade bloc of 11 countries. Exporters will now benefit from the choice of trading via the bloc or the existing bilateral agreements, with additional market access secured for a range of products. In the case of Malaysia, CPTPP represents a new opportunity, with no existing bilateral agreement in place.

To grow exports and create a more resilient supply chain, we encourage the government to:

Review the application of the Common User Charge fees to change its disproportionate impact on SMEs.

Drop unnecessary regulations that inhibit growth such as GB wide 'not for EU' labelling. This policy not only threatens our exports to Ireland, but also the rest of the world.

Create a permissive sample regime, allowing samples to more easily enter the UK and boost R&D.

Increase export support for businesses, bringing together all the valuable information available into a dedicated trade information portal.

Implement the UK single trade window in a timely manner – allowing businesses to cut administrative costs for imports.

Strengthen food security and diversify supply chains, through a more predictable duty suspension system and lowering tariffs on non-sensitive products in FTAs.

EXPORTS

- The first half of 2024 saw exports decline by 6.1% in value compared to H1 last year, driven by a drop in alcohol exports, while food and non-alcoholic exports remained the same.
- In our latest Q2 State of Industry report, almost half of manufacturers (47%) are impacted by regulatory uncertainty. Businesses require sufficient lead time to prepare for changes in upcoming regulations.
- Exports to India rose by 11.9% to £127.2 million. Increased market access through a well-balanced FTA, could drive further growth.
- The 7.1% growth in exports to Australia underscores the opportunities created by FTAs. A new agreement with the GCC could significantly increase breakfast cereal exports, with industry ready to meet heightened demand to the region.
- With many markets down in terms of export value, targeted export support, such as those outlined in the FSB export taskforce recommendations, would be invaluable for us to explore the increasing market opportunities.

Data Sources: His Majesty's Customs & Excise

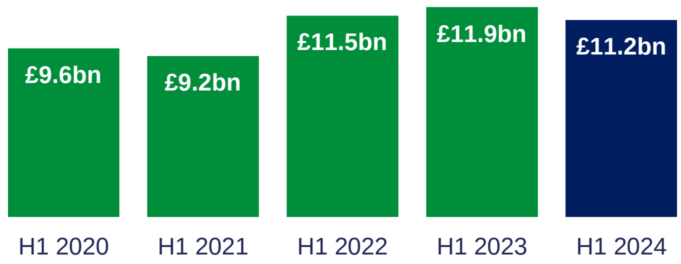
KEY INDICATORS

	H1 2024	H1 2023	Change 2023 - 24
All food and drink	£11.2bn	£11.9bn	-6.1%
EU	£6.7bn	£7.0bn	-4.3%
Non-EU	£4.5bn	£5.0bn	-8.5%
EU share	59.4%	58.3%	1.1pp
Non-EU share	40.6%	41.7%	-1.1pp

