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Synopsis of existing market analyses for Central Asian food exporters



January 2021

About this Synopsis

This synopsis is elaborated in the frame of the regional project **“Regional Integration and Capacity Building to Boost Agribusiness MSMEs Competitiveness and Trade Promotion in Central Asia -CANDY V” in Tajikistan, Kyrgyzstan, Uzbekistan and Kazakhstan – CANDY V**. The project is funded by the European Union (European Commission Programme Central Asia Invest V) and the Austrian Development Cooperation, and implemented by Hilfswerk International in partnership with the Austrian Agricultural Cluster, Quality Austria, REDD France, the Public Consulting Organization “Markazi Idorakunii Sifat” and the Union of Professional Consultants of Tajikistan in Tajikistan, the Association of Fruit & Vegetable Enterprises in Kyrgyzstan, and the Kazakhstan Association of Sugar, Processing and Food Industries in Kazakhstan.

CANDY V contributes to the growth of agribusiness Micro, Small, and Medium Enterprises (MSMEs) in Tajikistan, Kyrgyzstan, Uzbekistan, and Kazakhstan, thus fostering the integration of CA countries in the global trade. This regional initiative empowers Central Asian Business Intermediary Organisations (BIOs) to promote and sustainably support an enabling environment to improve the services to MSMEs and to enhance the overall business climate in the region, taking into account the common interest and demand of the private and public sectors in enhancing commercial quality and volume, food safety and traceability, product promotion and market access of regional agro-products and clustering - the 4 project pillars.

The Central Asian region, with its vast potential of producing fresh and dried fruit and vegetables, given the current trends for globalization and increased demand for food, must address challenging issues related to the diversification of traditional markets and finding new venues to sell its agricultural produce. Fruit and vegetable production in the region are mainly export-oriented, helping the countries address their internal social and economic issues. Diversifying exports, entering new markets, and developing new product/market combinations are considered as high priority for the Central Asian Governments. Participation in global value chains through implementing effective market access strategies will boost MSMEs growth. The project implements a series of activities to enhance market access and promotion of Central Asian MSMEs and food products.

A series of market studies on potential markets for agriproducts of Central Asia have been elaborated by the CANDY projects I-IV, as well as by GIZ, and UNDP during the last years. These and other published studies have been reviewed, condensed, and optimized for a better practicability.

This market research is aimed to support exporters of food products from the Central Asian countries Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The synopsis will make it easier for the target group to transfer recommendations into their own business and to make business decisions. It shall support MSMEs and BIOs to analyse existing data and apply them in practice for the development of successful marketing strategies and operational plans.

The synopsis was elaborated by an international marketing expert with a proven experience in the Central Asian business development environment. The CANDY V project consortium and local experts, involved in the project implementation, collaborated closely with the international expert, to gather relevant experience.

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The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources, and destinies. Together, during a period of enlargement of 60 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance, and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders. To this end the EU is active in Tajikistan since 1992 and provides approximately EUR 35 million annually in development assistance.

With funding from



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1. Introduction

A series of market studies on potential markets for Agri-products of Central Asia were elaborated by the CANDY projects I-IV, as well as GIZ and UNDP. These and other published studies will be reviewed, condensed and optimized for a better practicability.

The market research is aimed to support exporters of food products from the Central Asian countries Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

This synopsis will make it easier for the target group to transfer these recommendations into their own business and to make business decisions. It shall support Micro, Small & Medium Enterprises (MSMEs) and Business Intermediary Organisations (BIOs) who have little experience with analysing of existing data and their application in practice for the development of successful marketing strategies and operational plans.

The market research is focussed on following **Food products** of the Central Asian region with focus on selected products **with geographical indication (GI) potential**:

A. Fresh fruits

- Melon: Kazakhstan, Uzbekistan
- Grapes: Tajikistan, Uzbekistan
- Lemon: Tajikistan, Uzbekistan
- Apples: Kazakhstan

B. Dried fruits & nuts:

- Apricots: Kyrgyzstan, Tajikistan, Uzbekistan
- Grapes: Uzbekistan
- Persimmon: Tajikistan, Uzbekistan
- Wild Walnuts: Kyrgyzstan, Tajikistan

C. Honey: Kyrgyzstan, Tajikistan

D. Meat, with focus on **cooled fresh lamb and bovine meat**: Kazakhstan, Kyrgyzstan

Potential **Export markets** covered in this synopsis:

A. European Union (EU)

- European Union: general information
- Western Europe
- Baltic countries
- Eastern Europe, with focus on Poland

B. CIS market (Commonwealth of Independent States), with focus onto the **Russian** market Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, Uzbekistan

C. China

D. ASEAN countries, with focus onto the **Singapore** market Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam

2. Status quo of the food exports from Central Asia

The export of food products by Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan is mostly to the neighbouring countries and the former Soviet Union countries.

2.1. Kazakhstan

Kazakhstan shares borders with Russia, China, Kyrgyzstan, Turkmenistan and Uzbekistan.

Exports: While its generous endowment of energy resources has resulted in a large trade surplus, it has diminished the development of value-added production and exposed Kazakhstan to unstable commodity prices. In addition to a lack of product diversification, export markets are highly concentrated in China and a few European countries. (ITC, 2021)

Imports arrive mainly from Russia and China.

Figure 1: Kazakhstan Exports 2018

Product exports	in Mio US\$	Share %
Total KZ Exports all products	61.109	100%
Animals (HS 01-05: Livestock, Meat, Honey)	200	0,3 %
Vegetables (HS 06-15: vegetables, fruits, nuts)	2.470	4,0 %
Food products (HS 16-24: Processed Food: preparations of food, beverages)	432	0,7 %

Main trade partners:

All products:	Italy (19%), China (10%), Netherlands (10%), Russia (9%), France (6%)
Animals, meat, honey:	Russia (39%), Uzbekistan (14%), Netherland (9%), Afghanistan (6%), Iran (6%), Lithuania (6%)
Vegetables, fruits, nuts:	Uzbekistan (22%), Afghanistan (16%), Iran (12%), China (9%), Russia (8%), Tajikistan (8%)
Food preparations, beverages:	Russia (30%), Kyrgyzstan (28%), Uzbekistan (14%), Mongolia (8%), Tajikistan (7%), China (3%)

Source: (WITS, 2020)

<https://wits.worldbank.org/CountryProfile/en/Country/KAZ/Year/2018/TradeFlow/Export/Partner/WLD/Product/all-groups#>

2.2. Kyrgyzstan

Kyrgyzstan shares borders with China, Kazakhstan, Tajikistan and Uzbekistan.

Kyrgyz **exports** are comprised mainly of gold, re-exported oil, agricultural goods and light industry. The low level of product diversification and reliance upon natural resources makes the Kyrgyz economy especially susceptible to volatile commodity prices. Moreover, exports are heavily concentrated in

Russia and Central Asian markets, exposing Kyrgyzstan to the effects of regional economic and political fluctuations. (ITC, 2021)

The top exports of Kyrgyzstan in 2018 are

- Gold (\$1.36B)
- Precious Metal Ore (\$124M)
- Scrap Copper (\$106M)
- Knit Women's Shirts (\$94.2M) and
- Refined Petroleum (\$87M)

exporting mostly to United Kingdom, Russia, Kazakhstan, Uzbekistan and Turkey. (ITC, 2018)

Vegetables are the only top agricultural commodity among the country exports, with 56 million US\$ (mainly Kidney beans with 44 million US\$) of it exported in 2015. Turkey, Kazakhstan, Serbia and the Russian Federation are the main markets for vegetable exports. (ITC, 2018)

Figure 2: Kyrgyzstan Exports 2018

Product exports	in Mio US\$	Share %
Total KG Exports all products	1.835	100%
Animals (HS 01-05: Livestock, Meat, Honey)	46	2,5 %
Vegetables (HS 06-15: vegetables, fruits, nuts)	96	5,3 %
Food products (HS 16-24: Processed Food: preparations of food, beverages)	56	3,1 %

Main trade partners:

All products:	United Kingdom (37%), Russia (19%), Kazakhstan (15%), Uzbekistan (9%), Turkey (6%)
Animals, meat, honey:	Kazakhstan (41%), Russia (34%), Iran (7%), China (7%), Uzbekistan (2%)
Vegetables, fruits, nuts:	Russia (27%), Turkey (26%), Iran (10%), Kazakhstan (7%), Serbia (6%), Bulgaria (5%)
Food preparations, beverages:	Kazakhstan (60%), China (19%), Russia (8%), Tajikistan (5%), Uzbekistan (2%)

Source: (WITS, 2020)

<https://wits.worldbank.org/CountryProfile/en/Country/KGZ/Year/2018/TradeFlow/Export/Partner/WLD/Product/all-groups>

A reliance upon energy and value-added **imports** has resulted in a significant trade deficit. (ITC, 2021)

As a member of the WTO since 1998, Kyrgyzstan has pursued increased regional integration through its participation in the CIS free trade agreement.

2.3. Tajikistan

Tajikistan shares borders with Afghanistan, China, Kyrgyzstan and Uzbekistan.

Tajik **exports** are comprised mainly of gold, silver, precious metals, aluminium, agricultural goods (mainly cotton) and light industry. (Tajikistan Trade Portal, 2020)

The low level of product diversification and reliance upon natural resources makes the Tajik economy dependable of volatile commodity prices. (ITC, 2021)

Nevertheless, Tajikistan has taken steps to increase its global and regional integration through WTO accession in 2013 and by participating in the CIS free trade agreement. (ITC, 2021)

Figure 3: Tajik Exports 2019

Product exports	in Mio US\$	Share %
Total TJ Exports all products	1.174	100%
Cotton (HS 52)	182	15,5 %
Edible fruit and nuts (HS 08)	10	0,8 %
Edible vegetables and certain roots and tubers (HS 07)	8	0,7 %

Main trade partners:

- Russia (mineral fuels, wood, animals)
- Kazakhstan (cereals, ores)
- China (machinery)
- Turkey (aluminium, cotton)
- Uzbekistan, Switzerland, Germany, Japan, Iran
- Pakistan (fruits, nuts, vegetables)
- Afghanistan, Kyrgyzstan, Italy, Turkmenistan and USA.

Source: (Tajikistan Trade Portal, 2020)

The **imports** of energy resources and advanced manufacturing products, which arrive largely from China, Russia, and Kazakhstan, have resulted in a significant trade deficit. (ITC, 2021)

More details on exports and imports offers the Tajikistan Trade Portal www.tajtrade.tj by the Ministry of Economic development and trade of the Republic of Tajikistan.

2.4. Uzbekistan

Uzbekistan shares borders with Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan.

Although relatively well-diversified, **exports** are comprised mainly of natural resources and low value-added goods including cotton, vehicles, copper, petroleum gases, fruits, uranium, fertilizers and apparel.

Moreover, exports are heavily concentrated and the majority of goods are destined for Russia, China, Kazakhstan and Turkey. The reliance upon natural resources and a few select markets make Uzbekistan vulnerable to volatile price and demand fluctuations. (ITC, 2021)

High value manufactured goods are **imported**, resulting in a large trade deficit. (ITC, 2021)

Uzbekistan is not a WTO member, although it is a CIS member.

Figure 4: Uzbekistan Exports 2018

Product exports	in Mio US\$	Share %
Total UZ Exports all products	10.919	100%
Animals (HS 01-05: Livestock, Meat, Honey)	21	0,2 %
Vegetables (HS 06-15: vegetables, fruits, nuts)	1.016	9,3 %
Food products (HS 16-24: Processed Food: preparations of food, beverages)	74	0,7 %

Main trade partners:

All products:	China (19%), Russia (15%), Kazakhstan (11%), Turkey (8%)
Animals, meat, honey:	Afghanistan (46%), Vietnam (12%), China (8%), Turkey (8%), Tajikistan (8%)
Vegetables, fruits, nuts:	Kazakhstan (39%), Russia (16%), Afghanistan (15%), Kyrgyzstan (8%), China (7%)
Food preparations, beverages:	Russia (27%), Kazakhstan (24%), Kyrgyzstan (12%), Afghanistan (8%), Iraq (7%), Tajikistan (6%)

Source: (WITS, 2020)

<https://wits.worldbank.org/CountryProfile/en/Country/UZB/Year/2018/TradeFlow/Export/Partner/WLD/Product/all-groups#>

3. International markets

3.1. Motives for starting export

There are various motives for starting export activities. Proactive motives represent stimuli to develop an export strategy because of market possibilities. Reactive motives indicate that the company reacts to pressures or threats in its home market or in foreign markets.

Figure 5: Major motives for starting export

Proactive motives	Reactive motives
<ul style="list-style-type: none"> ● Profit and growth goals ● Managerial urge ● Technology competence/unique product ● Foreign market opportunities/market information ● Economies of scale ● Tax benefits 	<ul style="list-style-type: none"> ● Competitive pressures ● Domestic market: small and saturated ● Overproduction/excess capacity ● Unsolicited foreign orders ● Extend sales of seasonal products ● Proximity to international customers/psychological distance

Source: (Albaum, 1994)

Profit and growth goals: The interest in short-term profit is especially important for SMEs that are at the initial stage of exporting. The desire to grow may also be of particular importance in a firm's decision to start exporting. The stronger the firm's motivation to grow, the greater will be the activities in order to find means to fulfil these growth and profit ambitions.

Managerial urge is the motivation that reflects the desire, drive and enthusiasm of the management towards international market activities. Managerial attitudes play a critical role in determining the exporting activities of the company.

Technology competence/unique product: A firm may produce goods or services which are quite unique and not widely available from international competitors or may have technological advantages in a specialized field. This could be also food products which have unique features because of the growing condition and region.

Foreign market opportunities/market information: Market opportunities act as stimuli only if the firm has the necessary resources to respond to these opportunities. Managers are likely to explore first those export market opportunities which have similarities with their home markets. Specific market information / knowledge about foreign customers, market-places or market situations can motivate a manager to start export business into this market.

Economies of scale and using the learning curve: The company exploits the resources and capabilities from its home market by transferring them abroad and benefiting from economies of scale. For example, increased production quantities due to exports can reduce production costs by up to 30%.

Tax benefits can also play a major motivating role.

Competitive pressures: A company may fear losing domestic market share to competitors which have benefited from economies of scale by global market activities. In addition, knowing that competitors

are successfully exporting, provides a strong incentive to start exporting. Competitors are an important external factor stimulating internationalization.

Domestic market: small and saturated: A company may be pushed into exporting because of a small home market potential. A saturated domestic market has a similar motivating effect.

Overproduction/excess capacity: If a firm's domestic sales of a product are below expectations, the inventory can be above desired level. This situation can be a trigger for starting export sales. Excess (production) capacity can be a powerful motivation for export as well.

Unsolicited foreign orders: Many small companies have become aware of opportunities in new markets because their products got enquiries from a potential export market. These enquiries can result from advertising in trade journals, through exhibitions or via the website or social media.

Extend sales of seasonal products: Seasonality in demand may be different in the home market from other international markets. For example, fruits harvested early in the year in Central Asian countries might be in high demand in regions where the harvest is much later in the year due to climate conditions.

Proximity to international customers/psychological distance: Physical and psychological proximity to the international market can often play a major role in the export activities of a firm. For example, neighbouring countries and markets with the same language and mentality are easier to access.

3.2. Internationalization barriers and risks

A wide variety of barriers to successful export operations can be identified. Some problems mainly affect the export start, others are encountered in the process of exporting. (Svend, 2017)

1. Internal barriers:

- insufficient finances
- insufficient market knowledge
- lack of foreign market connections
- lack of export commitment
- lack of capital to finance expansion into foreign markets
- lack of foreign channels of distribution
- cost escalation due to high export manufacturing, distribution and financing expenditures

2. General market risks:

- comparative market distance: differences in culture and language
- adaption to foreign markets: even if the products and services for the export market are the same as for the home market, producing and selling abroad involve higher costs than doing it at home
- competition from other firms in foreign markets
- adapting products and services to new local conditions
- differences in product specifications in foreign markets
- complexity of shipping services to overseas buyers

3. Commercial risks

- exchange rate fluctuation

- failure of export customers to pay due to contract dispute, bankruptcy, refusal to accept the product or fraud
- delays and/or damage in the export shipment and distribution process

4. Political risks

- foreign government restrictions
- national export policy by home government to support the export of food products
- lack of governmental assistance in overcoming export barriers
- foreign exchange controls imposed by foreign government
- high foreign tariffs on imported goods

The importance of these risks must not be overemphasized. Various risk management strategies are open to exporters to avoid or at least reduce risks.

3.3. Market and consumer differences

Before developing a feasible export strategy, a thorough market study about the target market is key.

The international markets and its consumers are most probably quite different from the national home market.

Michael Porter, a Harvard Business School professor, developed the 5-forces framework for strategic market analysis. His model can be used to examine and analyze the competitive structure of a market sector. By looking at the 5 forces of competition that influence and shape the profit potential.

Michael Porter's 5 competitive forces are:

- Threat of new entrants
- Bargaining power of suppliers
- Bargaining power of buyers
- Threat of substitute products
- Intensity of rivalry among competitors

These factors need to be analyzed for the selected export market to avoid the development of the wrong or at least not optimal export strategy.

3.3.1. Bargaining power of buyers

Because of very high competition on the food market worldwide buyers have a high bargaining power.

Bargaining power of buyers or Buyer power is the ability of the customers / buyers to reduce purchase prices, improve the requested quality or generally play industry participants (mostly competitors of the seller) off one another.

Strong buyers can pressure sellers to lower prices, improve product quality for the same selling price and offer more and better service. By the buyer requested additional services could be: just-in-time delivery, special package sizes, return of unsold products, longer term of payment.

The exercise of this significant market power by retailers and wholesalers impacts international markets. It is easy to imagine that powerful retailers, such as Wal-Mart, Metro, REWE group or Tesco, are able to dictate their terms to small suppliers whether they are domestic or foreign. Metro, for example, has a term of payment of 90 days after delivery.

Determining factors of Buyer bargaining power:

- few buyers (because **buyers are concentrated** and large businesses) and many sellers → buyer bargaining power is high
- if **switching costs** (the costs of switching from one seller to another) are low → buyer bargaining power is high
- if the buyer can **easily produce** the seller's product themselves (backward integration) → buyer bargaining power is high
- if the buyer / customer is **price sensitive** and well-educated about the product → buyer bargaining power is high
- if the buyer purchases **large volumes of standardized products** from the seller → buyer bargaining power is high
- buyer purchases a **large portion of seller sales** – seller has only few buyers and is depending on the buyer → buyer bargaining power is high
- if **substitute products** are available on the market → buyer bargaining power is high

As a consequence, following factors can strengthen the position and bargaining power of the seller:

- **low buyer concentration:** selling to small and medium sized buyers
- **high switching costs** if the buyer changes the supplier: e.g. by offering a specific, customized product
- **no threat of backward integration:** buyer is not motivated to produce the product himself
- **less price sensibility** because products are unique
- buyer is **uneducated** regarding the product
- consumers / buyers that purchase **specialized (unique) products**
- **substitute products** are unavailable
- buyer purchases product in **low volume**
- buyer purchases are a **small portion of seller sales**

Lower buyer bargaining power makes an industry/customer more attractive and increases profit potential for the seller. (The strategic CFO, 2021)

3.3.2. Consumer differences

The main factors that affect the way in which people from different cultures behave are: (Kumar, 2000)

1. **Cultural differences:** Culture refers to widely shared norms or patterns of behaviour of a large group of people. It is defined as the values, attitudes, beliefs, artifacts and other meaningful symbols represented in the pattern of life adopted by people that help them interpret, evaluate and communicate as members of society. The need for greater cross-cultural awareness is heightened in our global economies.
Cross cultural differences in matters such as language, etiquette, non-verbal communication, norms and values can lead to cross cultural blunders. Examples:

Product: A soft drink was introduced into Arab countries with an attractive label that had six-pointed stars on it. The Arabs interpreted this as pro-Israeli and refused to buy it.

