

EU-27 trade in goods with the Commonwealth of Independent States, 2000–2010

Russia is main trading partner, while oil accounts for 85 % of total EU-27 imports from Azerbaijan, Kazakhstan and Turkmenistan

The Commonwealth of Independent States (CIS) has become a significant trading partner of the EU-27 in recent years, with imports and exports growing from EUR 109.7 billion in 2000 to EUR 322.4 billion in 2010 (+294 %). Russia's weight in the CIS (comprising eleven countries, see Methodological Notes) is considerable, accounting for 79 % of EU-27 imports from the CIS and 71 % of EU-27 exports to the CIS.

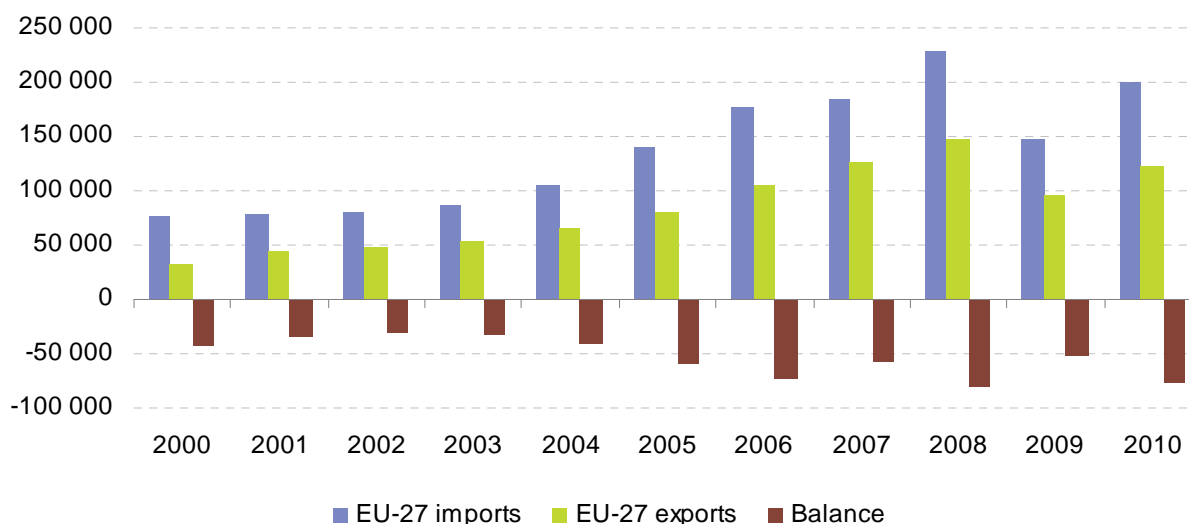
In 2010, 78 % of EU imports from the CIS consisted of 'Mineral fuels' (subject to considerable price fluctuations), whereas EU exports were more diversified, albeit with a prominent share of 'Machinery and transport equipment' (44 %).

The more recent increase in EU-27 imports from countries such as Azerbaijan and Kazakhstan can essentially be attributed to energy products.

In 2010, the EU-27 imported close to EUR 200 billion in goods from the CIS, accounting for 12.4 % of total extra-EU-27 imports. In parallel, EU-27 exports to the CIS amounted to EUR 122.5 billion, representing 9.0 % of total extra-EU-27 goods exports.

The EU-27 trade deficit with the CIS amounted to EUR 77.4 billion in 2010, which is equivalent to 24 % of the total value of the EU-27's goods trade with the group (Figure 1).

Figure 1: EU-27 trade in goods with the CIS 2000-2010 (EUR million)



Source: Eurostat (Comext)

This publication was prepared jointly by Eurostat and CIS-STAT, the Interstate Statistical Committee of the Commonwealth of Independent States in the framework of the Memorandum of Understanding signed by both institutions in November 2010

Table 1: EU-27 trade with the CIS countries (EUR million)