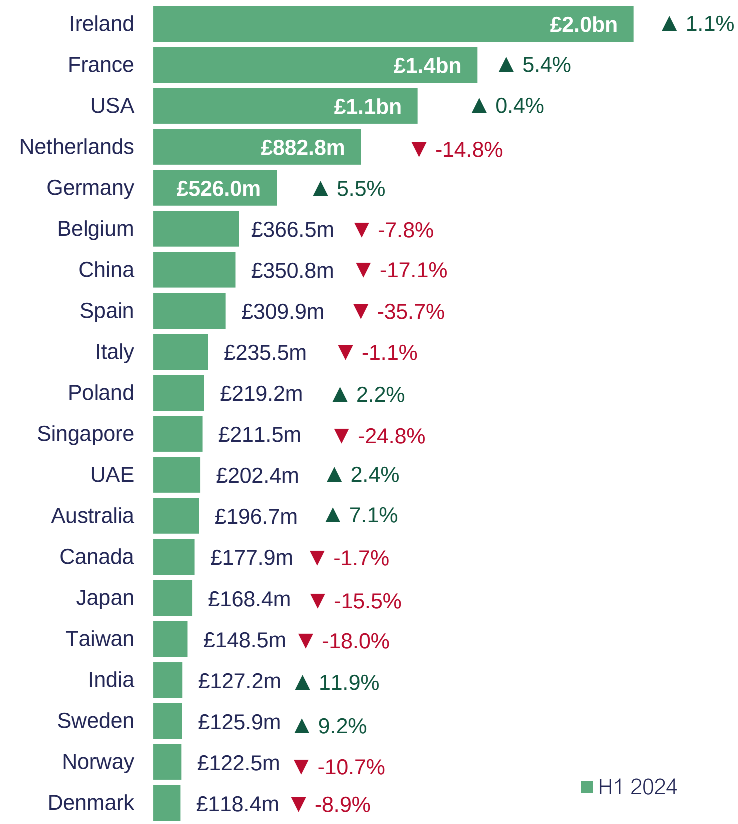
TOP TEN EXPORTS

	H1 2024	Value change 2023 - 24	Volume change 2023 - 24
Whisky	£2.7bn	-18.8%	-11.0%
Salmon	£480.6m	36.1%	40.1%
Cheese	£435.0m	9.5%	18.3%
Chocolate	£403.9m	4.6%	0.3%
Milk and cream	£392.5m	-31.3%	-5.8%
Soft drinks	£325.1m	8.2%	N/A
Beef	£317.2m	9.9%	10.0%
Breakfast cereals	£301.4m	-15.1%	-29.6%
Lamb and mutton	£300.5m	8.8%	-7.7%
Fish	£295.4m	4.8%	13.9%

H1 EXPORTS



TOP TWENTY MARKETS



EXPORT VOLUMES

Unit of measurement	H1 2024	Change 2022 - 2024	Change 2023 - 2024
Kilograms (KG)	4.2bn	-10.6%	-19.3%
Litres (L)	571.2m	-4.3%	0.8%
Litres of pure alcohol (LPA)	201.7m	-29.3%	-13.9%

IMPORTS

- Imports have continued to increase as the year progresses, rising by 3.2%. Morocco (29.4%), South Africa (24.0%), and New Zealand (22.8%) all saw the largest increases.
- In our latest survey, 47% of members reported that administrative costs were an import barrier, coinciding with the increase in costs due to BTOM implementation.
- Imports from Turkey rose by 9%. Reducing tariffs on non-sensitive goods, such as hazelnuts, under a new FTA could help UK businesses diversify their supply chains.
- Duty suspensions that came into force in April for certain fruit and vegetable products contributed to import growth. Creating more clarity over timeframes would help industry prepare.
- There remains a lack of visibility for businesses to track fees for the Common User charge. Our survey found that 71% of businesses were unaware of the final fees before they were invoiced in August.

Data Sources: His Majesty's Customs & Excise

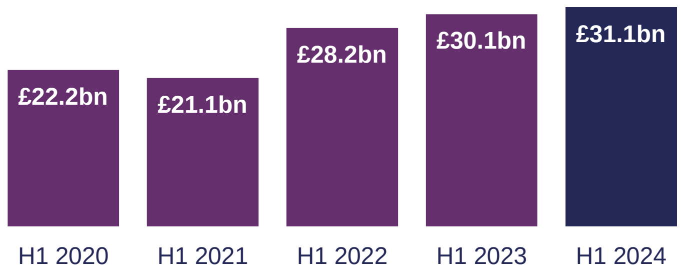
KEY INDICATORS

	H1 2024	H1 2023	Change 2023 - 24
All food and drink	£31.1bn	£30.1bn	3.2%
EU	£21.9bn	£21.4bn	2.6%
Non-EU	£9.2bn	£8.8bn	4.6%
EU share	70.8%	70.5%	-0.4pp
Non-EU share	29.2%	29.5%	0.4pp