Price: An American firm was trying to get an acceptable price for their product from a Japanese buyer. The Americans presented a very detailed presentation and offered what they felt was a reasonable price. After a few moments of silence, the Americans thought the Japanese were going to reject the offer so they lowered the price. There was more silence by the Japanese. The Americans then said they would lower their price one last time and that this was the lowest they could go. The Japanese accepted this offer after a brief silence. The Japanese later said the first price was within an acceptable range, but it was their custom to consider the proposal silently before giving their decision. The Americans lost a lot of profit by jumping the gun and believing that Japanese respond just like the Americans do.

Place: A well-known drinks company tried to introduce a two litre drinks bottle into Spain, but found it hard to enter the market - they soon discovered this was because few Spaniards had fridge doors large enough to accommodate the large size bottle.

Promotion: When PepsiCo advertised Pepsi in Taiwan with the ad "Come Alive With Pepsi" they had no idea that it would be translated into Chinese as "Pepsi brings your ancestors back from the dead."

2. **Racial differences:** This refers to the differences in physical features of people in different countries. For example, some Asian people have a problem to digest milk products.
3. **Climatic differences:** Meteorological conditions like degree of rain and temperature range in the targeted foreign market can have an effect on customer behaviour, product features requested, product demand but also on distribution and logistics.
4. **Economic differences:** The level of economic development in a market can affect the desired properties of a product and in this way can inspire a company to adapt its products in order to meet the needs of the local market. The level of economic progress in a market can be assessed by a series of indications:
 - The level of revenue and buying power of local consumers:** This will have an influence on the technical conception and marketing of exported products. In richer countries where the state of economic progress is more advanced, consumers generally having a higher purchasing power and tend to prefer purchase of more sophisticated products with advanced functions, while people in poorer markets would be interested in a simplified version of the product.
 - The state of infrastructure in the market:** The general level of the quality of infrastructure in the country consisting of elements such as transport, logistics, energy, communication systems, etc. can affect how the product is constituted, for example the requirements for the packaging.
5. **Religious differences:** Religion has many impacts on products, more particularly on the ingredients, that constitute them. For example, in Islamic countries, companies, exporting grocery products based on bovine have to furnish a certificate declaring that the animals have been slaughtered respecting "Halal" methods. Religious restrictions can therefore require product adaptation.
6. **Historical differences:** Historical differences and traditions have slowly evolved over time but have a profound effect on consumer behaviour and which products are used. For example, drinking Scotch whiskey is considered prestigious and trendy in Italy, but old-fashioned and almost boring in Scotland. These differences have a special influence on Marketing communication and advertising.
7. **Language differences:** Language is an important aspect of international marketing. Inappropriate use of language could result in loss of market apart from turning out to be a cross cultural gaffe. For instance, U.S. and British negotiators found themselves at a standstill when the American

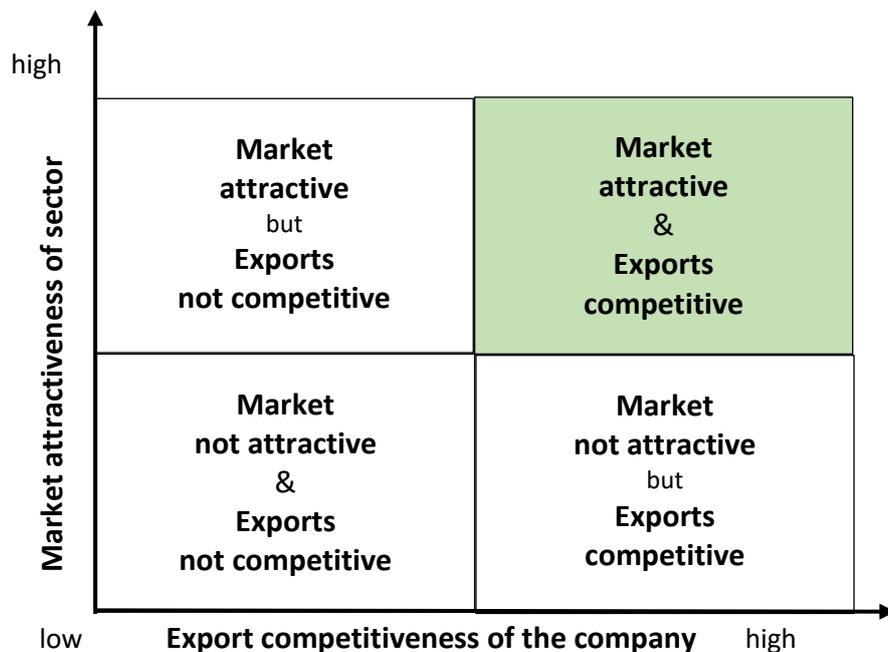
company proposed that they “table” particular key points. In the U.S. “Tabling a motion” means to not discuss it, while the same phrase in Great Britain means to “bring it to the table for discussion.”

8. **Usage differences:** In addition, the exporter may also have to deal with other factors such as differences in the way that products or services are used or consumed.

4. Market assessment and selection

There can be very attractive markets detected but the exporters of the Central Asian region will face very high competition or might not be ready to compete on this market successfully. Therefore, factors have to be taken into consideration when assessing the market attractiveness of a specific sector and the competitiveness of the exporter in this selected market.

Figure 6: Market potential of individual markets for exporting companies



4.1. Market attractiveness of the selected export market

Factors that can help to define the attractiveness of a market to export to:

- **Market size:** total size of the market in this sector
- **Market trends**
The development of the sector over the last 3-5 years in order to detect if it is a growing or declining market in this product category:
 - Market size
 - analysis of the type of products sold in this sector, e.g. dried versus fresh fruits, type of dried fruits sold, ...
 - consumer trends: like organic food, impact on environment, ...
- **Buying power of consumers on this market**
The purchasing power of a person or group of people (e.g. family) is the amount of goods or services that they can afford to buy.
- **Import volume of this sector / product group onto this market** and their development over the last 3-5 years in order to detect if it is a growing or declining market in this product category
- **Export volume of this sector / product group from this market into other market**

This could give an indication if imported products are repackaged and resold with added value onto another export market. Example: dried fruits imported from the region (e.g. UZ) into Turkey and after repackaging re-exported into the European Union for a much higher price.

- **Import regulations and restrictions of this market**
like tariffs, volume restrictions, certifications, ...
- **Competition on this market:** domestic competition but also international competition.
In most cases it might be easier for a company who is already situated in the European Union (like Bulgaria, Spain, ...) or has the advantage of special trade agreements with the European Union (like Turkey, Ukraine, ...) to export and sell its food products to other European countries, rather than a company seated outside the European Union.
- **Ease of doing business:** obstacles and rules in business
- **Quality and packaging** issues

4.2. Competitiveness of the suppliers from Central Asia

Factors that support the readiness to export:

- **Export know-how:** already existing export experience
- **relative Pricing** compared to other suppliers from other competing countries (e.g. Turkey, ...) on the same export market
- **Marketing know-how:** branding, packaging and quality appeal of the export products within the export market
- **Export quantities:** Central Asian agriculture is mainly done by small farmers and SMEs, which lack production efficiency due to their small size.
These small producers are mostly not able to meet the volume demand of large international buyers. They can only negotiate small-scale orders, which are usually less cost-effective.
- **Internationally recognized certifications and quality standards:** International buyers demand from their suppliers certain quality standards and certifications, like GlobalGAP, ISO 22000, etc. and for organic products the corresponding organic certifications.

Most small farmers and SMEs in Central Asia cannot afford these certifications, which excludes them from exporting activities.

In addition: Central Asian quality certificates are mostly not recognised by the European Union, China and other international importing countries. This is due to the lack of internationally recognised conformity assessment bodies, such as laboratories, certification and inspection bodies in these countries.

Climatic and soil conditions in Central Asia as a competitive advantage

Uzbekistan, Tajikistan and Kyrgyzstan are major fruit growing markets and known for very good soil and favourable climatic conditions. Fruits in these countries contain high natural sugar levels. Therefore, Central Asian fruits are well known for their sweetness and rich taste, and are believed to have higher nutritional qualities than competitive products.

In particular, Uzbekistan is known for its unique melon (Torpedo) and apricots grown in the Ferghana, Namangan and Surkhandarya regions. Tajikistan and Kyrgyzstan are well known for its apricots grown in the Ferghana valley around Isfara and Batken.

Central Asian grapes are sweet and crunchy, but meet strong competition from global rivals, including India, Turkey and the United States.

Melons and grapes, while both see some seasonality across the buying markets, have well-established year-round supply structure in Central Asia.

These unique product benefits are largely unknown to international consumers other than those from the former Soviet Union. Marketing investments are therefore necessary in order to promote these fruit products internationally and to create consumer awareness for these product advantages.

4.3. Advantages for exporters from Central Asian countries

Various international trade agreements are in place for exporters from Central Asian countries. These agreements offer mostly tariff advantages for SMEs from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

The most important trade agreements for Asia and Europe are introduced here.

4.3.1. CIS Free Trade Area (CISFTA)

The **Commonwealth of Independent States (CIS)** is a regional organisation with its administrative center in Minsk (Belarus) and Russian as working language.

It consists of 9 members (countries of the former Soviet Republics):

Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan; and **Ukraine** as participating country.

Five of these countries form the Eurasian Economic Union, the Customs Union (Belarus, Russia, Kazakhstan, Armenia and Kyrgyzstan).

The main goals of the Agreement were aimed at:

- forming common economic space with free movement of goods, services, labour force, capital;
- elaborating coordinated monetary, tax, price, customs, external economic policy;
- bringing together methods of regulating economic activity;
- creating favourable conditions for the development of direct production relations.

(CCIS Expertise, 2020)

CIS Free Trade Area (CISFTA)

Eight of the nine CIS member states participate in the CIS Free Trade Area:

Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Uzbekistan and Ukraine.

Not participating: Azerbaijan

The trade area covers a common market of over 180 million people.

The free trade agreement eliminates export and import duties on a number of goods.
(CCIS Expertise, 2020)

4.3.2. Customs Union – Eurasian Economic Union (EAEU)

The **Eurasian Economic Union** is the new name of the Customs Union founded by **Russia, Kazakhstan and Belarus** after **Kyrgyzstan and Armenia** joined it.

The Eurasian Economic Union is a free trade area where member countries remove tariffs and quotas between themselves, but retain whatever restrictions each member chooses with non-member countries. Some provision is being made to prevent imports from outside coming into the area via the country with the lowest external tariff. In addition, members must adopt common external tariffs and quotas with non-member countries.

In order to sell goods on the Russian market importers are required to complete a Russian customs freight declaration for every item imported. A declaration must be supported by a number of documents: contracts, commercial documents such as commercial invoices and packing lists, transport documents, import licenses (if applicable), certificates of conformity and / or safety certificates of origin (if applicable), sanitary certificate (if applicable), import permission and licenses for products containing encryption technology, and documents confirming legitimacy of declarants / brokers / importers.

In addition, currency control regulations require issuance of a transaction passport for both exports and imports to ensure that hard currency earnings are repatriated to Russia. (CCIS Expertise, 2020)

More information can be found on: <http://www.eaeunion.org/?lang=en>

4.3.3. World Trade Organization (WTO)

The **World Trade Organization (WTO)** is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments.

The goal is to ensure that trade flows as smoothly, predictably and freely as possible. (WTO, 2020)

The WTO has 164 members. Uzbekistan is not a member.

Kazakhstan, Kyrgyzstan and Tajikistan are World Trade Organization (WTO) members and can therefore, enjoy Most Favoured Nation (MFN) treatment.

Figure 7: Members of the WTO



Source: (WTO, 2020)

More information and details can be found on www.wto.org

4.3.4. GSP and GSP+

The **Generalised Scheme of Preferences (GSP)** is the EU trade policy's main tool to support developing countries and their efforts to carry on with sustainable development.

The GSP removes import duties from products coming into the European Union from developing countries. This helps developing countries to reduce poverty and create jobs, while at the same time following international values and principles.

Considering the diverse needs of the beneficiary countries, the GSP has three different arrangements to give preferential access to the EU market. (EC, GSP, 2020)

1. **Standard GSP:** The general arrangement grants a partial or full removal of customs duties for around 66% of all EU tariff lines to low income or lower-middle income countries (according to the World Bank classification), which do not benefit from other preferential trade access to the EU market. Currently there are 15 beneficiaries.

2. **GSP+:** With this special incentive arrangement for Sustainable Development and Good Governance ('GSP+') the EU cuts its import duties to 0% on more than two thirds of the tariff lines as in the Standard GSP. Eligible are countries that are vulnerable in terms of their economic diversification and export volumes. In return, beneficiary countries (currently 8 of them) must ratify and effectively implement 27 international conventions, which cover human and labour rights, environmental protection and good governance. This GSP+ arrangement is valid until 2023.

The EU will start applying preferential tariffs for products imported from Uzbekistan under the GSP+ arrangement from April 10, 2021.

3. **EBA (Everything But Arms):** The special arrangement Everything But Arms ('EBA') grants full duty-free, quota-free access for all products except arms and ammunition to countries classified by the United Nations as Least Developed Countries (LDCs).

GSP trade agreement: **Tajikistan**

GSP+ trade agreement: **Kyrgyzstan, Uzbekistan** (since April 10, 2021)

The European Union currently has no trade agreements with **Kazakhstan**, but since March 1, 2020 an enhanced partnership and cooperation agreement.

Kyrgyzstan economic benefits in 2018: Main GSP+ imports from the Kyrgyz Republic to the European Union are fruits and vegetables, accounting for around 60%; base metals are almost 20% and tobacco 12%. The GSP+ utilisation rate was just 60.7%.

The EU Trade Assistant <https://trade.ec.europa.eu/access-to-markets/en/content> helps to find the exact information on duties and tariffs for a specific product, taking into consideration the country of origin and destination. Information about trade statistics can be found on <https://trade.ec.europa.eu/access-to-markets/en/statistics>

The GSP Certificate of Origin Form A is mandatory to utilize the lower import tariff for countries mentioned. This form can be found in the attachment.

Further information and details on GSP:

<https://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/>

Figure 8: List of GSP beneficiary countries (as of 01 January 2019)

Standard GSP	GSP+	EBA
Congo	Armenia	Afghanistan
Cook Islands	Bolivia	Angola
India	Cape Verde	Bangladesh
Indonesia	Kyrgyzstan	Benin
Kenya	Mongolia	Bhutan
Micronesia	Pakistan	Burkina Faso
Nauru	Philippines	Burundi
Nigeria	Sri Lanka	Cambodia
Niue		Central African Rep.
Samoa		Chad
Syria		Comoros
Tajikistan		Congo (DRC)
Tonga		Djibouti
Uzbekistan		Equatorial Guinea
Vietnam		Eritrea
		Ethiopia
		Gambia
		Guinea
		Guinea-Bissau
		Haiti
		Kiribati
		Lao PDR
		Lesotho
		Liberia
		Madagascar
		Malawi
		Mali
		Mauritania
		Mozambique

Source: (EC, List of GSP beneficiary countries, 2019)

4.3.5. Registered Exporter System “REX”

The **Registered Exporter system (REX system)** is an EU registration which authorises exporters in GSP beneficiary countries to issue a **self-certificate** (statement of origin) for eligible goods being imported under preference to the European Union. It was introduced on 01/01/2017.

Some countries started the REX system later, therefore it is fully in use in Kyrgyzstan and Uzbekistan as of 30/06/2020 and in Tajikistan from 31/12/2020.

The **statement of origin** replaces the GSP Form A and invoice declarations. The REX system does not change the rules for determining the origin of goods. It only concerns the method to certify the originating status of goods. The origin of goods is declared by the registered exporters themselves with the so-called Statements on origin and has to be added on the invoice or any other commercial document.

Application for REX registration:

Exporters apply to become registered exporters by filling in the REX application and by returning it to their competent authorities in their country. Registered exporters then receive from their competent authorities their registration number (REX number), which is a string of 35 alphanumeric characters, including a reference to the country of issue.

The data that are requested from the exporter in the application form are: the exporter's name, address and identification number; additional contact details (optional); whether the exporter is a trader, producer or both; and an indicative list of goods that the exporter intends to export under the preferential trade agreements.

More information on The REX system: https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/generalised-system-preferences/the_register_exporter_system_en#heading_0

REX number validation:

https://ec.europa.eu/taxation_customs/dds2/eos/rex_validation.jsp?Lang=en

4.3.6. Geographical Indication (GI)

A geographical indication (GI) is a name or sign used on products which corresponds to a specific geographical location or origin (e.g., a town, region, or country). The use of a geographical indication, as an indication of the product's source, acts as a certification that the product possesses certain qualities, is made according to traditional methods, or enjoys a good reputation due to its geographical origin. (Wikipedia, 2021)

Geographical indications are generally applied to (traditional) products that have gained a reputation on the local, national or international markets due to their specific unique qualities.

Producers can add value to their products through Geographical Indications by:

- communicating to consumers the product's characteristics, which derive from the climate, soil and other natural conditions in its particular geographical area;
- promoting the conservation of local traditional production processes; and
- protecting and adding value to the cultural identity of local communities.

(Wikipedia, 2021)

Ferghana valley could be seen as geographical region with GI potential. To protect it, the registration would be required.

Protected geographical indications can be

- protected designations of origin (PDOs)
- protected geographical indications (PGIs)
- traditional specialities guaranteed (TSGs)

The European Union has established distinct legislation to protect geographical names in the fields of wines, spirits, agricultural products including beer. A register for protected geographical indications and denominations of origin relating to products in the field of agriculture including beer was established. Products can be searched on <https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels/geographical-indications-register/>

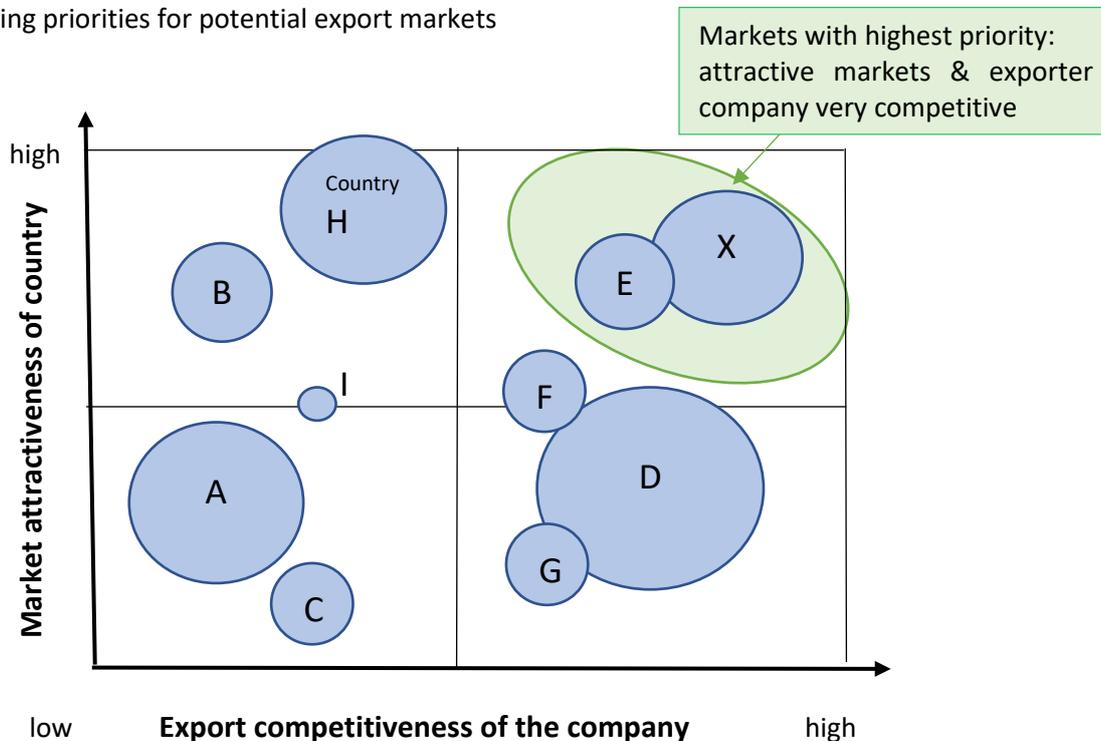
In November 2020, the European Union Intellectual Property Office launched the comprehensive database GI View (<https://www.tmdn.org/giview/gi/search>) covering food, wine, and spirit GIs.

