

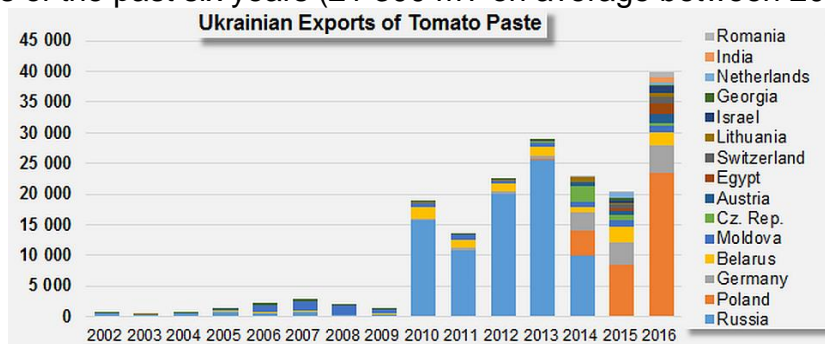
## Trade, Statistics & Consumption

### Ukraine: exports have doubled in 2016!

[With the Russian embargo, Ukraine has turned to Poland...](#)

Although they were virtually nonexistent until 2009, Ukrainian exports of tomato paste benefited between 2010 and 2013 from the considerable demand from Russian consumers for industrially processed tomato products, finding an advantage in the weakness of the local industry, which was virtually incapable of satisfying any more than a few percentage points of its own market. The Russian embargo on Ukrainian products imposed in 2014 put an end to trade between the two countries and heavily impacted Ukrainian export dynamics, which dropped considerably until 2015.

In 2016, Ukrainian foreign sales found a new impetus, driven both by measures instituted by the ALECA free trade agreement with the EU, which is particularly extensive, and by a price policy that has been described as "very aggressive" by several market players. Volumes of paste (mainly 12-30°Brix products and other products above 30°Brix, intended for industrial reprocessing) exported between January and December have confirmed observations made throughout the year, exceeding the threshold of 42 000 mT of finished products, well in excess of the performances of the past six years (21 300 mT on average between 2010 and 2015).



Close on 33 000 mT of paste, which is approximately three quarters of Ukraine's foreign sales in 2016, were shipped to Poland and, to a lesser extent, to a number of other countries like Lithuania, Romania, Latvia and the Czech Republic. These exchanges have replaced the trade flows that used to occur with Russia. The quantities recorded have nonetheless been well above quotas instituted by the EU (10 000 tonnes exempt from normal tariffs (14.4%)), and only leave a few thousand tonnes to be shipped to other markets around the world (2 700 tonnes to North Africa, 1 800 tonnes to non-EC countries of Europe, etc.).

The turnover generated by 2016 exports amounted to more than USD 36 million, a 79% growth against 2015 results.

The volumes and turnover recorded for Ukraine's paste exports could increase in coming years, in the context of the quota extension planned by the EU, but also with regard to the increase in processing operations being planned in Ukraine following major investments carried out by the main local operator, Agrofusion, with co-financing from the European Development Bank.

*(See also our articles in the issues of December 2014, June 2015 and December 2016.)*