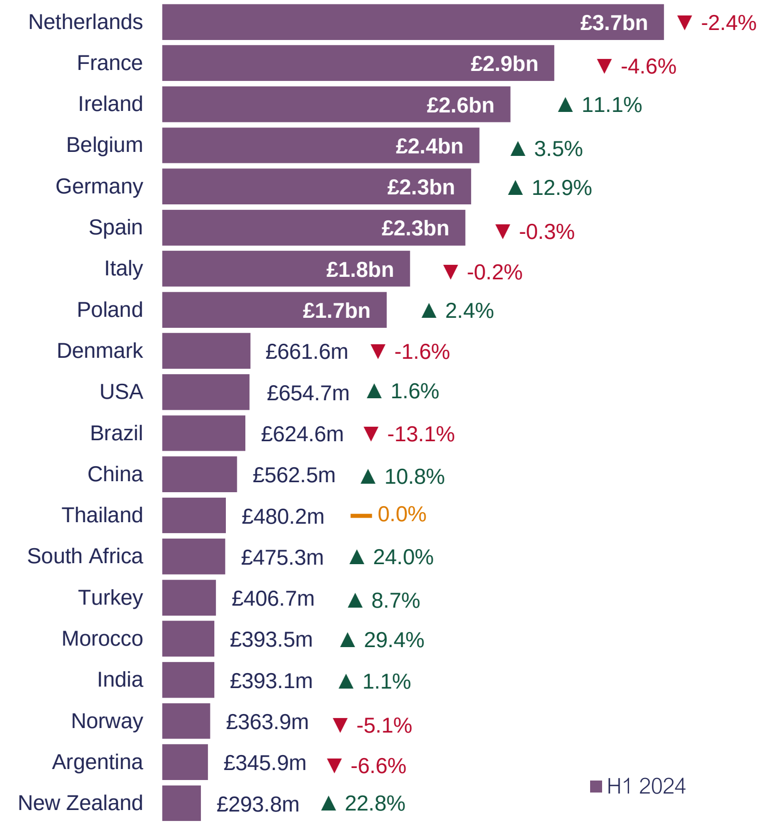
TOP TEN IMPORTS

	H1 2024	Value change 2023 - 24	Volume change 2023 - 24
Fruits	£2.8bn	18.0%	11.3%
Vegetables	£2.0bn	4.9%	N/A
Wine	£1.8bn	-5.9%	1.0%
Poultry	£1.6bn	-1.5%	5.2%
Chocolate	£1.2bn	8.4%	0.5%
Savoury snacks	£1.1bn	-0.3%	0.3%
Pork	£1.1bn	2.0%	0.0%
Cheese	£987.2m	-2.5%	0.7%
Fish	£974.3m	-4.7%	1.4%
Soft drinks	£948.8m	4.7%	N/A

H1 IMPORTS



TOP TWENTY MARKETS



IMPORT VOLUMES

Unit of measurement	H1 2024	Change 2022 - 2024	Change 2023 - 2024
Kilograms (KG)	18.5bn	2.2%	11.0%
Litres (L)	2.3bn	-3.9%	0.6%
Litres of pure alcohol (LPA)	38.6m	-12.0%	-20.5%

EUROPEAN UNION

- Half of manufacturers believe that the UK's relationship with the EU should be the top priority for the new government according to our survey.
- Exports have seen a sharp 23.6% decline in volume terms, contrasting with a smaller 4.3% decline in value, as high food and drink price inflation has masked the true impact since 2021. Export support is a priority, with new attaches starting in Northern and Southern Europe.
- EU imports are at its highest H1 level at £21.9bn, with kilogram volumes up 15.7% and litre volumes up 0.2%.
- Export Health Certificates have contributed to declines in beef and poultry imports in H1. From September, SPS check rates will increase from the current 1%, with meat, milk, and fish products subject to these checks.
- Safety and Security declarations for all EU imports will be introduced at the end of October. This will add to the administrative burden that businesses already face.

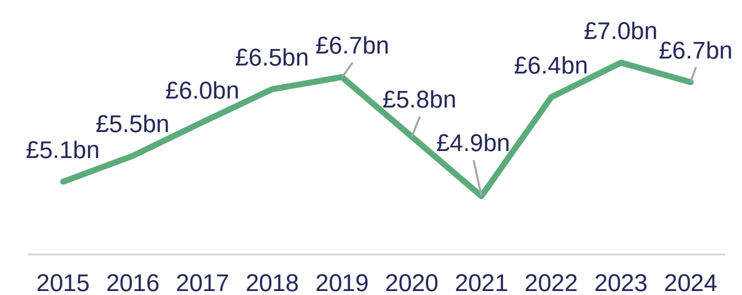
Data Sources: His Majesty's Customs & Excise