	2000		2005		2009		2010		AAGR* 2000-2010		Change 2009-2010 (%)	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Armenia	131	271	514	419	161	534	257	557	7.0	7.5	60	4
Azerbaijan	994	362	2 508	1 495	7 333	1 612	9 763	2 347	25.7	20.6	33	46
Belarus	1 330	1 694	3 422	3 234	2 580	4 982	2 627	6 716	7.0	14.8	2	35
Kazakhstan	3 821	1 427	10 276	3 576	10 752	5 313	15 841	5 231	15.3	13.9	47	-2
Kyrgyz Rep.	140	71	17	110	29	186	199	210	3.5	11.5	575	13
Moldova	270	610	435	1 080	516	1 227	582	1 529	8.0	9.6	13	25
Russia	63 777	22 738	112 591	56 696	117 254	65 614	158 394	86 505	9.5	14.3	35	32
Tajikistan	100	42	106	88	75	101	57	144	-5.5	13.2	-24	43
Turkmenistan	258	201	903	331	591	825	366	719	3.6	13.6	-38	-13
Ukraine	4 807	5 454	8 655	13 281	7 896	13 922	11 396	17 334	9.0	12.3	44	25
Uzbekistan	653	584	529	590	318	972	415	1 243	-4.4	7.9	31	28
Total CIS	76 280	33 453	139 957	80 901	147 505	95 289	199 897	122 534	10.1	13.9	36	29

* AAGR: Average Annual Growth Rate

Source: Eurostat – Comext (online data code: [DS-018995](#))

CIS members have followed different development paths since the early 1990s. Between 2000 and 2010, numerous trade partnerships have been agreed between CIS countries, the EU-27 and individual Member States.

The European Commission actively supports its partners in developing trade, for example through Partnership and Cooperation Agreements. In a further example, most Central Asian countries are beneficiaries of the EU's Generalised System of Preferences.

Bilateral trade in goods between the 11 CIS countries and the EU-27 is detailed for the years 2000, 2005, 2009 and 2010 (Table 1).

From 2000 to 2008, EU-27 imports from the CIS grew at an average annual rate of 14.7 %, while exports rose by 20.5 % a year. Both trade flows were reduced by over one third in 2009.

Between 2000 and 2010, EU-27 imports from the CIS grew by 10.1 % a year, which can be explained to a large extent by the rise in imports from Russia (which has a considerable weight in the CIS total), and by higher imports from Kazakhstan, Azerbaijan and Ukraine. Over the same period, EU-27 exports to CIS countries grew by 13.9 % a year on average, mainly as a result of higher exports to Russia, Ukraine, Belarus and Kazakhstan (4.3 %).

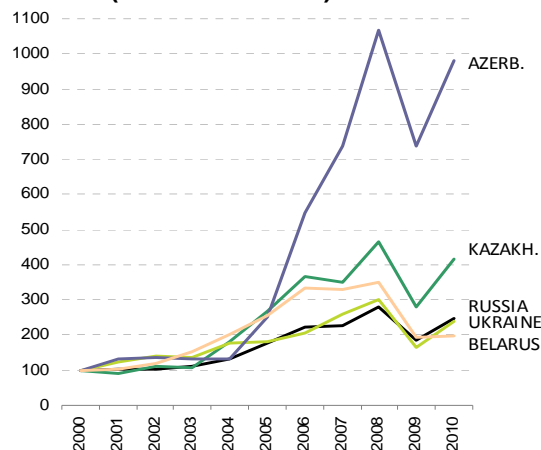
Ten-fold increase of EU-27 imports from Azerbaijan in 10 years

Figure 2 presents import indices for the five countries accounting for the greatest shares of EU-27 imports from the CIS countries in 2010.

Although EU-27 imports from the entire Commonwealth of Independent States grew by close to 160 % between 2000 and 2010, imports from Azerbaijan and Kazakhstan increased by 882 % and 315 % respectively over the same period.

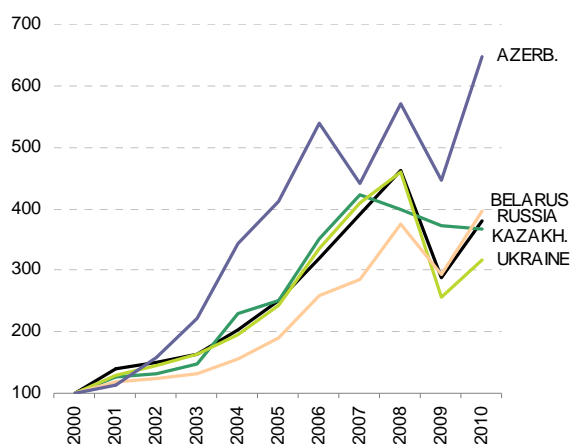
Starting from a low level in absolute terms, the strong growth in those countries' exports to the EU-27 can be mainly attributed to the increase in production and distribution capacity for 'Mineral fuels.