Wachauer Marille (apricots from a specific region in Austria) is registered as Protected Designation of Origin (PDO) - see also <https://www.tmdn.org/giview/gi/EUGI00000013371>

4.4. Setting market priorities for export

After selecting potential export markets by analysing their attractiveness and also the own readiness and competitiveness for export, the company has to set priorities. It should start with the export into countries with the most attractive markets under consideration of their own competitiveness on this export country market.

Figure 9: Setting priorities for potential export markets



The dimension of the circle represents the market size, the position on the chart reflects market attractiveness and competitiveness of the potential exporter in that market.

For example, country H (e.g. Germany) is an attractive market, but one in which suppliers from the Central Asian region would not be competitive. Country X is almost as attractive as country H and about the same size, and one where suppliers from the Central Asia region would be better able to compete. Information about EU markets can be found in the Access2Market database described in chapters 6.1.1, 6.1.2 and 6.1.2.3

Another factor for selecting a market can be the **Export support** by the own government and/or by the government or a trade organization of the target export country. This export support or advantages could be a membership in a customs union or preferential customs tariffs.

Factors like these can be a decision factor of the exporter for prioritising a market over another one.

Memberships of the Central Asian countries:

- **Eurasian Economic Union (EAEU):** Kazakhstan, Kyrgyzstan
- **CIS Free Trade Area (CISFTA):** Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan
- **WTO:** Kazakhstan, Kyrgyzstan, Tajikistan
- **GSP for the EU market:** Tajikistan
- **GSP+ for the EU market:** Kyrgyzstan, Uzbekistan

An example for the advantage of the membership and its use for prioritising markets and products can be found in chapter 6.1.1.1

5. Market requirements for food export – standards to meet when exporting

The **market standards and requirements** for food export depend on the target market. Each market or customs union has general import requirements and specific mostly product related requirements to protect its customers.

Food safety is a key factor in food trade. Quality checks and certificates have to prove that the food product is not contaminated and meets the requirements of the importer.

The **import procedures, tariffs, trade standards, quality standards and requirements** can be found on the websites of the customs region or the target country.

Commercial quality standards

Quality standards are defined as documents that provide requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose.

5.1. UNECE Agricultural Quality Standards

UNECE, through its Working Party on Agricultural Quality Standards (WP.7) and its specialized sections, develops internationally agreed commercial quality standards for agricultural produce, helps with their interpretation and promotes their practical application. The standards are based on existing national standards, industry and trade practices. They are reviewed and amended on a regular basis and new standards are developed as required. In this process, UNECE cooperates with the World Trade Organization (WTO) to ensure that the standard-setting process is consistent with WTO rules, as well as with other standard-setting bodies, such as the FAO/WHO Codex Alimentarius Commission to avoid duplication of work and divergence in standards. (UNECE, 2020)

In 2016, the UNECE Standard for Dried Apricots was revised by including quality standards for Fergana Valley dried apricots, based on an initiative of Tajikistan, Kyrgyzstan and Uzbekistan.

The UNECE adopted in 2019 a quality standard for dried melons. This quality standard was elaborated first time ever by a Central Asian country, Uzbekistan, with the support of the Central Asia Working Group on Quality Standards.

The standards encourage high-quality production, improve profitability and protect consumer interests. UNECE standards are used internationally by Governments, producers, traders, importers, exporters and international organizations. They cover a wide spectrum of agricultural products: fresh fruit and vegetables (FFV), dry and dried produce (DDP), seed potatoes, meat, cut flowers, eggs and egg products. (UNECE, 2020)

<https://unece.org/trade/working-party-agricultural-quality-standards-wp7>

Food standards for many products can be downloaded on the UNECE (United Nations Economic Commission for Europe) website:

- Fresh fruit and vegetables: <https://unece.org/fresh-fruit-and-vegetables#c55288>

- Dry and dried produce: <https://unece.org/trade/standards/trade-and-unecefact/agricultural-quality-standards-wp7/dry-and-dried-produce#c55288>
- Meat: <https://unece.org/trade/standards/trade-and-unecefact/agricultural-quality-standards-wp7/meat#c55288>

On these websites are also brochures and posters for some food products available.

Figure 10: UNECE Food Standards

The screenshot shows the UNECE website interface. At the top, there are logos for UNECE and Sustainable Development Goals, along with an 'Advanced Search' button. A banner for 'COVID-19 Response' is visible. The main navigation menu includes 'About UNECE', 'Our work', 'Themes', 'Where we work', 'Open UNECE', 'Events', 'Publications', and 'Media'. The current page is titled 'DRY AND DRIED PRODUCE - STANDARDS'. On the left, a sidebar lists various categories, with 'Standards and Recommendations' expanded to show 'Dry and Dried Produce - Standards' selected. The main content area is titled 'Dry and Dried Produce - Standards' and contains a table with the following data:

Product	DDP	Published/ Last revised	English	French	Russian
Standard Layout (2020)	---	2020	PDF	PDF	PDF
Standard Layout (2011)	---	2011	PDF	PDF	PDF
Standard Layout (2009)	---	2009	PDF	PDF	-
Standard Layout (2008)	---	2008	PDF	PDF	PDF
Standard Layout (2002)	---	2002/2006	PDF	PDF	PDF

Below the table, there is a 'Language legend' section:

English = ENG Russian = RUS Slovenian = SLO
 French = FRE German = GER

There is also a section for 'English, French, Russian' with a table listing specific products and their brochures:

Product	DDP	Published/ Last revised	English	French	Russian	UNECE/ OECD Brochure
Almonds, inshell	18	2017	PDF	PDF	PDF	
Almond kernels, blanched	21	2009	PDF	PDF	PDF	
Almond kernels	06	1986/2003/2016	PDF	PDF	PDF	
Apples, dried	16	1998/2012	PDF	PDF	PDF	
Apricots, dried	15	1996/2016	PDF	PDF	PDF	

Source: <https://unece.org/trade/standards/trade-and-unecefact/agricultural-quality-standards-wp7/dry-and-dried-produce#c55288>

5.2. OECD Fruit and Vegetable Scheme

The OECD Fruit and Vegetables Scheme promotes international trade through the harmonisation of implementation and interpretation of marketing standards.

The OECD Fruit and Vegetables Scheme is one of several OECD Codes and Schemes which facilitate international trade by simplifying administrative procedures in the field of seeds, fruit and vegetables, forest reproductive material, and tractors. Twenty-six countries currently participate in this Scheme, which is open to any member country of the World Trade Organisation (WTO), the United Nations, or one of its Specialised Agencies. (OECD, 2020)

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OECD Fruit and Vegetables Scheme

The OECD Fruit and Vegetables Scheme promotes international trade through the harmonisation of implementation and interpretation of marketing standards. [Download our brochure \(pdf\)](#)

Online sales of fruit and vegetables in Europe

The OECD and Freshfel Europe examine the structure of the online market of fruit and vegetables in seven EU countries and check compliance of the information provided to consumers.

[Download the report](#)

Now available: German translations for the International Standards for Fruit and Vegetables brochures on Apples, Chicory, Mangoes, Pears, Plums, and Table Grapes.

The OECD and trade in fruit and vegetables

OECD Meeting of Heads of National In...
Später ans...
Teilen

Download our fruit and vegetables explanatory standards brochures

International Standards for Fruit and Vegetables
Normes internationales pour les fruits et légumes

International Standards for Fruit and Vegetables
Normes internationales pour les fruits et légumes

International Standards for Fruit and Vegetables
Normes internationales pour les fruits et légumes

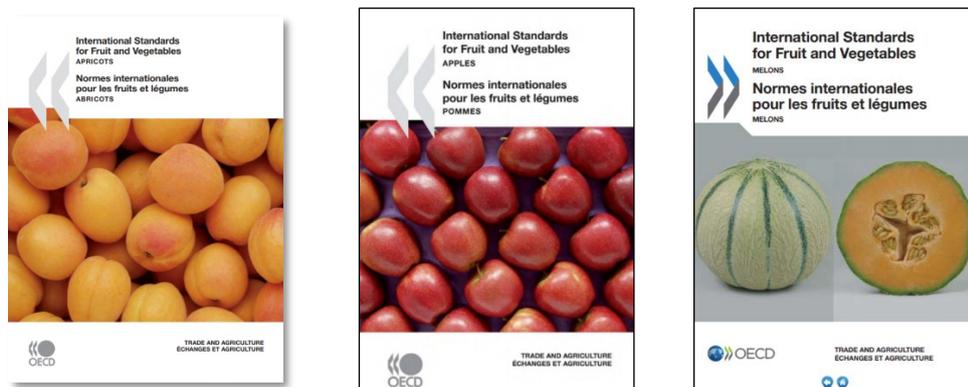
International Standards for Fruit and Vegetables
Normes internationales pour les fruits et légumes

International Standards for Fruit and Vegetables
Normes internationales pour les fruits et légumes

International Standards for Fruit and Vegetables
Normes internationales pour les fruits et légumes

Source: <http://www.oecd.org/agriculture/fruit-vegetables/>

Fruit and Vegetables brochures: <http://www.oecd.org/agriculture/fruit-vegetables/>



5.3. Harmonized System HS Codes

The Harmonized System (HS) is a multipurpose international product nomenclature developed by the World Customs Organization (WCO).

It comprises more than 5,000 commodity groups; each identified by a six-digit code.

The system is used by more than 200 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. Over 98 % of the merchandise in international trade is classified in terms of the HS. (WCO, 2020)

HS classification structure:

Section I: **Live animals, animal products**

- Chapter 1 Live Animals
- Chapter 2 Meat and edible meat offal
 - 02.01 Meat of bovine animals, fresh or chilled
 - 02.02 Meat of bovine animals, frozen
 - 02.03 Meat of swine, fresh, chilled or frozen
 - 02.04 Meat of sheep or goats, fresh, chilled or frozen
 - 02.05 Meat of horses, asses, mules or hinnies, fresh, chilled or frozen
 - 02.06 Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen
 - 02.07 Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen
 - 02.08 Other meat and edible meat offal, fresh, chilled or frozen
 - 02.09 Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked
 - 02.10 Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal
- Chapter 3 Fish and crustaceans, molluscs and other aquatic invertebrates
- Chapter 4 Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included
 - 04.09 Natural honey
- Chapter 5 Products of animal origin, not elsewhere specified or included.

Section II: **Vegetable products**

- Chapter 6 Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
- Chapter 7 Edible vegetables and certain roots and tubers
- Chapter 8 Edible fruit and nuts; peel of citrus fruit or melons
 - 08.01 Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled
 - 08.02 Other nuts, fresh or dried, whether or not shelled or peeled (almonds, hazelnuts, walnuts, ...)
 - 08.03 Bananas, including plantains, fresh
 - 08.04 Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried
 - 08.05 Citrus fruit, fresh or dried
 - 08.06 Grapes, fresh or dried
 - 08.07 Melons (including watermelons) and papaws (papayas), fresh
 - 08.08 Apples, pears and quinces, fresh
 - 08.09 Apricots, cherries, peaches (including nectarines), plums and sloes, fresh
 - 08.10 Other fruit, fresh

- 08.11 Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter
- 08.12 Fruit and nuts, provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption
- 08.13 Fruit, dried, other than that of headings 08.01 to 08.06; mixtures of nuts or dried fruits of this Chapter. (apricots, apples, prunes, mixed fruit & nuts)
- 08.14 Peel of citrus fruit or melons (including watermelons), fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solution
- Chapter 9 Coffee, tea, maté and spices
- Chapter 10 Cereals
- Chapter 11 Products of the milling industry; malt; starches; inulin; wheat gluten
- Chapter 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder
- Chapter 13 Lac; gums, resins and other vegetable saps and extracts
- Chapter 14 Vegetable plaiting materials; vegetable products not elsewhere specified or included

Section III: Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes

- Chapter 15 Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes

Section IV: Prepared foodstuffs; beverages; spirits and vinegar; tobacco and manufactured tobacco substitutes

- Chapter 16 Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates
- Chapter 17 Sugars and sugar confectionery
- Chapter 18 Cocoa and cocoa preparations
- Chapter 19 Preparations of cereals, flour, starch or milk; pastrycooks' products
- Chapter 20 Preparations of vegetables, fruit, nuts or other parts of plants
- Chapter 21 Miscellaneous edible preparations
- Chapter 22 Beverages, spirits and vinegar
- Chapter 23 Residues and waste from the food industries; prepared animal fodder
- Chapter 24 Tobacco and manufactured tobacco substitutes

Section V-XXI:

- Chapter 25-27 Mineral products
- Chapter 28-38 Chemicals & allied industries
- Chapter 39-40 Plastics / Rubber
- Chapter 41-43 Raw hides, skins, leather & furs
- Chapter 44-49 Wood & wood products
- Chapter 50-63 Textiles
- Chapter 64-67 Footwear / headgear
- Chapter 68-71 Stone / glass
- Chapter 72-83 Metals
- Chapter 84-85 Machinery / electrical
- Chapter 86-89 Transportation
- Chapter 90-97 Miscellaneous

<http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition/hs-nomenclature-2017-edition.aspx>

6. Potential Export market: European Union

6.1. Market information about the European Union

Market information about the European market is quite easily accessible. There are several useful tools to collect valuable information.

6.1.1. Access2Market

The European Commission offers with the new portal **Access2Market** plenty of information about the European market, the tariffs, the product requirements, the import procedures and statistics. Access2Market is a service tool for EU exporters and importers and is available in the 24 EU languages.

Figure 11: Access2Markets

Access2Markets

Home Goods Services Investment Markets Toolbox Contact My Trade Assistant

My Trade Assistant
Including ROSA Rules of Origin Self-Assessment

How to use this form Disclaimer

Product name or HS code Country of origin Country of destination

Product name or HS code Search

Exporting from the EU, importing into the EU - all you need to know

Product-by-product information on

- tariffs & taxes
- rules of origin
- product requirements
- customs procedures
- trade barriers
- statistics

for all EU countries and for more than 120 export markets around the world.

Discover Access2Markets

Meet ROSA

Access2Markets covers:

- Tariffs on imports
- taxes and additional duties
- Rules of origin
- Import procedures and formalities
- Product requirements
- Trade barriers
- Trade statistics

The tool can be accessed on <https://trade.ec.europa.eu/access-to-markets/en/content/>

Some of the available information which is useful for exports to the EU will be introduced here.

6.1.1.1. Tariffs on imports

How to get the correct tariff for the product planned to export to a country in the European will be shown in a concrete example.

Example: Natural Honey from Kyrgyzstan to Austria (EU):

when not knowing the HS code:

1. type the product name “Honey” into the field:

Access2Markets

Home Goods Services Investment Markets Toolbox Contact My Trade Assistant

My Trade Assistant
Including ROSA Rules of Origin Self-Assessment

How to use this form Disclaimer

Product name or HS code: honey
Country of origin: Kyrgyzstan
Country of destination: Austria

Search

Product search

Search result: 5 products containing “honey” were found:

Browse 5 list of goods Search 5 result list

Browse in the complete list of goods

<p>Amarillo, Cuper, Honey Dew (including Cantalene), Onteniente, Piel de Sapo, (including Verde Liso, Rochet, Tendral, Futuro</p> <p>Vegetable products > Edible fruit and nuts; peel of citrus fruit or melons > Melons (including watermelons) and papaws (papayas), fresh > Melons (including watermelons) > Other</p>	08 07 19 00 50	Show in list of goods Select product
<p>Bread, not containing added honey, eggs, cheese or fruit, and containing by weight in the dry matter state not more than 5 % of sugars and not more than 5 % of fat</p> <p>Prepared foodstuffs; beverages, spirits and vinegar, tobacco and manufactured tobacco substitutes > Preparations of cereals, flour, starch or milk; pastrycooks' products > Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products > Other > Other</p>	19 05 90 30	Show in list of goods Select product
<p>Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included</p> <p>Live animals; animal products</p>	04	Show in list of goods
<p>Natural honey</p> <p>Live animals; animal products > Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included</p>	04 09	Show in list of goods Select product
<p>Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel</p>	17 02	Show in list of goods

2. Select the correct code for your product:

The screenshot shows a product selection interface with two main options:

- Option 1:** Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included. Code: 04. Includes a 'Show in list of goods' button.
- Option 2:** Natural honey. Codes: 04, 09. Includes a 'Show in list of goods' button and a 'Select product' button.

3. Get the tariffs for your product:

The screenshot displays the 'Import to EU' website interface for product code 0409 from Kyrgyzstan to Austria. It features a sidebar with navigation options and a main 'Tariffs' table.

Tariffs
latest update: 23 January 2021

Origin/ Measure type	Tariff	Conditions	Footnote	EU law
ERGA OMNES Third country duty	17.30%			R2204/99
GSP+ (incentive arrangement for sustainable development and good governance) Tariff preference	0%			R0978/12

Because Kyrgyzstan is member of GSP+ the customs tariff is 0% its honey import into the European Union. Kyrgyzstan has a competitive advantage compared to other non-member countries.

Example for Natural Honey from Kazakhstan to Austria (EU):

The screenshot displays the 'Import to EU' website interface for product code 0409 from Kazakhstan to Austria. It features a sidebar with navigation options and a main 'Tariffs' table.

Tariffs
latest update: 23 January 2021

Origin/ Measure type	Tariff	Conditions	Footnote	EU law
ERGA OMNES Third country duty	17.30%			R2204/99

Since Kazakhstan is not member of GSP or GSP+ a third country duty of 17,3 % for honey applies. This makes honey exports from Kazakhstan at least 17,3% more expensive than from Kyrgyzstan which is a clear export disadvantage.

6.1.1.2. EU trade statistics

EU trade statistics for import and export for the last 18 years can be retrieved from <https://trade.ec.europa.eu/access-to-markets/en/statistics>

All retrieved data can be selected for the exact product group (via the HS code) for all individual EU markets when exported to or imported from most of the world's countries. All selected data can be exported into Excel for further analysis and comparison.

The screenshot shows the 'EU trade statistics (excluding United Kingdom)' page. The search filters are set to HS code 0409, Reporters EU27, and Partners Kyrgyzstan. The years 2017, 2018, and 2019 are selected. The data table shows import values and quantities for various EU countries from 2017 to 2019.