Exports **£6.7bn** ▼ -4.3%

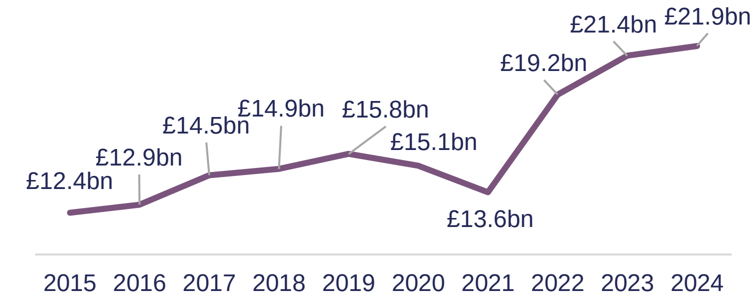
Imports **£21.9bn** ▲ 2.6%

Ireland H1 export value **£2.0bn**	Milk and cream	£199.3m
	Soft drinks	£148.7m
	Chocolate	£104.7m
France H1 export value **£1.4bn**	Salmon	£273.8m
	Lamb & mutton	£163.3m
	Whisky	£161.0m
Netherlands H1 export value **£882.8m**	Chocolate	£77.7m
	Beef	£55.3m
	Cheese	£53.9m
Germany H1 export value **£526.0m**	Whisky	£65.1m
	Lamb & mutton	£58.9m
	Cheese	£20.9m
Belgium H1 export value **£366.5m**	Lamb & mutton	£41.2m
	Butter	£30.9m
	Cheese	£30.3m
Spain H1 export value **£309.9m**	Whisky	£62.5m
	Cheese	£21.4m
	Shellfish	£18.6m

H1 EXPORTS



H1 IMPORTS



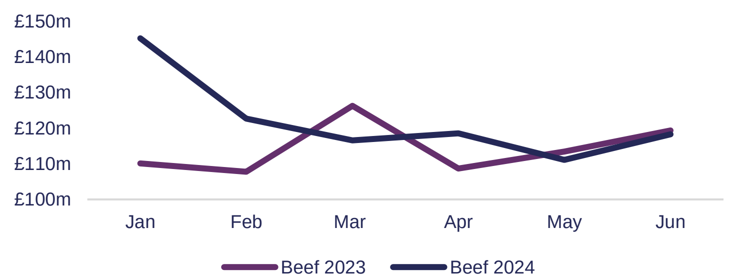
EU EXPORT VOLUMES

Unit of measurement	H1 2024	Ten-year H1 average	Change 2023 - 2024
Kilograms (KG)	3.3bn	4.1bn	-23.6%
Litres (L)	423.8m	455.7m	-0.9%
Litres of pure alcohol (LPA)	76.4m	86.3m	-22.4%

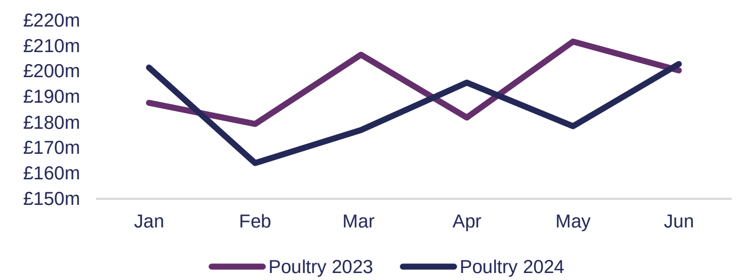
EU IMPORT VOLUMES

Unit of measurement	H1 2024	Ten-year H1 average	Change 2023 - 2024
Kilograms (KG)	11.5bn	10.1bn	15.7%
Litres (L)	1.9bn	1.7bn	0.2%
Litres of pure alcohol (LPA)	24.1m	27.5m	-18.0%