Figure 2: EU-27 imports from selected CIS countries: development 2000–2010 (index: 2000=100)



Source: Eurostat – Comext (online data code: [DS-018995](#))

Figure 3: EU-27 exports to selected CIS countries: development 2000–2010 (index: 2000=100)



Source: Eurostat – Comext (online data code: [DS-018995](#))

Figure 3 presents export indices for the five countries accounting for the greatest shares of EU-27 exports to the CIS countries in 2010.

EU-27 exports to the CIS grew by 266 % from 2000 to 2010. Exports to the five selected countries grew solidly, in particular to Azerbaijan (550 %). Given the small export volumes in 2000, close to half of EU exports to Azerbaijan can be explained by an increase in exports of ‘Machinery and transport equipment’.

Central Asian CIS countries with small shares

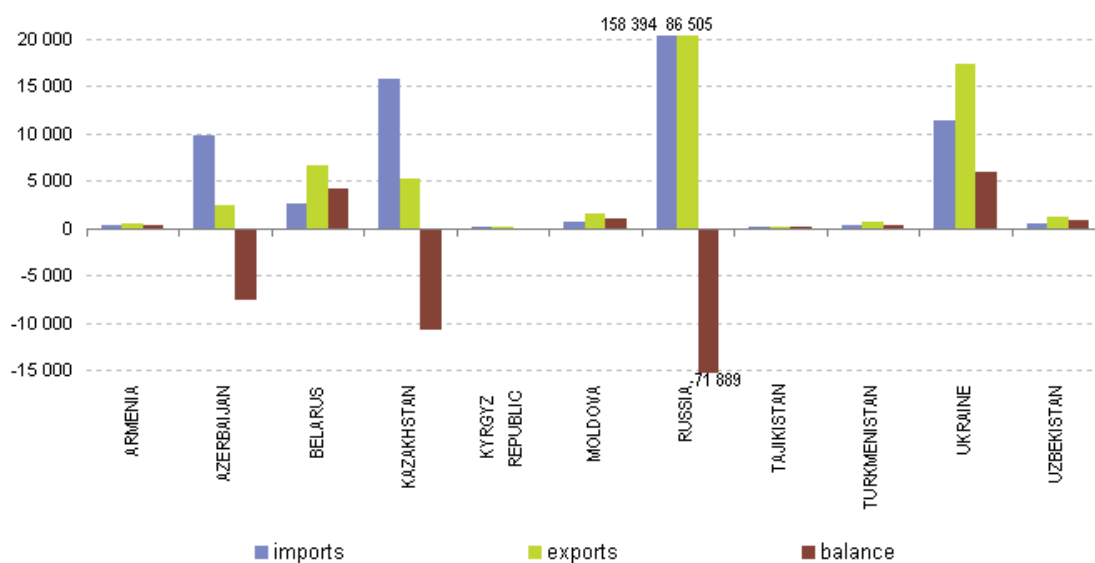
Between 2000 and 2010, trade in goods between the EU-27 and the CIS was characterised by growing demand for imports, new or stronger product marketing (in particular regarding certain CIS countries’ endowments in mineral fuels), the 2009 financial crisis and high volatility in raw-materials prices.

Figure 4 presents EU-27 trade in goods with the individual CIS countries in 2010. In terms of total trade value, five main partners stand out: Russia, the EU-27’s third main partner in goods trade worldwide, and its main source of imports and destination of exports in the CIS; Ukraine, the second main destination for EU-27 exports and

the third main source of imports; Kazakhstan, the EU-27’s second main source of imports and its fourth main destination of exports; and Azerbaijan, newly ranked fourth in terms of total trade, with an AAGR of 24 % over the ten-year period.