EU trade statistics (excluding United Kingdom)
The reporter country submits imports from partner countries and exports to partner countries

HS code: 0409
Reporters: EU27
Partners: Kyrgyzstan

Years: 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002

Showing statistics results for product code 0409

Import value, Export value, Import quantity, Export quantity, Import supplementary unit, Export supplementary unit

Reporters	Import value 2017	Import value 2018	Import value 2019	Import quantity 2017
Austria	-	-	-	-
Czech Republic	-	-	271 €	-
Finland	48 €	197 €	692 €	-
France	-	64 €	1,808 €	-
Netherlands	2,529 €	-	-	-
Poland	-	28,116 €	53 €	-
Total	2,577 €	28,377 €	2,824 €	-

[export to Excel](#)

6.1.2. Agri-food data portal

Another tool of the European commission to retrieve market information is the **Agri-food Data Portal**.

Home > Food, farming, fisheries > Farming > Facts and figures > Agri-food data portal

Agri-food Data Portal

Data on national and European agriculture and common agricultural policy (CAP), provided by the European Commission's agricultural and rural development department.

Interested in our latest developments? [What's new](#)

Agri-food Markets

Market data on national and European agriculture provided by the European Commission's agricultural and rural development department. Browse through multiple visualisations about imports, exports, prices and production.

[Explore >](#)

CAP Indicators

These indicators help measure the Common Agricultural Policy performance. The EU policy provides financial support to farmers in member states, develops the rural community and ensures an environmentally sustainable farming.

[Explore >](#)

Farm Economics

Economic reports on EU farming, based on sample data from the Farm Accountancy Data Network (FADN). Learn about productivity, profitability, subsidies, economic structure and finances of European farms.

[Explore >](#)

<https://agridata.ec.europa.eu/extensions/DataPortal/home.html>

6.1.2.1. Agri-food Markets by Topic

Home > Food, farming, fisheries > Farming > Facts and figures > Agri-food data portal > Agri-food markets

Agri-Food Markets

Market data on national and European agriculture provided by the European Commission's agricultural and rural development department. Browse visualisations about imports, exports, prices, production and aid schemes.

Browse by Topic

Information on imports, exports, prices, production and aid schemes, organized by theme while covering all agricultural sectors. Dashboards provide an overview of the current situation in one sector.

[€ Prices](#) [🚜 Production](#) [🌐 Trade and Quotas](#) [💻 Dashboards](#) [🏫 School Schemes](#)

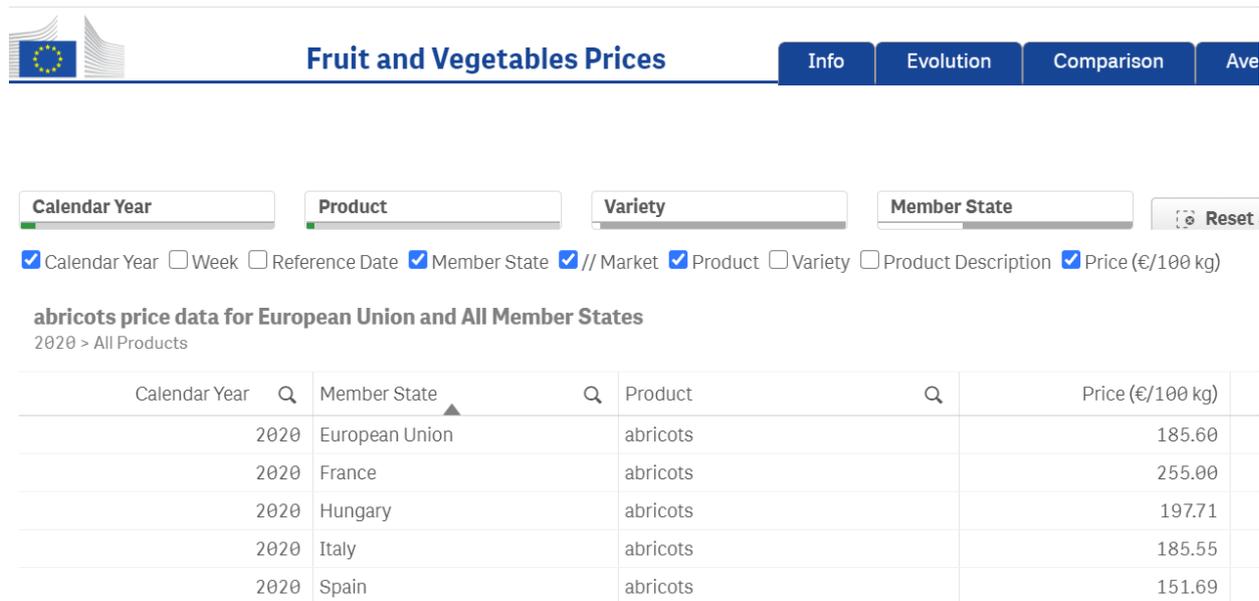
https://agridata.ec.europa.eu/extensions/DataPortal/agricultural_markets.html

In this part of the portal information about prices, production, trade and quota can be downloaded.

For example, **Price data** for various agri-food products across the European Union can be retrieved from this website.

This can help to decide to which market the export should be targeted. The higher the market price is, the more margin can be expected.

Figure 12: Fruit and Vegetables Prices for apricots



Source: (European Commission, 2021)

<https://agridata.ec.europa.eu/extensions/DashboardFruitandVeg/FruitandVegetablePrices.html>

As can be seen in the table above the prices on the different European markets are quite different. Apricots on the French market are much more expensive than on the Spanish or the Hungarian market.

Fruit and vegetable prices are available for following product categories:

Fruits: apricots, nectarines, peaches, table grapes, pears, apples, satsumas, lemons, clementines, mandarins, oranges, cherries, plums, strawberries, kiwis, water melons, melons

Vegetables: Tomatoes, courgettes/zucchini, cucumbers, garlic, sweet peppers, lettuces, cultivated mushrooms, cauliflowers, asparagus, eggplants, carrots, onions, beans, leeks, cabbages

6.1.2.2. Agri-food markets by Market sector

Agri-food markets by market sector offers comprehensive market data about different market sectors in the European Union.

Report about the markets, production, prices, trade data and other market data are available.

Browse by Market Sector

 Beef Price and production reports offer a refined view into animal categories and meat quality classes. 	 Pigmeat Statistics regarding live piglets as well as different categories and qualities of pork. 	 Eggs and Poultry Statistics for eggs and poultry products and PDF files about the current state of the markets. 	 Sheep and Goat Meat Detailed monthly trade data as well as a weekly PDF dashboard with the latest market info. 
 Milk and Dairy Products Dedicated apps for prices of milk and dairy products, and a weekly sectoral PDF file. 	 Fruit and Vegetables Currently the portal offers monthly data on trade in tomatoes, apples and citrus fruit. 	 Cereals Market data on production, price and trade for wheat, barley, maize, oats, rye and other cereals. 	 Rice Market data for different rice types and stages of production (paddy, husked, semi-milled and milled). 
 Oilseeds and Protein crops Market data for rapeseed, soya beans, sunflower seeds, broad beans and peas. 	 Sugar Detailed monthly trade data as well as a weekly PDF dashboard with the latest market info. 	 Olive oil and Table olives Imports, exports, prices and production of olives and different qualities of oil. 	 Wine Representative prices from certain Member States and information on production volumes and area. 

https://agridata.ec.europa.eu/extensions/DataPortal/agricultural_markets.html

6.1.2.3. CAP Indicators

These indicators help measure the Common Agricultural Policy performance. The EU policy provides financial support to farmers in member states, develops the rural community and ensures an environmentally sustainable farming

The site https://agridata.ec.europa.eu/extensions/DataPortal/cmef_indicators.html offers

- thematic indicators: organic production, market orientation, farming income support,...
- context indicators: socio-economic (population, GDP,...), sectoral indicators (agriculture, farm, forest, tourism) and environmental indicators.

This information can be quite useful for the decision which European countries should be prioritized for export of products from Central Asia.

Thematic indicators:



Financing the CAP

CAP expenditure over time and distribution by main CAP instruments.



Environment and Climate Action

Summary of EU expenditures devoted to environment and main land use indicators.



Climate Change and Air Quality

GHG and ammonia emissions from agriculture and CAP measures contribution to climate action.



Farming Income Support

Distribution of income support and share in farming income.



Organic Production

An overview of organic areas and producers, including specific CAP support.



Water Quality and Availability

Pressures on water (quality and quantity) and CAP contribution to improved water management.



Market Orientation

EU agri-food trade in context and elements of EU competitiveness.



Soil Quality

Mapping of soil conditions and CAP contribution to soil quality preservation.



Biodiversity

Overview on biodiversity monitoring and CAP contribution to biodiversity protection.



Adding Value

Focus on the value added in agriculture including EU quality schemes and producer organisations.



Productivity

Indicators describing agricultural productivity, with an emphasis on rural development support.



Jobs and Growth in Rural Areas

GDP, incomes, employment in agriculture and poverty rates in rural areas.

Context indicators:



Socio-economic indicators

C01 Population
C02 Age structure
C03 Territory
C04 Population density
C05 Employment rate (*)
C06 Self-employment rate
C07 Unemployment rate
C08 GDP per capita (*)
C09 Poverty rate (*)
C10 Structure of the economy
C11 Structure of the employment
C12 Labour productivity by economic sector



Sectoral indicators

C13 Employment by economic activity
C14 Labour productivity in agriculture
C15 Labour productivity in forestry
C16 Labour productivity in the food industry
C17 Agricultural holdings (farms)
C18 Agricultural area
C19 Agricultural area under organic farming
C20 Irrigated land
C21 Livestock units
C22 Farm labour force
C23 Age structure of farm managers
C24 Agricultural training of farm managers
C25 Agricultural factor income (*)
C26 Agricultural entrepreneurial income (*)
C27 Total factor productivity in agriculture (*)
C28 Gross fixed capital formation in agriculture
C29 Forest and other wooded land (FOWL)
C30 Tourism infrastructure



Environmental indicators

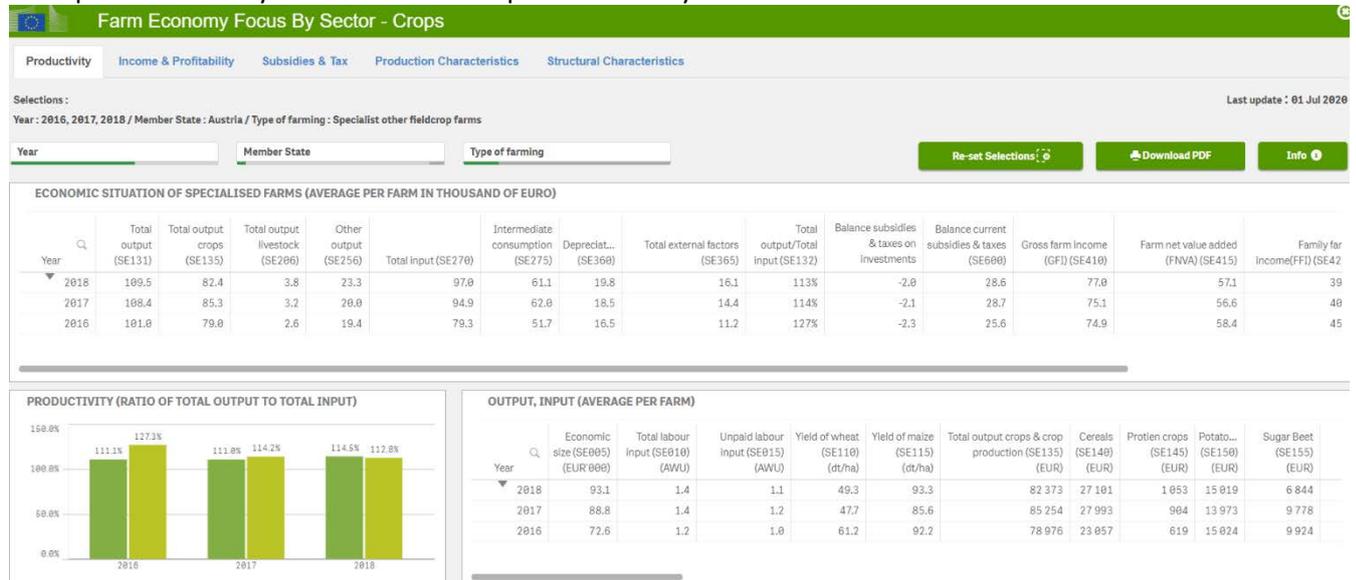
C31 Land cover
C32 Areas facing natural and other specific constraints (ANCs)
C33 Farming intensity
C34 Natura 2000 areas
C35 Farmland birds index (FBI) (*)
C36 Conservation status of agricultural habitats (grassland)
C37 HNV (high nature value) farming (*)
C38 Protected forest
C39 Water abstraction in agriculture (*)
C40 Water quality (*)
C41 Soil organic matter in arable land (*)
C42 Soil erosion by water (*)
C43 Production of renewable energy from agriculture and forestry
C44 Energy use in agriculture, forestry and food industry
C45 Emissions from agriculture (*)

https://agridata.ec.europa.eu/extensions/DataPortal/cmef_indicators.html

6.1.2.4. Farm Economics

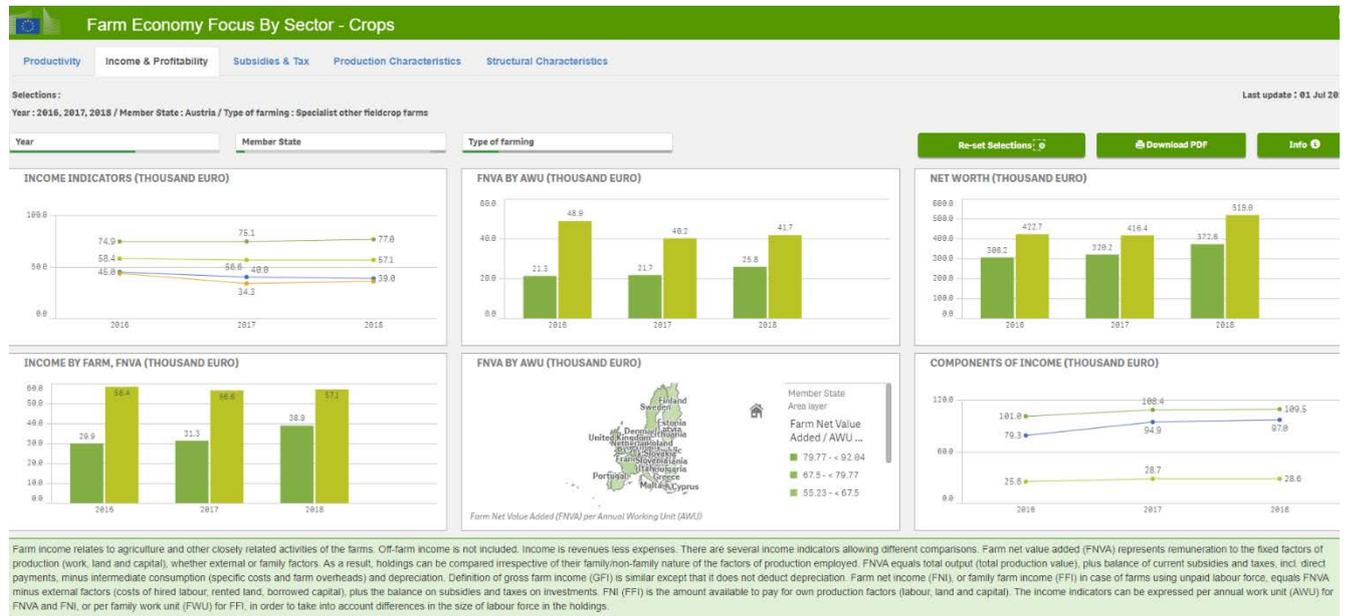
By selecting the EU Country and the type of farming: information about productivity, income & profitability, taxes, production characteristics and structural characteristics of farming in various EU countries can be retrieved.

Example: Productivity of Austrian fieldcrop farms in the years 2016 -2018



<https://agridata.ec.europa.eu/extensions/DashboardFarmEconomyFocusCrops/DashboardFarmEconomyFocusCrops.html>

Example: Income & Profitability of Austrian fieldcrop farms in the years 2016 -2018



<https://agridata.ec.europa.eu/extensions/DashboardFarmEconomyFocusCrops/DashboardFarmEconomyFocusCrops.html>

6.2. Requirements for the export into the EU

Import requirements can be found on the **Access2Market** platform (<https://trade.ec.europa.eu/access-to-markets/en/content/>) after selection of the product / product code, the export (home) country and the targeted import country.

Example: export of honey from Kyrgyzstan to the EU country Austria:

The screenshot displays the Access2Markets platform interface. At the top, there is a navigation bar with links for Home, Goods, Services, Investment, Markets, Toolbox, and Contact, along with a 'My Trade Assistant' button. Below this, the 'My Trade Assistant' section includes a search form with the following inputs: Product name or HS code (0409), Country of origin (Kyrgyzstan), and Country of destination (Austria). A 'Search' button is visible to the right of the form. Below the search form, the results are displayed under the heading 'Showing search results for 0409 from Kyrgyzstan to Austria'. The results show a list of goods, with 'Natural honey' selected. Below the search results, there is a section titled 'Import to EU' with a sub-heading 'Results for product code 0409 from Kyrgyzstan to Austria'. This section contains a sidebar with navigation options: Tariffs, Rules of origin, Taxes, Import requirements (selected), Trade flow statistics, and How to read the results. The main content area is titled 'Import requirements' and includes a sub-heading 'Product requirements'. The 'Import requirements' section states: 'This section presents: • Import procedures and specific formalities and provisions applying to your imported products in the selected country of destination • National competent authorities for areas such as health and hygiene measures for plants and animals. • Customs procedures and specimens of the required documents.' The 'Product requirements' section states: 'Information on EU rules and requirements for your product.'

<https://trade.ec.europa.eu/access-to-markets/en/results?product=0409&origin=KG&destination=AT>

Information about the general requirements for the import into the European Union and the specific requirements for the import of the selected product (example: honey with HS code 0409) from Kyrgyzstan to Austria.

General requirements for import:

Import requirements ^

Overview

General ^

Commercial invoice

Customs Value Declaration

Freight documents

Freight insurance

Packing list

Single Administrative Document (SAD)

Specific requirements for honey 0409

Specific ^

Control of contaminants in foodstuffs

Control of pesticide residues in plant and animal products intended for human consumption

Control of residues of veterinary medicines in animals and animal products for human consumption

Health control of Genetically Modified (GM) food and novel food

Health control of products of animal origin for human consumption

Health control of products of animal origin not intended for human consumption

Traceability, compliance and responsibility in food and feed

Labelling of foodstuffs

Voluntary - Products from organic production

By clicking onto any **requirement link** above additional information and details are available:

Tariffs

Rules of origin

Taxes

Import requirements ^

Overview

General v

Specific ^

Control of contaminants in foodstuffs

Control of pesticide residues in plant and animal products intended for human consumption

Control of residues of veterinary medicines in animals and animal products for human consumption

Import requirements

latest update: 29 December 2020

[How to read the results](#)

Control of residues of veterinary medicines in animals and animal products for human consumption

In order to ensure a high level of consumer protection, imports into the European Union (EU) of animal products intended for human consumption are only permitted when they comply with guarantees laid down in EU legislation designed to control the presence of chemical substances and residues thereof in live animals and animal products.

The products concerned by this requirement are: bovine, ovine, caprine, porcine and equine animals, poultry, aquaculture, milk, eggs, rabbit meat, wild and farmed game meat and honey.

Control of veterinary medicine residues in the EU

Council Regulation (EU) 2017/625 provides the legislative basis for residues controls in food of animal origin in the EU. The controls carried out by third countries must give guarantees with an effect equivalent to that laid down in the EU legislation

For certain food products like meat and honey there are **additional controls of residues of veterinary medicines** (like penicillin and other antibiotics, hormones,...) required.