MONTHLY IMPORTS OF BEEF FROM THE EU



MONTHLY IMPORTS OF POULTRY FROM THE EU



Trade Snapshot H1 2024

CPTPP

- The UK's accession to CPTPP in December will deliver new opportunities in the six markets that have ratified so far.
- Exports to the CPTPP totalled £937.5m, a 14.2% decline in value and 3.2% decline in volume. Singapore was the largest market, followed by Australia and Canada.
- Imports reached £1.6bn, although there was a 4.0% decline in volume. The top UK import markets were New Zealand, Canada and Vietnam.
- With no existing agreement in place, Malaysia offers significant new export opportunities, with tariffs on products like chocolate and soft drinks to be liberalised once Malaysia ratifies.
- Exports to CPTPP members will be more competitive. Products such as chocolate and cheese will benefit from better terms than current bilateral deals. Businesses will also benefit through more generous Rules of Origin provisions.

Data Sources: His Majesty's Customs & Excise
UN COMTRADE

	Exports	Imports
Total H1 CPTPP	**£937.5m**	**£1.6bn**
Australia	**£196.7m**	**£180.3m**
Brunei	**£1.4m**	**£0.0m**
Canada	**£177.9m**	**£290.3m**
Chile	**£38.6m**	**£228.4m**
Japan	**£168.4m**	**£33.5m**
Malaysia	**£37.4m**	**£72.9m**
Mexico	**£35.8m**	**£65.6m**
New Zealand	**£20.9m**	**£293.8m**
Peru	**£11.6m**	**£130.5m**
Singapore	**£211.5m**	**£5.8m**
Vietnam	**£37.4m**	**£262.5m**

TOP FOOD AND NON-ALCOHOLIC DRINK EXPORTS

	H1 2024	Value change 2023 - 24	Volume change 2023 - 24
Malt extracts	£38.3m	1.6%	-0.8%
Chocolate	£36.3m	0.8%	-6.4%
Sweet biscuits	£30.4m	29.1%	22.9%
Fish	£26.1m	-2.9%	2.7%
Savoury snacks	£24.8m	40.2%	14.8%
Breakfast cereals	£21.3m	19.5%	6.6%
Soft drinks	£20.4m	29.8%	N/A

CPTPP EXPORT OPPORTUNITIES

Market	Product	H1 value	Current Tariff	CPTPP Tariff
Mexico	Coffee	**£1.2m**	**45%**	**36%**
Mexico	Prepared pork	**£0.1m**	**20%**	**0%**
Mexico	Chocolate	**£0.1m**	**25%**	**0%**
Canada	Cheese	**£6.9m**	**245.5%**	**TRQ***
Vietnam	Prepared Chicken	**£0.0m**	**12%**	**0%** (from 2028)
Vietnam	Chocolate	**£0.1m**	**11.2%**	**0%** (from 2026)

*TRQ is shared between all CPTPP members

MALAYSIA EXPORT TARIFF LIBERALISATION

Product	H1 value	Current Tariff
Ice cream	**£0.0m**	**5%**
Crisps	**£0.1m**	**8%**
Chocolate	**£0.7m**	**15%**
Soft drinks	**£0.2m**	**20%**
Sweet biscuits	**£1.4m**	**6%**
Confectionery	**£0.6m**	**15%**

CPTPP EXPORT VOLUMES

Unit of measurement	H1 2024	Ten-year H1 average	Change 2023 - 2024
Kilograms (KG)	175.5m	220.9m	-3.2%
Litres (L)	31.5m	33.7m	14.2%
Litres of pure alcohol (LPA)	27.4m	30.6m	-6.9%

CPTPP IMPORT VOLUMES

Unit of measurement	H1 2024	Ten-year H1 average	Change 2023 - 2024
Kilograms (KG)	1.0bn	1.0bn	-4.0%
Litres (L)	182.8m	227.6m	0.2%
Litres of pure alcohol (LPA)	1.0m	0.9m	-46.7%

FOOD & DRINK POWERS OUR NATION

The Food & Drink Federation (FDF) is the voice of the food and drink manufacturing industry – the UK's largest manufacturing sector.

We contribute over £38 billion to the country's economy, supporting half a million jobs in every region and nation, and producing products that are loved in the UK and beyond.

Find out more about our latest news and the work we do at:

FDF.org.uk
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