Russia, Kazakhstan and Azerbaijan, from which the EU-27 imports most of its mineral fuels, contributed in large part to the EU-27’s EUR 77.4 billion trade deficit with the CIS. Situated in the ‘Caspian Belt’ and with high levels of foreign direct investments, Kazakhstan and Azerbaijan are finding new opportunities to market their oil and gas reserves internationally.

Figure 4: EU-27 trade with the individual CIS countries in 2010 (EUR million)



Source: Eurostat – Comext (online data code: [DS-018995](#))

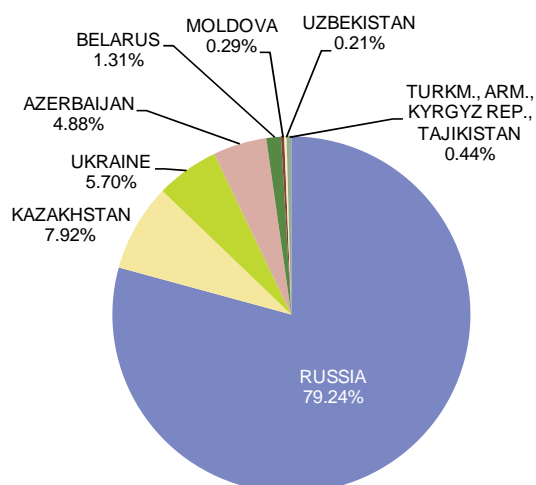
Figure 5 presents the distribution by country of the value of EU-27 imports from the CIS in 2010. The share of EU imports from Russia in total CIS imports fell by 4 percentage points (PP), from 84 % in 2000 to 79 % in 2010. Azerbaijan's share in EU-27 imports from the CIS rose by 4 PP, from 1 % to 5 %. Kazakhstan recorded a similar proportional increase, its share growing from 5 % to 8 %.

Figure 6 shows the distribution of the value (in EUR) of EU-27 exports to the CIS countries in 2010. Russia has strengthened its position as the main destination of EU-27 exports to the CIS, as it went from accounting for 68 % of EU-27 exports to the CIS in 2000 to 71 % in 2010 (+3 PP). Over the same period, the export market

share of Azerbaijan also increased (+1 PP), whereas Ukraine (-2 PP), Uzbekistan and Moldova (both: -1 PP) recorded decreases in their share of EU-27 exports to the CIS.

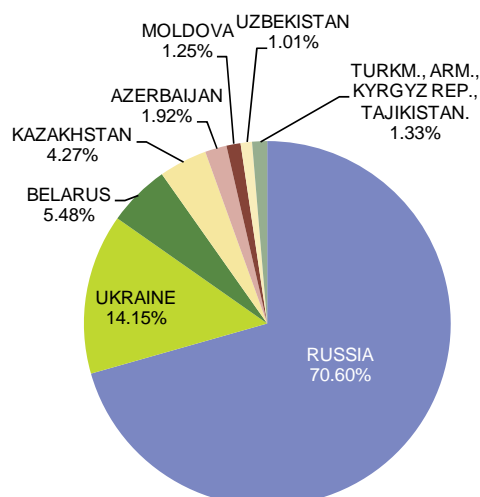
The EU-27's deficit in goods trade with Russia grew from EUR 41.0 billion in 2000 to EUR 71.9 billion in 2010. Deficits also increased with Kazakhstan and Azerbaijan, and amounted to EUR 10.6 billion and EUR 7.4 billion respectively in 2010. These trade deficits, which mainly arise from EU mineral fuels imports, were compensated to a certain extent by trade surpluses with the eight other CIS countries. Nevertheless, they explain the EU-27's EUR 77.4 billion deficit with the CIS in large part.