Tariffs	
Rules of origin	
Taxes	
Import requirements ^	
Overview	
General v	
Specific ^	
Control of contaminants in foodstuffs	
Control of pesticide residues in plant and animal products intended for human consumption	
Control of residues of veterinary medicines in animals and animal products for human consumption	
Health control of Genetically Modified (GM) food and novel food	
Health control of products of animal origin for human consumption	
Health control of products of	

- contain a residue of a pharmacologically active substance at a concentration in excess of EU MRLs (see [Table 1](#) in the Annex to Regulation (EU) 37/2010);
- or contain a residue of pharmacologically active substance for which no MRL has been established in the EU (i.e. not listed in Table 1 in the Annex to Regulation (EU) 37/2010);
- or contain a residue of a pharmacologically active substance which has been expressly prohibited for use in food-producing animals in the EU (listed in [Table 2](#) in the Annex to Regulation (EU) 37/2010) and the concentration present exceeds a Minimum Required Performance Limit (MRPL) where this has been established (e.g. for chloramphenicol, or nitrofurans);
- or has been derived from animals in which the following substances have been used for any purpose as specified in Directive 96/22/EC:
 - o stilbenes or thyrostats for any purpose
 - o beta-agonists (steroid hormones) for growth promotion purposes
 - o oestradiol for therapeutic or zootechnical purposes

may not be legally placed on the EU market and will be rejected.

Moreover, food of animal origin, containing residues of a non-authorised pharmacologically active substance in a concentration at or above the reference point for action, shall not enter the EU food chain according to Regulation (EU) 2019/1871.

Residue requirements for the importation of certain animals and animal products into the EU

The website of the Directorate-General for Health and Consumer Protection provides specific information on residue requirements for the importation of certain food-producing animals and products derived therefrom:

- Honey: [Residue requirements for the importation of honey](#)
- Horses: [Importation of horses into the EU](#)

Honey has to meet **specific residue requirements** to ensure human food safety. The details can be downloaded by clicking onto the document link:

Residue requirements for the importation of certain animals and animal products into the EU

The website of the Directorate-General for Health and Consumer Protection provides specific information on residue requirements for the importation of certain food-producing animals and products derived therefrom:

- Honey: [Residue requirements for the importation of honey](#)

Residue requirements for the importation of honey: see also chapter 6.5.5.1

EU Maximum Residue Limits (MRLs) in honey are listed in Regulation (EU) No 37/2010 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32010R0037>) for residues of pharmacologically active substances in honey. For some substances (e.g. amitraz and coumaphos) an MRL has been established, whilst for other substances the evaluation demonstrated that no MRL was required to protect food safety (flumethrin, oxalic acid and tau fluvalinate). Products that have not been assessed as safe according to these requirements can neither be authorised nor used otherwise for food production animals.

Pesticide residues

Pesticide residues may be taken up by honey bees during the collection of nectar and/or pollen when plant protection products are used while the treated crops are flowering. EU MRLs for pesticide residues are set in the framework of Regulation (EC) No 396/2005 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32005R0396>)

6.3. Advantages for Central Asian countries

Because of trade agreements with the European Union advantages, especially lower or zero customs duty, can be used by non-EU countries.

If there is a trade agreement for the exporter's country in place, can be checked on the Access2Market platform.



Non-EU markets

The EU has over 40 trade agreements in place with close to 80 countries. In addition, it offers preferential market access to lower and middle-income countries under the Generalised Scheme of Preferences. Third country markets offer export opportunities and are also important sources of raw materials and goods for EU companies; hence, they are part of their global supply chains.

You can consult the list of trade agreements for details: discover the benefits of each trade agreement for trading goods or services, for investment, or for taking part in tendering procedures in a trade partner country.

For countries that do not currently have trade agreements with the EU, you will find a more general description of the EU's trade relations and economic cooperation with the country concerned.

	<input type="text"/>	▼	<input type="button" value="search country"/>
	<input type="text"/>	▼	<input type="button" value="search agreement"/>

<https://trade.ec.europa.eu/access-to-markets/en/non-eu-markets>

The European Union has trade agreements with Kyrgyzstan (GSP+), Tajikistan (GSP) and Uzbekistan (GSP+).

Kazakhstan currently has no trade agreements with the EU, although there is an enhanced partnership and cooperation agreement between Kazakhstan and the European Union since March 1, 2020 in place. (Union, 2020)

More details about GSP and GSP+ can be found in chapter 4.3.4

In addition, exporters from Kyrgyzstan, Tajikistan and Uzbekistan can register their company on the Registered Exporter System "REX system" (see also chapter 4.3.5) for easier access to the markets in the EU.

6.4. Agri-food imports into the European Union

2019 proved to be a record year for the European Union agri-food trade. The export value of agri-food products came to a total of €151.2 billion (rising by 10% from December 2018), while imports accounted for €119.3 billion (an increase of 2.5% compared to 2018). (European Commission, 2020)

Further information: https://ec.europa.eu/info/news/2019-record-year-eu-agri-food-trade-2020-mar-27_en

Figure 13: Agri-food imports into the European Union 2018 -2019

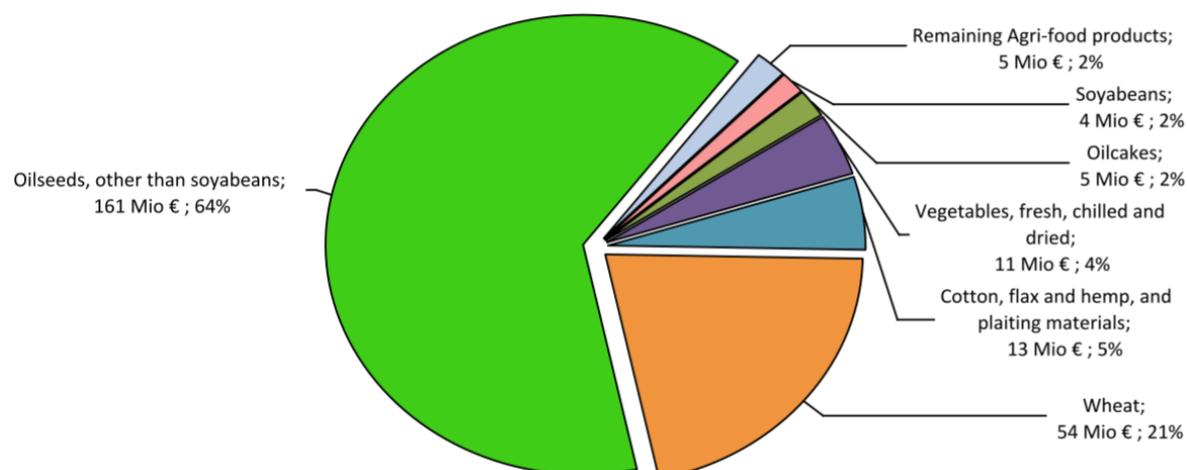
Product category	Imports into EU 28 in Mio €		
	2018	2019	Δ %
All Agri-food	116 409	119 283	+ 2.5 %
Bovine meat fresh, chilled and frozen	1 660	1 600	- 4 %
Sheep and goat meat fresh, chilled and frozen	1 045	836	- 20 %
Eggs and honey	516	477	- 8 %
Vegetables fresh, chilled and dried	4 752	5 086	+ 7 %
Fruit fresh, chilled and frozen	6 766	6 790	+ 0 %
Tropical fruit fresh or dried, nuts and spices	13 525	14 277	+ 6 %
Preparations of vegetables, fruit or nuts	2 737	2 779	+ 2 %

Source: (European Commission, 2020)

6.4.1. Kazakhstan

The value of Kazakhstan's exports to the European Union was 254 billion Euro in 2019, which is an increase of about 80 % within the last 3 years (2016 – 2019).

Figure 14: Agri-food imports from Kazakhstan into the EU in 2019



Source: (European Commission, 2020)

Figure 15: Evolution of EU Agri-food imports from Kazakhstan, 2015 – 2019

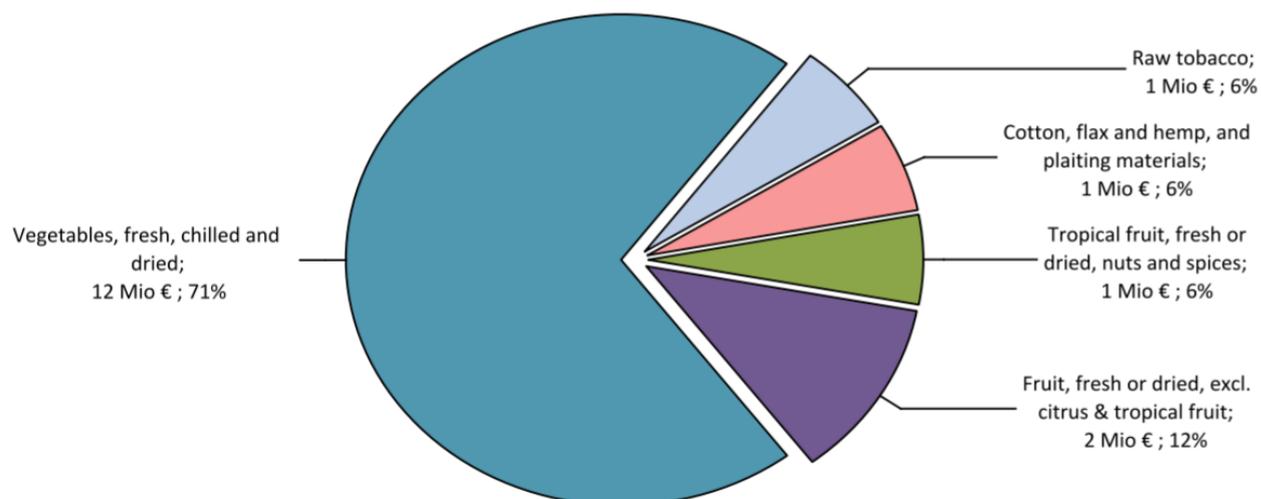
	Imports						
	Value Mio €					%	
	2015	2016	2017	2018	2019	Share in all Agri 2019	Change 2018-2019
Agri Food	163	142	182	244	254	100.0	4.1
Agricultural food and feed products	148	124	158	227	239	94.1	5.3
- Commodities	146	120	155	215	226	89.0	5.1
- Other primary	2	4	3	12	12	4.7	0.0
-- Live animals	0	0	0	0	0	0.0	
-- Bovine meat, fresh, chilled and frozen							
-- Pork meat, fresh, chilled and frozen							
-- Poultry meat, fresh, chilled and frozen					0	0.0	
-- Sheep and goat meat, fresh, chilled and frozen		0					
-- Offal, animal fats and other meats, fresh, chilled and		0		0	0	0.0	
-- Fresh milk and cream, buttermilk and yoghurt		0			0	0.0	
-- Eggs and honey					0	0.0	
-- Vegetables, fresh, chilled and dried	1	3	1	11	11	4.3	0.0
-- Fruit, fresh or dried, excl. citrus & tropical fruit	1	1	1	1	1	0.4	0.0
-- Citrus fruit	0	0					
-- Tropical fruit, fresh or dried, nuts and spices		0	0	0	0	0.0	
-- Miscellaneous seeds and hop cones	0	0	0	0	0	0.0	
-- Agricultural primary food products, not specified							
- Processed (incl. wine)	0	0	0	0	0	0.0	

Source: (European Commission, 2020)

6.4.2. Kyrgyzstan

Kyrgyzstan exported agri-food products for 17 Mio € (2019) to the European Union, mainly vegetables for 12 Mio €.

Figure 16: Agri-food imports from Kyrgyz Republic into the EU in 2019



Source: (European Commission, 2020)

Figure 17: Evolution of EU Agri-food imports from Kyrgyz Republic, 2015 – 2019

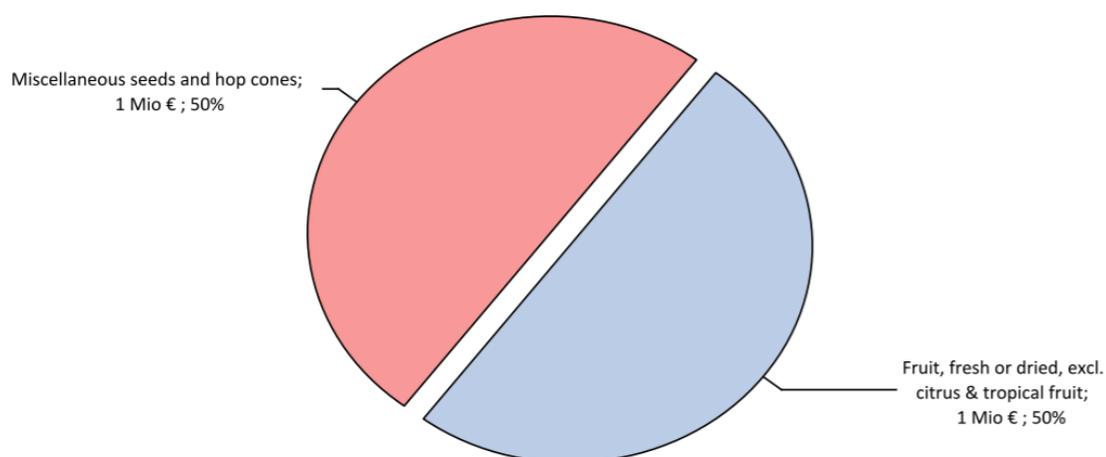
	Imports						
	Value Mio €					%	
	2015	2016	2017	2018	2019	Share in all Agri 2019	Change 2018-2019
Agri Food	18	13	14	16	17	100.0	6.3
Agricultural food and feed products	13	12	11	12	16	94.1	33.3
- Commodities	0	0	0	0	0	0.0	
- Other primary	13	12	11	12	16	94.1	33.3
- - Live animals				0			
- - Bovine meat, fresh, chilled and frozen							
- - Pork meat, fresh, chilled and frozen							
- - Poultry meat, fresh, chilled and frozen	0			0			
- - Sheep and goat meat, fresh, chilled and frozen							
- - Offal, animal fats and other meats, fresh, chilled and							
- - Fresh milk and cream, buttermilk and yoghurt							
- - Eggs and honey			0	0	0	0.0	
- - Vegetables, fresh, chilled and dried	10	9	7	8	12	70.6	50.0
- - Fruit, fresh or dried, excl. citrus & tropical fruit	2	2	2	2	2	11.8	0.0
- - Citrus fruit							
- - Tropical fruit, fresh or dried, nuts and spices	2	1	1	2	1	5.9	-50.0
- - Miscellaneous seeds and hop cones		0	0	0	0	0.0	
- - Agricultural primary food products, not specified							
- Processed (incl. wine)	0	0	0	0	0	0.0	

Source: (European Commission, 2020)

6.4.3. Tajikistan

Tajikistan has quite few agri-food product exports (3 Mio €) to the European Union, mainly fruits and seeds. This, although Tajikistan has signed the GSP trade agreement with the European Union which grants preferential tariffs for its exports into the European Union.

Figure 18: Agri-food imports from Tajikistan into the EU in 2019



Source: (European Commission, 2020)

Figure 19: Evolution of EU Agri-food imports from Tajikistan, 2015 – 2019

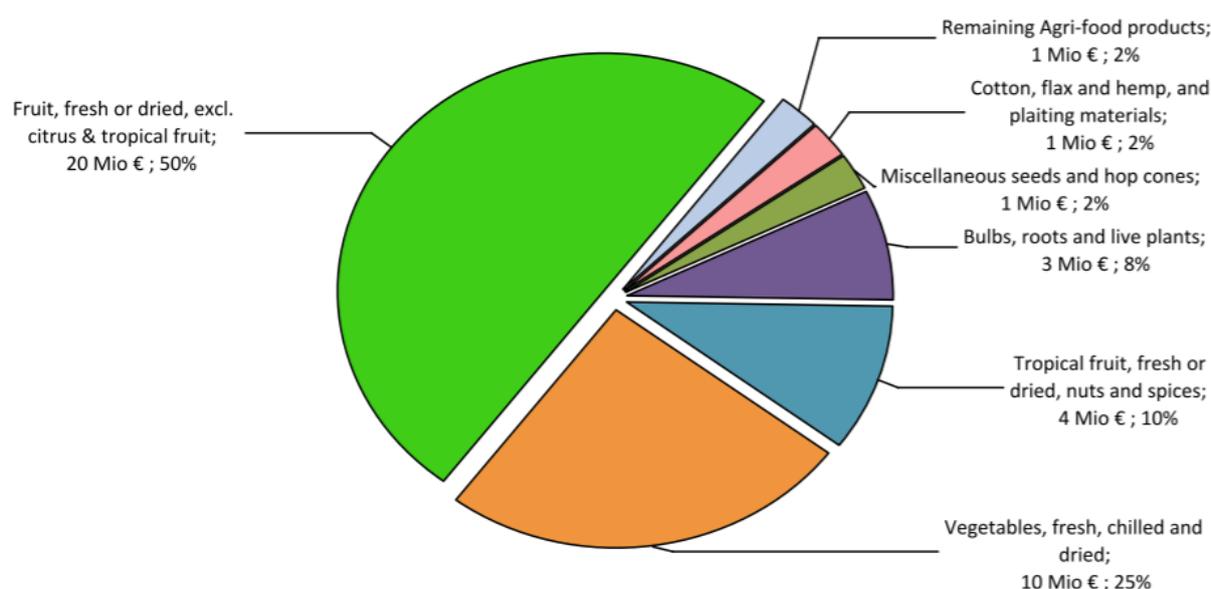
	Imports						
	Value Mio €					%	
	2015	2016	2017	2018	2019	Share in all Agri 2019	Change 2018-2019
Agri Food	4	2	1	3	3	100.0	0.0
Agricultural food and feed products	2	1	1	2	3	100.0	50.0
- Commodities		0	0	0	0	0.0	
- Other primary	2	1	1	2	3	100.0	50.0
- Live animals	0						
- Bovine meat, fresh, chilled and frozen							
- Pork meat, fresh, chilled and frozen							
- Poultry meat, fresh, chilled and frozen							
- Sheep and goat meat, fresh, chilled and frozen							
- Offal, animal fats and other meats, fresh, chilled and							
- Fresh milk and cream, buttermilk and yoghurt							
- Eggs and honey							
- Vegetables, fresh, chilled and dried	0			0	0	0.0	
- Fruit, fresh or dried, excl. citrus & tropical fruit	0	0	0	0	1	33.3	
- Citrus fruit							
- Tropical fruit, fresh or dried, nuts and spices	0		0	0	0	0.0	
- Miscellaneous seeds and hop cones	2	0	0	1	1	33.3	0.0
- Agricultural primary food products, not specified							
- Processed (incl. wine)			0	0	0	0.0	

Source: (European Commission, 2020)

6.4.4. Uzbekistan

Uzbekistan’s main export product to the European Union are fresh and dried fruits with an import value of 20 Mio Euro in 2019, which is an increase of 54 % compared to 2018.

Figure 20: Agri-food imports from Uzbekistan into the EU in 2019



Source: (European Commission, 2020)

Figure 21: Evolution of EU Agri-food imports from Uzbekistan, 2015 – 2019

	Imports						
	Value Mio €					%	
	2015	2016	2017	2018	2019	Share in all Agri 2019	Change 2018-2019
Agri Food	28	27	27	28	39	100.0	39.3
Agricultural food and feed products	23	22	21	23	35	89.7	52.2
- Commodities	0	0	0	0	0	0.0	
- Other primary	23	22	21	22	35	89.7	59.1
-- Live animals	0	0	0	0	0	0.0	
-- Bovine meat, fresh, chilled and frozen							
-- Pork meat, fresh, chilled and frozen			0				
-- Poultry meat, fresh, chilled and frozen					0	0.0	
-- Sheep and goat meat, fresh, chilled and frozen							
-- Offal, animal fats and other meats, fresh, chilled and	0	0	0	0	0	0.0	
-- Fresh milk and cream, buttermilk and yoghurt							
-- Eggs and honey					0	0.0	
-- Vegetables, fresh, chilled and dried	2	2	3	5	10	25.6	100.0
-- Fruit, fresh or dried, excl. citrus & tropical fruit	18	17	11	13	20	51.3	53.8
-- Citrus fruit	0	0	0	0	0	0.0	
-- Tropical fruit, fresh or dried, nuts and spices	2	1	6	3	4	10.3	33.3
-- Miscellaneous seeds and hop cones	0	1	0	0	1	2.6	
-- Agricultural primary food products, not specified							
- Processed (incl. wine)	0	0	0	0	0	0.0	

Source: (European Commission, 2020)

6.5. The European Union food market

Since the United Kingdom left the European Union in 2019, data in this section are of EU27 which are the European Union countries without United Kingdom.

6.5.1. Description of the market and its consumers

6.5.1.1. Western Europe

Health and wellness trends, emerging consumer preference for convenience and indulgence, results in increasing consumer interest in ready meals and semi-finished high quality and healthy food products.

The price for these high-quality convenience food products is secondary for Western European consumers.

Organic food and naturally grown products are in great demand. Consumers are willing to pay more for food that is organically grown and sustainably farmed.

The same applies to meat and animal products such as eggs from conscious livestock farming. This includes the administration of natural veterinary medicine and that the animals are kept in a species-appropriate manner.

Most consumers in Western Europe insist that their food is free from genetically modified organisms (GMOs). Some countries, like Austria, do not allow the import of genetically modified food ingredients, like soy.

In order to respond to the global consumer trend for organic produce, the EU has introduced new legislation that will come into force on 1 January 2021. The new framework will include a strengthened quality control system to build further consumer confidence in organic food products. The framework embeds new rules for imported products to ensure that all organic products sold in the EU are of the same standard. The new legislation also widens the range of products that can be marketed as organic.

Consumption patterns of especially Western European consumers have changed in the last years. The trend to vegan and vegetarian food increases the demand for vegetable proteins to replace meat.

An increasing number of consumers have health issues and have a problem eating milk products and wheat. They look for food alternatives which are free from lactose and gluten.

Healthier substitutes for generic products, such as snacks with dried fruits, nuts and cereals, soy drinks and milk alternatives in dairy, and shelf stable and chilled products instead of dry and frozen ones, are also in demand.

Products from Central Asia which could be of interest for Western European markets:

- certified organic food products: dried fruits
- natural products: wild walnuts, honey
- “exotic” healthy fruits: goji berries, persimmon, quince, kumquat
- food alternatives to dairy (lactose) and gluten-products: almond milk, almond flour,...

6.5.1.2. Baltic Countries

Baltic countries can be an interesting export market for Central Asian countries.

Although they are part of the European Union, their disposable income is not as high as in the Western European countries. Therefore, the price of products and groceries is quite important. If the price and the taste are good, they will accept also not so optically perfect fruits and vegetables.

Baltic countries appreciate food products from Central Asian countries. Consumers in Baltic countries know the food products and its taste, its flavour and visual appearance from the former Soviet Union times.

In addition, most people in the Baltic countries still understand and speak Russian which makes communication during export much easier than to other European countries.

The harvest time of most naturally grown vegetables and fruits is due to climate conditions later than in the Central Asian countries. This offers a great opportunity for early season exports of fresh fruits and vegetables not only to the Baltic countries, but also to the Northern European countries (Germany, Sweden, Poland). See also chapter 6.5.2.3

The neighbouring Scandinavian countries could be a new potential market for Central Asian exporters.

6.5.1.3. Eastern Europe with focus on Poland

Poland is an export market with already “developed economy”. The Development level was assigned in accordance to the country classification used by the United Nations (United, 2014)

The country is a member of the EU, what gives Central Asian exporters to broader range of the potential export markets. (Euromonitor, 2019)

Poland has become a transit country for re-exports of many food products to other EU markets. More information in chapter 6.5.5.2

Growing awareness among consumers of the importance of a healthy diet, along with the rise in general wealth, has increased demand for higher quality products, with consumer preferences becoming increasingly similar to those found in Western Europe.

6.5.2. Fresh fruits

HS Codes	08.05 08.05.50.10	Citrus fruit, fresh or dried Lemons, fresh or dried
HS Codes	08.06 08.06.10	Grapes, fresh or dried Grapes, fresh
HS Codes	08.07 08.07.11 08.07.19	Melons (including watermelons) and papaws (papayas), fresh Watermelons, fresh Other melons, fresh
HS Codes	08.08 08.08.10	Apples, pears and quinces, fresh Apples, fresh

6.5.2.1. Export of fresh & dried lemons to the European Union

Argentina and South Africa are the largest exporters of lemons fresh or dried to the European Union by a volume market share of about 33% each (2019). Turkey's volume covers 20% of the imports in 2019. These three countries are responsible for more than 90% of all lemon imports to the EU.

Figure 22: Lemons (HS 08055010) - exports from non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Uzbekistan	13.368	1.340	7.782	9.000		10.000
Argentina	162.506.597	233.616.249	123.923.848	158.503.000	185.043.000	123.198.000
Chile	11.126.752	11.710.328	9.876.437	10.809.000	9.569.000	9.985.000
South Africa	91.349.100	123.908.735	110.847.666	78.626.000	110.292.000	118.786.000
Turkey	75.471.520	107.140.981	67.620.518	90.033.000	146.893.000	89.151.000
EU27	359.151.367	502.884.566	334.779.756	356.509.000	475.938.000	364.150.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Figure 23: Lemons (HS 08055010) - exports from Uzbekistan to EU 27

Uzbekistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Latvia	13.368	1.340		9.000		
Lithuania			7.782			10.000
EU27	13.368	1.340	7.782	9.000		10.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

Kazakhstan, Kyrgyzstan and Tajikistan did not have exports of lemons to the EU in the years 2017–2019. Uzbekistan exported a very small quantity to the Baltic countries Latvia and Lithuania.

Figure 24: Average EU import price of lemons

Average price Euro/kg	2017	2018	2019
Uzbekistan	1,49		0,78
Argentina	1,03	1,26	1,01
Chile	1,03	1,22	0,99
South Africa	1,16	1,12	0,93
Turkey	0,84	0,73	0,76

Source: own calculations

6.5.2.2. Export of fresh grapes to the European Union

Figure 25: Grapes fresh (HS 080610) - exports from all non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
EU27	1.347.380.750	1.448.359.992	1.425.164.179	684.376.000	697.560.000	705.056.000

average price/kg **1,97** **2,08** **2,02**

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Figure 26: Grapes fresh (HS 080610) - exports from selected non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Uzbekistan	36.903	35.283	62.826	37.000	36.000	72.000
Chile	208.647.663	216.366.138	175.745.144	110.284.000	112.710.000	86.238.000
Egypt	125.301.310	128.927.549	141.768.735	63.510.000	66.661.000	67.413.000
India	157.899.264	164.425.163	200.972.876	97.056.000	87.963.000	115.245.000
Peru	141.700.410	238.034.899	228.372.534	55.143.000	93.988.000	92.874.000
South Africa	478.660.389	472.150.647	451.060.607	210.238.000	204.580.000	208.495.000
EU27	1.347.380.750	1.448.359.992	1.425.164.179	684.376.000	697.560.000	705.056.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

About 30% of the fresh grapes import quantities into the European Union came from South Africa. Other strong grapes exporters are India (16%), Peru (13%) and Chile (12%).

Kazakhstan, Kyrgyzstan and Tajikistan did not export fresh grapes to the EU in the years 2017–2019.

Uzbekistan exported a small quantity to Germany, Poland and the Baltic countries Latvia and Lithuania.

Figure 27: Grapes fresh - exports from Uzbekistan to EU 27

Uzbekistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)			Value %	volume %
	2017	2018	2019	2017	2018	2019	2019	2019
France	64							
Germany			19.329			17.000	31%	24%
Latvia	36.825	12.402		37.000	18.000			
Lithuania		22.881	30.345		18.000	37.000	48%	51%
Netherlands	14							
Poland			13.152			18.000	21%	25%
EU27	36.903	35.283	62.826	37.000	36.000	72.000	100%	100%

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Figure 28: Average EU import price of fresh grapes

Average price Euro/kg	2017	2018	2019
Uzbekistan	1,00	0,98	0,87
Chile	1,89	1,92	2,04
Egypt	1,97	1,93	2,10
India	1,63	1,87	1,74
Peru	2,57	2,53	2,46
South Africa	2,28	2,31	2,16
all non-EU imports	1,97	2,08	2,02

Source: own calculations

The average import price level is about 2 Euro/kg. The price/kg from Uzbekistan is less than half of it.

The most sold grapes varieties are Regina and Italia. Many European consumers prefer seedless grapes, like Regal Seedless, Thompson Seedless and Seedless Sugaro.

In the last years more and more consumers pay attention to organic grown grapes.

6.5.2.3. Export of fresh melons to the European Union

The data with the HS code 08.07 consist of fresh melons and papayas. For this study, the data of the HS code 08.07 was corrected by the data for papaya (HS 08.07.20), so that they show only fresh melon exports below.

There were no papaya exports from Central Asian countries to the European Union 2017-2019.

Figure 29: Melons, fresh (HS 08067-080720) - exports from all non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
EU27	565.246.366	597.892.150	581.030.314	762.918.000	832.532.000	848.979.000

average price/kg **0,74** **0,72** **0,68**

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Figure 30: Melons, fresh (HS 08067-080720) - exports from selected non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Kazakhstan	1.286.576	917.610	851.092	3.477.000	2.483.000	2.360.000
Tajikistan	4.206		10.593	14.000		39.000
Uzbekistan	478.864	995.134	1.262.215	1.322.000	2.054.000	2.747.000
Albania	2.588.412	2.309.325	3.229.464	9.186.000	7.359.000	10.456.000
Brazil	211.328.913	216.048.135	211.926.923	294.902.000	309.588.000	300.644.000
Costa Rica	75.411.678	70.301.825	80.765.684	88.931.000	93.497.000	106.213.000
Honduras	46.724.647	44.279.101	47.611.376	46.699.000	50.298.000	52.344.000
Morocco	145.110.812	165.642.515	142.191.281	188.806.000	210.395.000	207.133.000
Panama	14.505.329	12.370.859	16.151.977	16.408.000	15.424.000	19.747.000
Senegal	17.943.993	20.119.841	21.468.413	24.782.000	30.761.000	32.395.000
South Africa	19.129.264	21.514.985	14.119.253	7.927.000	7.101.000	8.763.000
Turkey	7.687.246	16.515.640	12.742.540	17.104.000	34.899.000	32.925.000
EU27	565.246.366	597.892.150	581.030.314	762.918.000	832.532.000	848.979.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Brazil with 35%, Morocco with 24% and Costa Rica with 13% volume share are the largest exporters of melons to the European Union.

Kyrgyzstan did not export melons between 2017 and 2019.

Although Kazakhstan, Tajikistan and Uzbekistan sold their melons for a very low price, they did not export much into the European Union.

Figure 31: Average EU import price of fresh melons

Average price Euro/kg	2017	2018	2019
Kazakhstan	0,37	0,37	0,36
Tajikistan	0,30	-	0,27
Uzbekistan	0,36	0,48	0,46
Brazil	0,72	0,70	0,70
Morocco	0,77	0,79	0,69
Turkey	0,45	0,47	0,39
EU27	0,74	0,72	0,68

Source: own calculations

The major part of the melons and watermelons from Central Asia is exported to the Baltic countries. The exports are mostly early season exports during the harvest in June, which is before the melons in the Baltic countries and Northern European countries (Germany, Sweden, Poland) can be harvested.

Kazakhstan exports mainly to Latvia (74% of its volume in 2019) and Germany (17%). The average import price to Germany was about 25% higher than to Latvia.

In 2019, Poland was added as new market with a sale of 100 tons, but with quite a low price/kg.

Figure 32: Melons, fresh (HS 08067-080720) – exports from Kazakhstan to EU 27

Kazakhstan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)			Price/kg
	2017	2018	2019	2017	2018	2019	2019
Estonia	62.135	40.800	17.333	157.000	126.000	67.000	0,26
Germany	186.688	221.331	176.860	389.000	533.000	398.000	0,44
Latvia	1.030.731	618.349	619.195	2.913.000	1.748.000	1.756.000	0,35
Lithuania	7.022	37.130	14.690	18.000	76.000	39.000	0,38
Poland			23.014			100.000	0,23
EU27	1.286.576	917.610	851.092	3.477.000	2.483.000	2.360.000	0,36

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Tajikistan exported smaller quantities of fresh melons only to the Baltic countries: just once in 3 years to Latvia and Lithuania.

Figure 33: Melons, fresh (HS 08067-080720) – exports from Tajikistan to EU 27

Tajikistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)			Price/kg
	2017	2018	2019	2017	2018	2019	2019
Latvia	4.206			14.000			
Lithuania			10.593			39.000	0,27
EU27	4.206		10.593	14.000		39.000	0,27

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Uzbekistan exports mainly to Latvia (72% of its volume 2019) and Germany (20%).
The price to Germany was about 25% higher than to Latvia.
Poland was developed as a new market with sales of 167 tons in 2019.

Figure 34: Melons, fresh (HS 08067-080720) – exports from Uzbekistan to EU 27

Uzbekistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)			Price/kg
	2017	2018	2019	2017	2018	2019	2019
Austria	840	1.329		1.000	1.000		
Estonia	25.856	157	8.600	92.000		19.000	0,45
France	148						
Germany	114.483	148.151	305.773	473.000	353.000	560.000	0,55
Latvia	337.537	805.129	871.220	756.000	1.608.000	1.976.000	0,44
Lithuania		27.454	20.148		58.000	20.000	1,01
Netherlands		4.810	1.267		15.000	5.000	0,25
Poland			55.207			167.000	0,33
Sweden		8.104			19.000		
EU27	478.864	995.134	1.262.215	1.322.000	2.054.000	2.747.000	0,46

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

6.5.2.4. Export of fresh apples to the European Union

The export of fresh apples from the Central Asian countries was very small in the last 3 years. In 2019, none of them exported apples to the European Union.

Chile (24% volume share in 2019), New Zealand (23%) and South Africa (17%) are the largest exporters of fresh apples to the European Union.

In 2017 a majority of the EU's apple production came from Poland (24 %), Italy (19 %) and France (17 %). (Eurostat, 2017)

The average import price / kg in 2019 was 0,89 Euro, while Macedonia's import price was 0,11 Euro; Serbia sold them for 0,22 Euro and the Ukraine for 0,43 Euro.

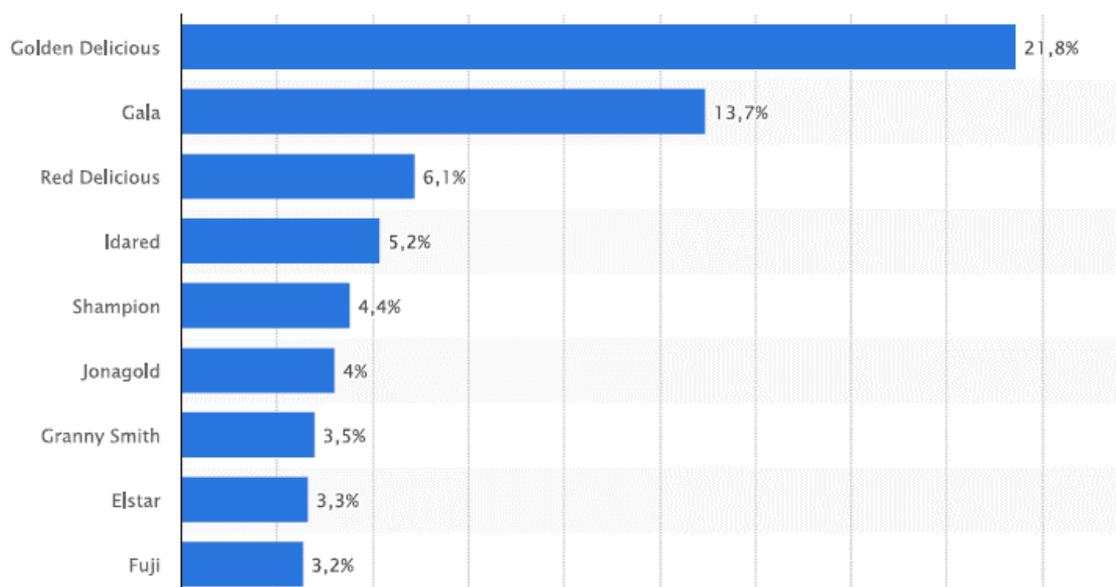
Figure 35: Apples, fresh (HS 080810) - exports from selected non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Kazakhstan	15.570			45.000		
Kyrgyzstan		12.809			40.000	
Tajikistan	9.587			20.000		
Uzbekistan	61	38				
Argentina	22.626.341	31.847.261	19.682.412	17.728.000	24.450.000	16.346.000
Brazil	29.487.647	29.118.456	17.205.893	28.793.000	29.526.000	17.592.000
Chile	149.657.112	237.634.629	142.624.178	121.866.000	190.070.000	123.477.000
Macedonia	2.984.278	2.049.211	6.343.414	13.416.000	20.694.000	55.309.000
New Zealand	169.930.857	186.572.464	143.327.824	122.638.000	141.759.000	115.419.000
Serbia	7.012.004	4.079.165	8.367.973	22.855.000	11.509.000	37.759.000
South Africa	99.533.246	125.162.871	91.932.724	91.251.000	108.980.000	88.637.000
Ukraine	3.181.326	4.996.357	4.018.347	8.955.000	10.068.000	9.289.000
United States	2.962.658	7.843.133	1.897.564	2.390.000	5.476.000	1.508.000
Uruguay	5.344.447	2.759.522	1.354.305	5.510.000	3.029.000	1.417.000
EU27	520.574.472	656.211.320	456.059.670	483.695.000	616.138.000	511.037.000

average price/kg 1,08 1,07 0,89

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Figure 36: Preferred apple varieties in the European Union 2019/20



Source: (Statista, 2020)

6.5.3. Dried fruits

HS Codes	08.13	Fruit, dried, other than that of headings 08.01 to 08.06; mixtures of nuts or dried fruits of this Chapter
	08.13.10	Apricots, dried
HS Codes	08.06	Grapes, fresh or dried
	08.06.20	Grapes, dried
HS Codes	08.13.40	Fruit dried, other fruit
HS Codes	08.13.40.95	Fruit dried, other fruit, other
HS Codes	08.13.40.95.80	Fruit dried, other fruit, other, other: including dried Persimmons

6.5.3.1. Export of dried apricots to the European Union

The import of dried apricots into the European Union is with about 38.000 tons quite stabile.

Turkey dominates with 97,5 % (2019) the exports of dried apricots to the European Union. Together with South Africa both countries cover 98% of the imports into the EU in 2019.

Figure 37: Apricots dried (HS 081310) - imports from all non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
EU27	111.815.837	100.064.502	103.482.141	37.423.000	38.224.000	37.605.000

average price/kg 2,99 2,62 2,75

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

The average import price of dried apricots in 2019 was 2,75 Euro / kg.