Figure 5: EU-27 imports from CIS in 2010, share by country (%)



Source: Eurostat (Comext)

Figure 6: EU-27 exports to CIS, 2010 share by country (%)



Source: Eurostat (Comext)

Oil and gas from the CIS, machinery and transport equipment to the CIS

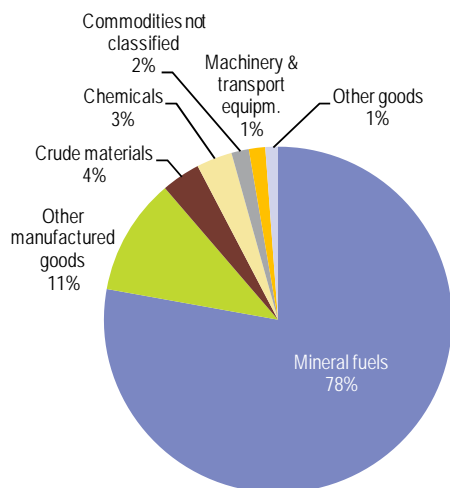
Looking in more detail at the types of goods traded between the EU-27 and the CIS, Figure 7 and Figure 8 respectively depict the distributions of EU-27 imports from and exports to the CIS by SITC (1-digit) Section, in 2010. While EU-27 imports mainly included 'Mineral fuels' (78 %), exports to the CIS can be divided into three main categories: 'Machinery and transport equipment' (44 %), 'Other manufactured goods' (24 %) and 'Chemicals' (18 %).

From 2000 to 2010, the increase in the value of EU-27 imports from the CIS is nearly all explained by greater purchases of 'Mineral fuels'. The increasing demand for products of that section is reflected by changes in the distribution by product of EU-27 imports from the CIS.

The share of 'Mineral fuels' in EU-27 imports from the CIS grew by 18 PP from 59.4 % in 2000 to 77.8 % in 2010. Import shares were especially reduced in 'Manufactured goods' (-8 PP), 'Crude materials' (-5 PP) and 'Chemicals' (-2 PP).

Over the same period, nearly half of the increase in value of EU-27 exports to the CIS can be explained by the increase in sales of 'Machinery and transport equipment', by 'Chemicals' and followed by 'Manufactured goods'. The share of 'Machinery and transport equipment' in total EU-27 exports to the CIS increased (+ 6 PP) between 2000 and 2010, as did that of 'Chemicals' (+4 PP), while the relative importance of 'Manufactured goods', 'Miscellaneous manufactured articles', and 'Food and live animals' was reduced (each: -3 PP).

Figure 7: EU-27 imports from the CIS, 2010, share by type of goods (%)



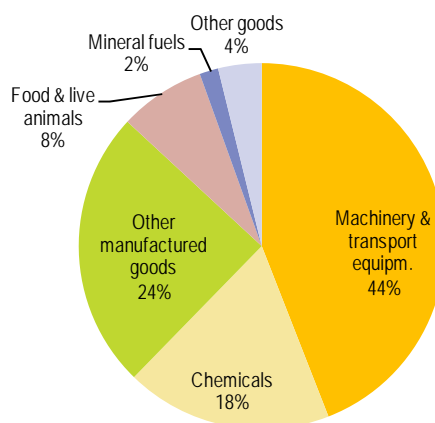
Source: Eurostat (Comext)

A closer look at Eurostat Comext trade data, including some expressed in units of weight (kg) reveals that the increase in the value of EU-27 imports of 'Mineral fuels' from the CIS appears to have been largely driven by price increases.

This appears to be the case, for example, with SITC product Group (3-digit) 'Petroleum oils and oils obtained from bituminous minerals, crude', which accounted, in value, for half of all imports from the CIS in 2010 (50.2 %).

Reflecting stronger demand, met thanks to higher production and transport capacity, the weight in

Figure 8: EU-27 exports to the CIS, 2010 share by type of goods (%)



Source: Eurostat (Comext)

kg of annual EU-27 imports of crude oil from the CIS increased by 87.1 % from 2000 to 2010.

The value of EU-27 imports of crude oil from the CIS nearly quadrupled over the period (+ 285 %). In particular, the difference can be attributed to strong rises in crude oil prices on international markets between 2003 and mid-2008.

One may note that, over the period under analysis, the euro appreciated by 55 % with respect to the Russian rouble, and by 44 % with respect to the US dollar (Source: ECB).

EU-27 exports far more diverse than imports

Table 2 presents the five top products at SITC 2-digit (Division) level imported from and exported to the individual CIS countries by the EU-27 in 2010.

The top product Division imported always accounted for a greater share of total EU-27 imports from a CIS country than the share of the top product exported to that country.