Figure 38: Average EU import price of dried apricots

Average price Euro/kg	2017	2018	2019
Turkey	2,96	2,59	2,73
South Africa	6,54	6,21	6,52
Kyrgyzstan	3,81	5,19	-
Tajikistan	10,01	1,82	2,15
Uzbekistan	2,77	2,71	2,18

Source: own calculations

Kazakhstan did not export dried apricots between 2017 – 2019.

Figure 39: Apricots dried (HS 081310) – main importers to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Afghanistan	139.937	337.079	316.532	47.000	119.000	87.000
China	259.311	397.385	260.356	20.000	47.000	22.000
Iran	129.983	63.920	53.067	48.000	24.000	23.000
Kyrgyzstan	11.438	10.374	1.009	3.000	2.000	
Pakistan	254.802	293.467	107.981	43.000	61.000	27.000
South Africa	582.256	521.316	573.386	89.000	84.000	88.000
Tajikistan	20.028	34.572	60.223	2.000	19.000	28.000
Turkey	108.792.470	97.041.120	100.894.530	36.718.000	37.483.000	37.013.000
Uzbekistan	437.241	108.475	110.926	158.000	40.000	51.000
EU27	111.815.837	100.064.502	103.482.141	37.423.000	38.224.000	37.605.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Turkey and south Africa can make use of the preference tariff of 0%.

The tariff for Tajikistan (GSP) is 2,1%, while Kyrgyzstan and Uzbekistan enjoy 0% due to the GSP+ agreement. Kazakhstan's customs tariff is 5,60%.

The average import of dried apricots from Tajikistan and Uzbekistan was in 2019 lower than the Turkish one. The import quantity of the Central Asian countries does not seem to depend on the price level.

Turkey has nearly a monopoly for dried apricot on the EU market, although its price level in 2019 is 25% higher than the price of the Central Asian products.

This fact suggests that Turkey has better marketing for its dried apricots.

6.5.3.2. Export of dried grapes to the European Union

The European Union market is a huge market for dried grapes.

The import quantity of dried grapes into the EU is more than 8 times larger than the quantity of dried apricots; the value is about 6 times higher. Although, the import quantity from non-EU countries into the European Union decreased in the last years by about -1,5% per year.

But the value of the imports grew 2017-2018 by +5,3 %, 2018-2019 even with + 17,9%

The average import price of dried grapes was 2 Euro in 2019, which is about +20% more than the year before.

Figure 40: Grapes dried (HS 080620) - imports from all non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
EU27	517.262.330	544.460.536	641.805.503	329.988.000	325.387.000	320.279.000

average price/kg 1,57 1,67 2,00

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

Main suppliers for dried grapes to the EU are Turkey (61,8 % volume share 2019), South Africa (8,7 % volume share 2019) and Chile (5,7% volume share 2019).

Figure 41: Grapes dried (HS 080620) – main importers to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Australia	6.994.746	8.068.711	6.869.920	2.589.000	3.193.000	2.552.000
Chile	40.900.274	40.857.631	42.125.829	18.582.000	18.025.000	18.453.000
China	6.832.398	11.021.107	30.271.380	5.526.000	9.777.000	22.544.000
Iran	19.639.764					
Pakistan	597.295	819.970	824.642	1.106.000	1.484.000	1.404.000
South Africa	50.812.278	73.142.669	70.314.043	25.440.000	32.371.000	27.980.000
Tajikistan	-	4.662	-	-	2.000	-
Turkey	306.082.512	328.130.169	388.706.400	216.738.000	217.795.000	197.937.000
United States	64.485.914	39.558.248	36.943.150	30.753.000	14.590.000	10.709.000
Uzbekistan	8.034.329	10.299.346	17.934.574	6.662.000	7.742.000	11.779.000
EU27	517.262.330	544.460.536	641.805.503	329.988.000	325.387.000	320.279.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

Although the European Union buys a lot of dried grapes, the Central Asian countries Kazakhstan, Kyrgyzstan and Tajikistan do not export to the EU.

The export share of Uzbek dried grapes is 2,8% of the total import value and 3,7 % of the volume. This means that dried grapes from Uzbekistan are sold cheaper than the average other countries.

The import price in 2019 was 1,52 Euro/kg, compared to the average price of all imports to EU of 2,00 Euro and Turkey's price of 1,96 Euro/kg.

Uzbekistan's exports of dried grapes were growing very much between 2017 and 2019: the value growth rate from 2018 to 2019 was + 74,1 %; the volume growth rate in the same period was 52,1 %.

Figure 42: Average EU import price of dried grapes

Average price Euro/kg	2017	2018	2019
Chile	2,20	2,27	2,28
Turkey	1,41	1,51	1,96
South Africa	2,00	2,26	2,51
United States	2,10	2,71	3,45
Uzbekistan	1,21	1,33	1,52

Source: own calculations

6.5.3.3. Export of dried persimmons to the European Union

HS Codes 08.13.40 Fruit dried, other fruit
 HS Codes 08.13.40.95 Fruit dried, other fruit, other
 HS Codes 08.13.40.95.80 Fruit dried, other fruit, other, other

Uzbekistan and Tajikistan grow a species of persimmon with dark-orange skin. Both countries started recently with the export of this persimmon in dried form mainly to Japan and South Korea.

Dried persimmons are included in HS 08.13.40.95.80 with other dried fruits. Therefore, the export quantities of it could not be analysed.



Source: https://trade.ec.europa.eu/access-to-markets/en/search?product=dried+fruits&origin=UZ&destination=AT#!#node_15908

6.5.4. Nuts: Walnuts

HS Code	08.02	Nuts (almonds, hazelnuts, walnuts, ...) fresh or dried
	08.02.31	Walnuts in shell
	08.02.32	Walnuts shelled

Europe is the world's largest market for walnuts, and nearly half of all world walnut imports go to this market. There has been an increase in imports of walnuts to Europe, driven by the trend of a healthy lifestyle. Walnuts are being promoted on the European market as a product "Good for the brain" and rich in omega-3 fatty acids.

Italy, Germany and Spain are currently the largest import markets for shelled walnuts. Italy is a major importer of inshell walnuts (mainly from the United States and Chile), which are then peeled and processed in the country.

There were basically no exports of Walnuts in shell from Central Asia into the European Union. Therefore, in this study are only shelled walnuts considered.

Over the past five years, imports of walnuts to Europe have increased annually by an average of 9% in value terms and 10% in volume, which indicates a slight increase in import prices. This growth is likely to be driven by changes in the consumption patterns of European consumers, including an increase in demand for vegetable proteins to replace meat. In addition, walnuts are attractive to European consumers as a source of saturated fats, healthy proteins and omega-3 acids, and are also traditionally used in baked goods. (UNDP, 2018)

Regular fluctuations in the import market will continue to be driven by crop yields in the leading supplying countries and not by changes in demand.

Figure 43: Nuts (HS 0802) - imports from all non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
EU27	4.124.008.585	4.092.584.040	4.439.787.250	684.037.000	708.399.000	740.819.000

average price/kg 6,03 5,78 5,99

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Figure 44: Walnuts shelled (HS 080232) - imports from all non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
EU27	595.996.209	619.967.591	541.799.906	86.468.000	92.737.000	99.964.000

average price/kg 6,89 6,69 5,42

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

The average import price of shelled Walnuts dropped in 2019 by almost 20%.

The average import price for (all) nuts is more or less stable around 6.- Euro / kg – this in comparison to walnuts.

Figure 45: Share of shelled Walnuts as part of Nuts

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
EU27	14%	15%	12%	13%	13%	13%

The above stated decrease of the average price for walnuts can be seen also from this calculation: the import quantity share of walnuts is 13% of all nuts, while the value share dropped from 2018 to 2019 by 3%.

Figure 46: Walnuts shelled (HS 080232) - imports by country from non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Kyrgyzstan	508.486	883.712	163.379	70.000	151.000	22.000
Tajikistan		1.288	1.508			
Uzbekistan	3.302.429	573.608	419.336	500.000	111.000	68.000
Chile	140.248.184	125.081.061	133.009.974	15.997.000	16.289.000	20.299.000
China	15.199.292	22.568.606	10.026.878	2.500.000	3.846.000	2.171.000
India	6.922.770	9.882.747	4.398.465	1.519.000	1.991.000	1.124.000
Moldova	67.806.089	64.888.485	51.635.888	10.464.000	10.176.000	10.206.000
Ukraine	60.378.627	62.521.665	68.755.345	9.344.000	12.021.000	15.340.000
United States	289.958.119	317.978.469	258.869.173	44.303.000	45.709.000	48.152.000
EU27	595.996.209	619.967.591	541.799.906	86.468.000	92.737.000	99.964.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

The largest exporters of shelled walnuts to the European Union are the United States with almost 50% of the quantity and Chile with about 20% volume share and 25% value share.

The Ukraine is becoming a major exporter of walnuts to the EU (quantity share in 2019: 15%) with highly increasing volumes in the last years: 2017 / 2018: +29%; 2018 / 2019: +28%.

Under these circumstances it is interesting to compare the export activities of Uzbekistan with the ones of the Ukraine. See chapters 6.5.4.1.3 and 6.5.4.1.4

Figure 47: Average import price of walnuts

Average price Euro/kg	2017	2018	2019
Kyrgyzstan	7,26	5,85	7,43
Uzbekistan	6,60	5,17	6,17
Chile	8,77	7,68	6,55
China	6,08	5,87	4,62
India	4,56	4,96	3,91
Moldova	6,48	6,38	5,06
Ukraine	6,46	5,20	4,48
United States	6,54	6,96	5,38
EU 27	6,89	6,69	5,42

Source: own calculations

The average EU import price of walnuts dropped in 2019 to 5,42 Euro/kg from 6,69 Euro/kg in 2018 and 6,89 Euro/kg in 2017. Kyrgyzstan and Uzbekistan have in comparison higher prices than the major exporters, apart from Chile.

6.5.4.1. Exports from Central Asia to the European Union

Kazakhstan did not export nuts (HS 08.02) to the European Union in the years 2017 – 2019.

Imports from Central Asian countries are expected to grow in the medium and long term in the European walnut market. In recent years, Moldova and Ukraine have been increasing the production and supply of walnuts to the European Union. (UNDP, 2018)

These countries can be considered direct competitors to Central Asian countries as they are closer to the EU market and have a preference customs tariff of 0%, as Kyrgyzstan.

Import to EU

Results for product code 0802.32 from Ukraine to Germany

Tariffs

Rules of origin

Taxes

Import requirements ▾

Trade flow statistics

How to read the results

Tariffs [How to read the results](#)

latest update: 23 January 2021

Origin/ Measure type	Tariff	Conditions	Footnote	EU law
ERGA OMNES Third country duty	5.10%			R2204/99
Ukraine Tariff preference	0%			D0295/14

<https://trade.ec.europa.eu/access-to-markets/en/results?product=080232&origin=UA&destination=DE>

6.5.4.1.1. Exports from Kyrgyzstan to the EU

EU export value of nuts (HS 0802) from Kyrgyzstan in 2019 was about 1 Mio. Euro in 2019, of which 163.379 Euro (22 tons) came from shelled walnuts (= about 15% share). The average export price of walnuts shelled from Kyrgyzstan was 7,43 Euro/kg.

The major part (90%) of the walnuts went to Germany (147.354 Euro) with an average export price of 5,46 Euro/kg. This lower price might reflect the higher volume sold and there might have been also an influence from the bargaining power of the German buyers – see also chapter 3.3.1

In 2018 German buyers paid 8,83 Euro/kg as can be calculate from Figure 49.

The export activities of Kyrgyz companies war quite fluctuating.

2018 was a much better walnut export year for Kyrgyzstan. There was a huge export of shelled walnuts to the Netherlands with an export value of 532.604 Euro. In addition, shelled walnuts with an export value of about 275.0000 Euro were exported to the Czech Republic, Lithuania and Slovenia – all of these countries did not receive walnuts from KG the year before and after. Since there were only sales to Germany with a value of 17.055 Euro (= 12% of the export value of 2019, and 18% of the export value in 2017), it can be assumed that a bigger portion of the export to the Netherlands was re-sold to the neighbouring German market.

The average export price for walnuts in 2018 was 7,52 Euro/kg.

Figure 48: Nuts (HS 0802) - imports from Kyrgyzstan to EU 27

Kyrgyzstan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Belgium						
Czech Republic		1.239.923			128.000	
France	39.375	348		5.000		
Germany	247.404	218.487	256.652	43.000	47.000	47.000
Greece	112.920			19.000		
Italy	298.010	82.675	782.413	64.000	12.000	72.000
Lithuania		66.196			10.000	
Netherlands	261.358	532.604	15.991	35.000	75.000	4.000
Poland			34			
Slovenia		114.566			24.000	
Spain	25.123	39.576		6.000	9.000	
EU27	984.190	2.294.375	1.055.090	172.000	305.000	123.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

While the export volume of Nuts (HS 0802) from Kyrgyzstan to the EU from 2018 to 2019 dropped from 305 tons to 123 tons (= 40% of 2018), the decrease of its export volume for shelled Walnuts was even more: it plummeted within a year from 151 tons (2018) to 22 tons in 2019.

This, although exports from Kyrgyzstan to the European Union have due to the GSP+ trade agreement 0% customs duty.

Figure 49: Walnuts shelled (HS 080232) - imports from Kyrgyzstan to EU 27

Kyrgyzstan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Czech Republic		148.226			36.000	
France	39.375	59		5.000		
Germany	94.833	17.055	147.354	11.000	2.000	18.000
Greece	112.920			19.000		
Italy		61.169			10.000	
Lithuania		66.196			10.000	
Netherlands	261.358	532.604	15.991	35.000	75.000	4.000
Poland			34			
Slovenia		58.403			18.000	
EU27	508.486	883.712	163.379	70.000	151.000	22.000

average price/kg 7,26 5,85 7,43

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

6.5.4.1.2. Exports from Tajikistan to the EU

Export of nuts from Tajikistan into the European Union was increasing by high rates in the last 3 years: from 12 tons in 2017, to 18 tons in 2018 and 44 tons in 2019.

Figure 50: Nuts (HS 0802) - imports from Tajikistan to EU 27

Tajikistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Estonia	180					
Germany	31.098	83.811	1.508	2.000	6.000	
Italy		206.400	485.026		12.000	44.000
Lithuania	1					
Portugal	53.000			10.000		
EU27	84.279	290.211	486.534	12.000	18.000	44.000

average price/kg 7,02 16,12 11,06

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

The change of the quite high average price/kg for nuts could be caused by a change of the type of nut products exported.

Tajikistan did not really export walnuts to the EU in the last 3 years.

The small export with an export value of 1.508 Euro in 2019 might have been a test export and / or samples for a potential buyer or the food expo ANUGA in Germany.

Figure 51: Walnuts shelled (HS 080232) - imports from Tajikistan to EU 27

Tajikistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Germany		1.288	1.508			
EU27		1.288	1.508			

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

6.5.4.1.3. Exports from Uzbekistan to the EU

The major Central Asian supplier of nuts and walnuts for the European Union is Uzbekistan, although the exports are decreasing.

In 2017 Uzbekistan exported walnuts with an export value of about 3,3 Mio Euro, in 2018 the export value dropped dramatically to about 573.000 Euro, in 2019 down to about 419.000 Euro.

Largest importing EU country in 2019 was Austria, which was mostly due to the Austrian-Uzbek company Lemberona (www.lemberona.at). Other larger importing countries were Latvia and Poland.

Figure 52: Nuts (HS 0802) - imports from Uzbekistan to EU 27

Uzbekistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Austria	576.959	210.618	244.324	88.000	29.000	32.000
Belgium	271.679			41.000		
Croatia		217.738			43.000	
Czech Republic		3.631				
Estonia		152				
France	420.734	169.085		70.000	40.000	
Germany	721.408	381.694	879.226	126.000	83.000	174.000
Greece	698.117	44.923		109.000	10.000	
Italy	610.615	202.822	394.252	104.000	43.000	75.000
Latvia	109.552	28.958	62.102	22.000	7.000	11.000
Lithuania			785			
Netherlands	153.510	2.678	42.008	20.000		8.000
Poland	74.983	6.128	165.799	15.000	1.000	35.000
Portugal	289.600	68.000		40.000	20.000	
Romania	80.705			10.000		
Spain	108.243	195.804	520.288	23.000	45.000	115.000
EU27	4.116.105	1.532.231	2.308.784	668.000	321.000	450.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

Figure 53: Walnuts shelled (HS 080232) - imports from Uzbekistan to EU 27

Uzbekistan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Austria	496.790	157.278	242.012	78.000	22.000	31.000
Belgium	271.679			41.000		
Croatia		217.738			43.000	
Czech Republic		1.905				
Estonia		152				
France	420.734	169.085		70.000	40.000	
Germany	483.986	826		70.000		
Greece	603.517	1.122		87.000		
Italy	417.579			60.000		
Latvia	90.066	17.341	51.439	19.000	5.000	9.000
Netherlands	153.510	2.033	49	20.000		
Poland	74.968	6.128	125.836	15.000	1.000	28.000
Portugal	289.600			40.000		
EU27	3.302.429	573.608	419.336	500.000	111.000	68.000

average price/kg 6,60 5,16 6,17

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

The average import price of shelled walnuts from Uzbekistan is lower than from Kyrgyzstan:

Uzbekistan:	average export price in Euro/kg	6,60	5,16	6,17
Kyrgyzstan:	average export price in Euro/kg	7,26	5,85	7,43

Customs duty:

Exports from Uzbekistan have due to the GSP trade agreement 1,6 % customs duty, which is an advantage towards other countries who have to add 5,1 % customs duty for all walnut exports to the EU, but a disadvantage towards the Ukraine with a preference tariff of 0%. From April 10, 2021 Uzbekistan will be granted a GSP+ treatment, therefore the customs duty should be also 0%.

See: <https://trade.ec.europa.eu/access-to-markets/en/results?product=080232&origin=UZ&destination=DE> and <https://trade.ec.europa.eu/access-to-markets/en/results?product=080232&origin=UA&destination=DE>

In 2017 Uzbekistan exported shelled walnuts to 13 different countries in the European Union, in 2019 the walnuts were only exported to 3 European countries.

One of the reasons for these dramatic reductions of the number of export markets within 2 years could be the growing competition from the Ukraine.

6.5.4.1.4. Exports from the Ukraine to the EU

By analysing the EU walnut export markets of the Ukraine, it shows that most of its walnut's exports go to France and Greece. The export share to France is 21% of its total export value and 24% of its total export volume in 2019; to Greece: 19% value and 17% volume share.

It is surprising that the import price/kg of shelled walnuts in 2019 is almost 23% lower in France (3,92 Euro/kg) than in Greece (5,07 Euro/kg), although the per capita income in Greece is lower than in France.