For six CIS countries, a single product Division accounted for over half of the EU-27's imports from that country.

In those cases, the product imported was also always 'Petroleum, petroleum products and

related materials' (SITC 33), except in the case of EU-27 imports from Tajikistan (54 %: 'Non-ferrous metals') and from the Kyrgyz Republic (91 %: 'Inorganic chemicals').

In contrast, EU-27 imports from Ukraine, Uzbekistan, Armenia, Belarus and Moldova were more diversified.

EU-27 exports to the CIS countries also displayed more diversity in 2010 as the share of the top product Division exported by the EU-27 to the CIS did not exceed 20 % ('General industrial machinery': 20 % of exports to Turkmenistan, 'Other transport equipment': 20 % of exports to Uzbekistan).

Table 2: Five main imported and exported products, 2010, by country

EU-27 imports				EU-27 exports			
SITC code	Product	Value (EUR million)	Share in total imports from the country	SITC code	Product	Value (EUR million)	Share in total exports to the country
ARMENIA				ARMENIA			
67	Iron & steel	91	35	66	Non-met. mineral manufactures	52	9
68	Non-ferrous metals	66	26	74	General industrial machinery	44	8
66	Non-met. mineral manufactures	44	17	72	Specialized machinery	34	6
28	Metalliferous ores	20	8	76	Telecomm. & sound-rec. equipm.	33	6
84	Art. of apparel, clothing access.	16	6	77	Electrical machinery	27	5
AZERBAIJAN				AZERBAIJAN			
33	Petroleum, petroleum products	9 537	98	89	Miscellaneous manufactured art.	327	14
71	Power-generating machinery	17	0.2	74	General industrial machinery	213	9
05	Vegetables and fruit	16	0.2	79	Other transport equipment	200	9
34	Gas, natural & manufact.	14	0.1	72	Specialized machinery	170	7
72	Specialized machinery	7	0.1	78	Road v ehicles	141	6
BELARUS				BELARUS			
33	Petroleum, petroleum products	700	27	78	Road v ehicles	978	15
67	Iron & steel	361	14	72	Specialized machinery	791	12
56	Fertilizers	284	11	74	General industrial machinery	633	9
24	Cork and wood	160	6	77	Electrical machinery	336	5
69	Manufactures of metals	122	5	57	Plastics in primary forms	334	5
KAZAKHSTAN				KAZAKHSTAN			
33	Petroleum, petroleum products	13 769	87	74	General industrial machinery	609	12
68	Non-ferrous metals	433	3	72	Specialized machinery	499	10
34	Gas, natural & manufact.	415	3	77	Electrical machinery	488	9
52	Inorganic chemicals	308	2	54	Medicinal & pharmaceutical prod.	460	9
67	Iron & steel	131	1	78	Road v ehicles	294	6
KYRGYZ REPUBLIC				KYRGYZ REPUBLIC			
52	Inorganic chemicals	182	91	72	Specialized machinery	23	11
68	Non-ferrous metals	4	2	33	Petroleum, petroleum products	23	11
05	Vegetables and fruit	4	2	78	Road v ehicles	23	11
28	Metalliferous ores	3	1	54	Medicinal & pharmaceutical prod.	19	9
12	Tobacco and tobacco manufact.	2	1	74	General industrial machinery	13	6
MOLDOVA				MOLDOVA			
84	Art. of apparel, clothing access.	148	25	33	Petroleum, petroleum products	178	12
05	Vegetables and fruit	51	9	78	Road v ehicles	148	10
65	Textile yarn, fabrics	49	8	65	Textile yarn, fabrics	118	8
85	Footwear	47	8	77	Electrical machinery	101	7
77	Electrical machinery	38	7	74	General industrial machinery	60	4
RUSSIA				RUSSIA			
33	Petroleum, petroleum products	100 075	63	78	Road v ehicles	9 425	11
34	Gas, natural & manufact.	13 563	9	74	General industrial machinery	6 935	8
68	Non-ferrous metals	5 996	4	54	Medicinal & pharmaceutical prod.	6 703	8
67	Iron & steel	4 331	3	77	Electrical machinery	5 239	6
32	Coal, coke and briquettes	3 676	2	72	Specialized machinery	4 851	6

Source: Eurostat – Comext (online data code: [DS-018995](#))

Table 2: Five main imported and exported products, 2010, by country (continued)

EU-27 imports				EU-27 exports			
SITC code	Product	Value (EUR million)	Share in total imports from the country	SITC code	Product	Value (EUR million)	Share in total exports to the country
TAJIKISTAN				TAJIKISTAN			
68	Non-ferrous metals	31	54	06	Sugars, sugar prep. and honey	24	16
26	Textile fibres	12	20	78	Road vehicles	23	16
84	Art. of apparel, clothing access.	10	18	72	Specialized machinery	21	15
65	Textile yarn, fabrics	3	5	54	Medicinal & pharmaceutical prod.	16	11
67	Iron & steel	1	1	84	Art. of apparel, clothing access.	8	5
TURKMENISTAN				TURKMENISTAN			
33	Petroleum, petroleum products	317	86	74	General industrial machinery	145	20
65	Textile yarn, fabrics	14	4	69	Manufactures of metals	74	10
84	Art. of apparel, clothing access.	10	3	72	Specialized machinery	72	10
26	Textile fibres	3	1	78	Road vehicles	62	9
28	Metalliferous ores	2	1	77	Electrical machinery	39	5
UKRAINE				UKRAINE			
67	Iron & steel	3 213	28	77	Electrical machinery	1 317	8
28	Metalliferous ores	1 400	12	78	Road vehicles	1 220	7
33	Petroleum, petroleum products	892	8	54	Medicinal & pharmaceutical prod.	1 143	7
77	Electrical machinery	654	6	74	General industrial machinery	984	6
22	Oil-seeds and oleaginous fruits	558	5	33	Petroleum, petroleum products	910	5
UZBEKISTAN				UZBEKISTAN			
52	Inorganic chemicals	88	21	79	Other transport equipment	251	20
34	Gas, natural & manufact.	74	18	72	Specialized machinery	143	11
65	Textile yarn, fabrics	56	13	54	Medicinal & pharmaceutical prod.	131	11
28	Metalliferous ores	37	9	74	General industrial machinery	118	9
56	Fertilizers	31	7	78	Road vehicles	59	5

Source: Eurostat – Comext (online data code: [DS-018995](#))

METHODOLOGICAL NOTES

The Commonwealth of Independent States (CIS) was established at the end of 1991, in the wake of the end of the USSR. It is an association of states, which possesses coordinating powers in trade, finance, lawmaking, and security.

The CIS is composed of eleven states: Armenia, Azerbaijan, Belarus, the Kyrgyz Republic, Kazakhstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

This publication has been established in cooperation with CIS-STAT, the Interstate Statistical Committee of the Commonwealth of Independent States. (www.cisstat.com)

Data sources

All data presented in this publication are stemming from Comext, Eurostat's database containing statistics on the trade in goods.

These data may differ from those produced by the national statistical services of the countries of the Commonwealth of Independent States.

Methodology for external trade statistics:

In the methodology applied for statistics on the trading of goods, extra-EU trade (trade between Member States and

non-member countries) statistics do not record exchanges involving goods in transit, placed in a customs warehouse or given temporary admission (for trade fairs, temporary exhibitions, tests, etc.). This is known as "special trade". So the partner will be the country of final destination of the goods.

SITC classification

Information on commodities exported and imported are presented according to the SITC classification (Standard International Trade Classification) at a more general level (1-digit – Figures 7 and 8) and a more detailed level (2-digits – Table 2). A full description of the SITC is available from Eurostat's classification server RAMON, accessible at: <http://ec.europa.eu/eurostat/ramon/>

Composition of EU-27

EU-27: European Union composed of 27 Member States: Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and United Kingdom.

In this publication: 1 billion = 1 000 000 000

Further information

Eurostat Website: <http://ec.europa.eu/eurostat>

Data on 'EU external trade'

http://epp.eurostat.ec.europa.eu/portal/page/portal/external_trade/data/database

Further information about 'EU external trade'

http://epp.eurostat.ec.europa.eu/portal/page/portal/external_trade/introduction

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