Figure 54: Walnuts shelled (HS 080232) - imports from Ukraine to EU 27

Ukraine	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Austria	3.843.207	3.871.409	4.738.838	659.000	763.000	1.125.000
Croatia	1.231.041	1.765.318	3.655.085	198.000	386.000	826.000
Czech Rep.	3.426.176	2.770.398	3.319.436	553.000	571.000	698.000
France	11.934.585	13.766.420	14.417.036	1.893.000	2.626.000	3.675.000
Germany	2.523.042	4.107.167	5.787.031	376.000	717.000	1.277.000
Greece	11.097.825	11.480.820	13.055.169	1.629.000	2.220.000	2.576.000
Hungary	4.803.962	2.617.276	2.330.229	706.000	486.000	505.000
Italy	4.036.402	3.768.347	4.131.101	580.000	657.000	775.000
Netherlands	3.492.893	4.203.319	4.031.884	473.000	677.000	744.000
Poland	3.510.510	2.113.041	441.017	542.000	409.000	106.000
Romania	2.489.316	4.483.574	4.885.121	457.000	980.000	1.134.000
EU27	60.202.586	62.414.216	68.451.116	9.304.000	12.006.000	15.282.000

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

When comparing the export volumes of walnuts of Uzbekistan with the Ukraine, a pattern can be seen. Export markets of Uzbekistan which collapsed in 2018 and 2019, had a high growth rate in volume in the same year for the Ukrainian exporters: Croatia, France, Germany, Greece, Italy and the Netherlands. Uzbek exporters gained sales in Poland, while the Ukraine lost exports in Poland.

This may lead to the assumption that Uzbekistan's walnut exporters are not competitive on the European market and face a threat by (at least) Ukrainian exporters.

6.5.4.2. Export market Western Europe

Italy, Germany and Spain are currently the largest import markets for walnut shelled.

Italy is a major importer of inshell walnuts, which are then peeled and processed in the country, although the import quantity of walnuts in shell is not very high.

Western European present good opportunities for suppliers from developing countries, according to reports from the Center for the Promotion of Imports from Developing Countries (www.cbi.eu).

The presentation of varieties of light kernels (which is a product advantage for health concerned consumers), food safety certification along with laboratory analysis, and corporate social responsibility standards can be of great benefit for suppliers to European markets. (UNDP, 2018).

6.5.5. Honey

HS Code 0409 Natural Honey

Honey is considered a very healthy precious natural product by Europeans and is therefore sold at quite high consumer prices.

Since honey is considered a pure natural product the claim “organic” is not really an issue for consumers. This makes it easier for Central Asian companies to sell their honey to Europe.

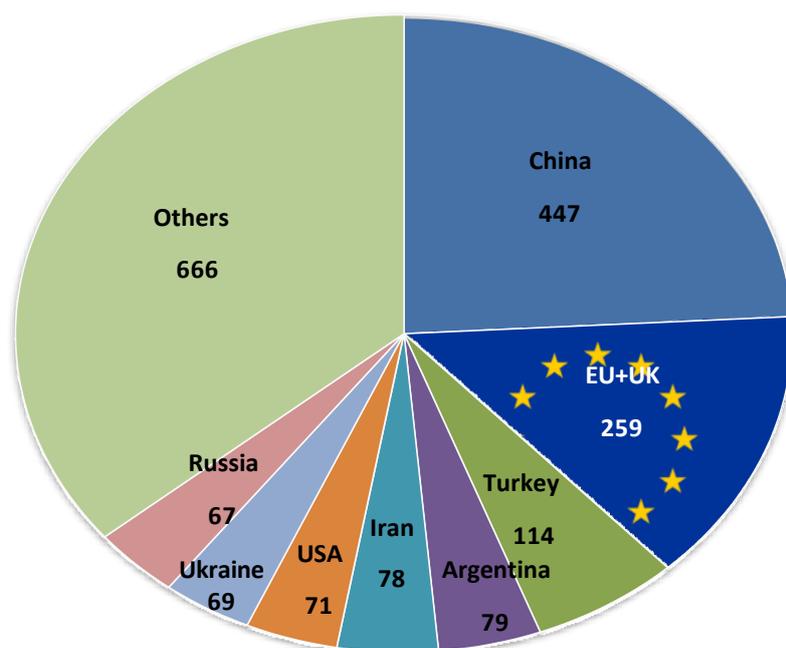
Natural honey is typically packaged in glass to emphasise a premium positioning. Plastic-based packaging is mainly used for honey targeted to family and for discount priced products.

Due to demographic changes in the European society, with the number of single- and two-person households increasing rapidly, pack sizes demanded by consumers are also being adjusted to contemporary needs. Consequently, the average pack size for imported natural honey is 250-400g, with some brands offering even smaller pack sizes and single-portion packs of 28 g (Austrian brand Darbo) and 30g (French brand Bonne Maman).



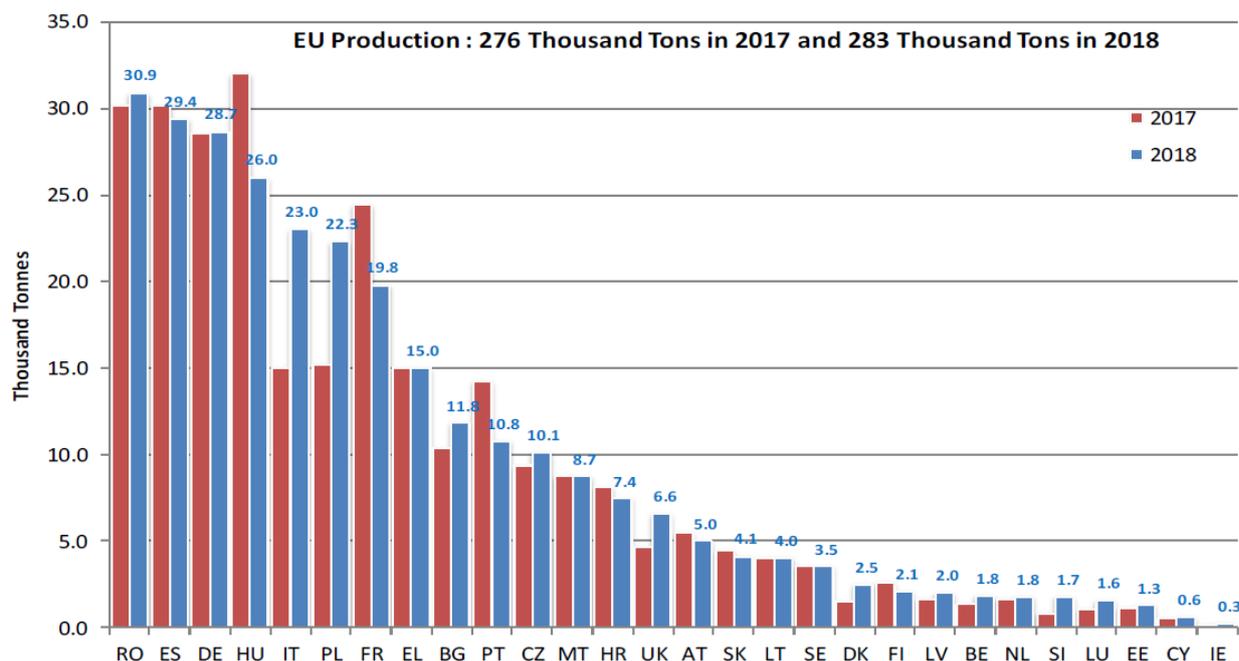
The European Union is the second largest world producer of natural honey (2019: 280.000 tons) after China.

Figure 55: Producer of natural honey in .000 tons in 2018



Source: (European Commission, 2020)

Figure 56: Honey production in the European Union in tons



Source: (European Commission, 2020)

The largest honey producers in Europe are Romania (2018: 30.900 tons) and Spain (2018: 29.400 tons). Poland produced in 2018 about 22.300 tons.

The EU is only 60% self-sufficient in honey. Imports are needed to cover the domestic consumption of the European Union.

Figure 57: Natural Honey (HS 0409) - imports from main non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Kyrgyzstan	2.577	28.377	2.824		8.000	
Argentina	55.281.614	59.509.724	49.699.986	24.823.000	25.401.000	21.840.000
China	115.187.424	104.047.371	97.743.960	78.598.000	80.249.000	79.232.000
Mexico	58.341.562	58.844.073	53.318.229	20.863.000	20.860.000	21.547.000
Moldova	11.772.906	9.319.675	10.253.744	4.729.000	3.771.000	3.808.000
New Zealand	52.729.876	44.962.305	46.532.198	2.256.000	1.907.000	2.438.000
Turkey	10.527.734	13.488.325	10.323.706	2.801.000	3.480.000	2.979.000
Ukraine	81.880.964	75.175.950	75.553.864	47.102.000	40.969.000	44.994.000
EU27	474.151.108	474.428.929	431.532.228	212.036.000	212.557.000	209.977.000

average price/kg 2,24 2,23 2,06

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

Main importers of natural honey into the European Union are China with almost 40% (38% volume share in 2019), the Ukraine with 21% and Argentina and Mexico with a share of 10% each.

Figure 58: Natural Honey (HS 0409) - imports from Kyrgyzstan to EU 27

Kyrgyzstan	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Austria						
Czech Republic			271			
Finland	48	197	692			
France		64	1.808			
Netherlands	2.529					
Poland		28.116	53		8.000	
EU27	2.577	28.377	2.824		8.000	

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics>

The exports of honey from **Kyrgyzstan** to the European Union are quite low given the production of honey in the country. It looks like there was just a one-time larger sale to Poland and the Netherlands. In Finland, and maybe in France, the imports are increasing steadily, at least in Finland it looks like there is a business relationship established.

Kazakhstan, Tajikistan and Uzbekistan did not have any exports of honey between 2017 and 2019.

The customs tariff for Kyrgyzstan and Uzbekistan is 0% due to GSP+ trade agreement; for honey imports from Kazakhstan and Tajikistan a 17,3% customs duty is applied to all imports into to the European Union.

6.5.5.1. Food safety requirements for honey for the European Union

The European Union has high standards on food safety, this is especially true for honey. More detailed information on food safety requirements see chapter 6.2

In case there are residues from veterinary medicine (like antibiotics which are sometimes used for bees in hot summers) in the honey the import into the European Union will be rejected.

The use of natural medicine for bees will meet the food safety standards for Europe and maintain the business chances.

EU legislation prohibits natural honey being imported from countries outside the “third country list”. (EUR-Lex) In accordance with European Directive 96/23/EC, non-EU countries are required to provide guarantees on the residue status of exported natural honey.

Kyrgyzstan is on this list for honey only.

Since Kazakhstan, Tajikistan and Uzbekistan are not on the list, they must develop a Residue Monitoring Plan (RMP). The RMP guarantees that the honey imported from these countries into the EU does not contain any prohibited residues or veterinary drugs, such as chloramphenicol.

Food safety is a key requirement embedded in the EU’s legislation. The General Food Law is the legislative framework to ensure that food (including imported natural honey) is traceable throughout the entire supply chain. In order to ensure the quality and safety of imported natural honey, an HACCP quality management system must be implemented.

In addition to an HACCP quality management system, EU buyers often require importers to provide certification regarding a rigorous food safety management system. The most important food safety management systems in Europe include ISO 22000, BRC and IFS.

Imports of natural honey must be accompanied by the Certificate for Imports of Honey, Royal Jelly and Other Apiculture Products Intended for Human Consumption, signed and stamped by a veterinary officer authorised by the relevant authorities of the exporting country.

Imported natural honey must comply with the Council Directive 2001/110/EC of 20 December 2001 relating to honey. This directive embeds quality requirements and standards for honey. In terms of labelling, the general food labelling rules laid down in Directive 2000/13/EC of the European Parliament are applied. The key labelling requirements include an indication of the geographical characteristics of natural honey. Full transparency in this regard necessitates that the country of origin where the honey has been harvested must be specified.

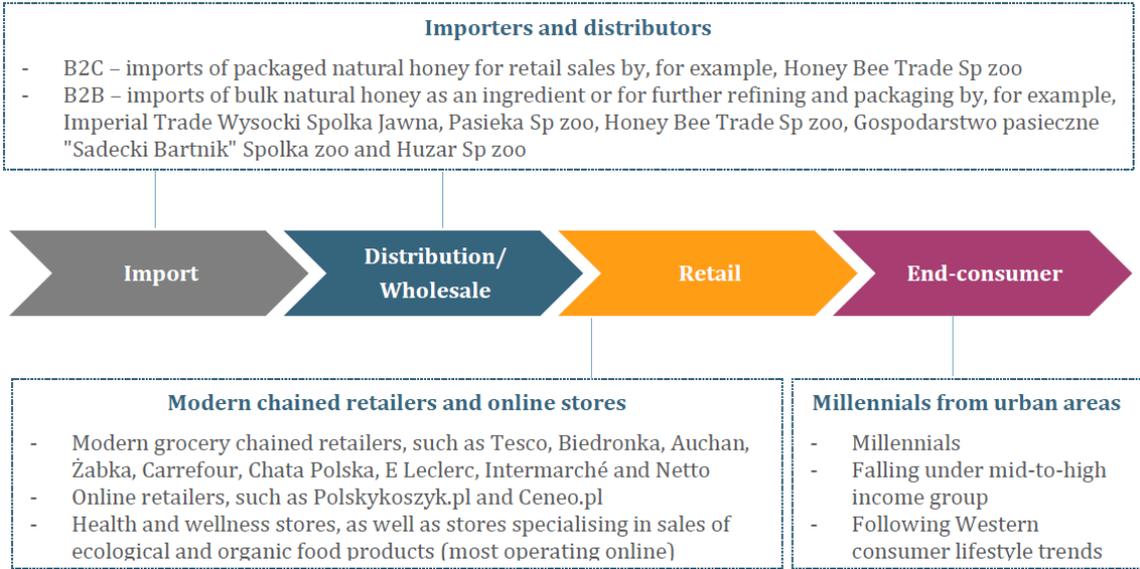
Besides EU regulation, imported natural honey must meet the requirements of the local authorities. Imported natural honey should meet requirements in terms of taste and aroma, colour and consistency. An artificial change in acidity, or the removal of pollen or other specific components of natural honey are not allowed. The quality control of imported natural honey available on the market is undertaken by the Provincial Inspectorates of IJHARS (Agricultural and Food Quality Inspection).

Source: (Euromonitor, 2019), (European Commission, 2021)

6.5.5.2. Export market Poland

In Poland, the value chain of imported natural honey includes the following stages.

Figure 59: Poland – the value chain of imported honey



Source: (Euromonitor, 2019)

Import/Distribution/Wholesale

In 2017, the largest importers of natural honey by volume were

- Imperial Trade Wysocki Spolka Jawna, Pasieka Sp zoo
- Honey Bee Trade Sp zoo
- Gospodarstwo pasieczne "Sadecki Bartnik" Spolka zoo
- Huzar Sp zoo

These companies import natural honey mainly from Ukraine. They usually combine the functions of importing natural honey with its further processing, blending, packing and distribution.

Source: (Euromonitor, 2019)

Imperial Trade Wysocki Spolka Jawna is a wholesaler of food products, which imports natural honey from the Ukrainian producer Agro East Trade TOV. Typically, the imported natural honey is then re-exported to other European countries.

Honey Bee Trade Sp zoo, which is engaged in wholesaling of food products, imports natural honey from the Ukrainian producer Zlatomed Group and further re-exports natural honey to the US.

Pasieka Sp zoo is one of the oldest beekeeping companies in Poland. It produces its own natural honey and also imports natural honey to satisfy increasing consumer demand for packaged natural honey. Besides developing own branded natural honey, the company offers natural honey for packaging under private label for modern chained retailers. Pasieka Sp zoo also supplies natural honey as an ingredient to B2B customers, for example, confectionery producers.

Gospodarstwo pasieczne "Sadecki Bartnik" Spolka zoo imports natural honey from Ukraine, besides having its own bee breeding apiary, in order to satisfy growing consumer demand. As well as importing natural honey, the company imports pedigree bees.

The company sells natural honey through its own branded online store and other online retailers, such as Ceneo.pl and Polskykoszyk.pl. The natural honey is also available at chained retailers, such as Auchan and Tesco, health and wellness stores, as well as stores specialising in sales of ecological and organic food products.

Huzar Sp zoo is a Polish company engaged in imports, refining, packaging and distribution of natural honey. Typically, natural honey is imported from Ukraine and other European countries, for example Spain and Romania.

The company has implemented a quality management system, in accordance with the ISO 9001:2000669 norm, IFS (International Food Standard) and BRC (British Retail Consortium) certified systems, as well as introduced the HACCP. It has acquired the Ekogwarancja PTRE Accordance Certificate on organic food products, and the Kosher Certificate issued by the Union of Jewish Religious Communities in Poland.

Huzar Sp zoo has partnerships with the largest grocery chained retailers for natural honey distribution, such as Tesco, Biedronka, Auchan, Żabka, Carrefour, Chata Polska, E Leclerc, Intermarché and Netto.

Some companies re-export natural honey from Ukraine to EU countries via Poland.

For example, **Nectarica-eu sp zoo** operates a representative office of the Ukrainian company Drillex Ltd, which is engaged in purchasing natural raw honey from beekeepers, its homogenisation, packing and exports. The company imports natural honey from Ukraine in bulk and further supplies it to European companies engaged in the production of food products and beverages for use as ingredients, or packages it under its own brand. The company imports sunflower honey, acacia honey, buckwheat honey and acacia honey. Honey is packaged in 25kg buckets and 290kg barrels for industrial use.

Source: (Euromonitor, 2019)

Figure 60: Honey import to Poland - main importing companies 2017

Name of importing company	Import destination	Imported volume 2017, kg	Description of imported natural honey
Imperial Trade Wysocki Spolka Jawna	Ukraine	2,840	Imported in bulk packaging – 295kg metal tubes
Pasieka Sp zoo		1,395	Imported in bulk packaging – 290-295kg metal tubes
Honey Bee Trade Sp zoo		1,097	Imported in bulk packaging – 300kg metal tubes and 20-25kg plastic buckets. For retail sales – imported in 250g and 700g glass jars
Gospodarstwo pasieczne" Sąddecki Bartnik" Spolka zoo		868	Natural honey. Imported in bulk ⁶⁵⁵
Huzar Sp zoo		529	Imported in bulk ⁶⁵⁶

Source: Ukrainian Customs Services, 2019

Retail

Hypermarket and supermarket chains remain the key distribution channels for imported honey, where lower priced imported natural honey ends up as a private label product.

The higher quality mono-floral and single-origin imported natural honey is also sold via hypermarkets and supermarkets as branded packaged products.

Imported natural honey is also sold via health and wellness stores and online.

Within retail channels, imported natural honey typically does not face competition from locally produced natural honey, as this is often sold directly by beekeepers, branded online stores or open-air markets and bazaars.

It is expected that grocery retailers and online retailing will be the key distribution channels for imported natural honey, with health and wellness gradually gaining in importance. The key focus will be placed on retail formats that are convenient for increasingly busy Poles, such as smaller sized supermarkets and convenience stores located in the country's urban areas.

The emergence of online grocery shopping also offers room for development.

Health and wellness stores are likely to remain an important alternative distribution channel for imported natural honey.

Source: (Euromonitor, 2019)

End-consumer

Greater education regarding natural honey's nutritional properties has increased consumption of honey in Poland in the last years. In 2018, average annual per capita consumption of honey in Poland was 0.42kg.

The typical consumers of natural honey are millennials, living in the larger cities. Typically, they are in the wealthier consumer segments and follow Western consumer lifestyle trends.

Polish consumers typically consume natural honey several times per month, with the main reasons for consumption being health benefits, use as an ingredient, flavour and habit.

Source: (Euromonitor, 2019)

6.5.6. Meat: fresh lamb & bovine meat

HS Code	02.01	meat of bovine animals, fresh or chilled
HS Code	02.04	meat of sheep or goats, fresh, chilled or frozen
	02.04.10	Carcases and half-carcases of lamb, fresh or chilled

6.5.6.1. Export of fresh or chilled bovine meat to the European Union

After some meat scandals and illnesses like BSE (Bovine spongiforme Enzephalopathie) consumers are paying attention to their meat sources and prefer meat from locally raised animals.

The main exporters of fresh or chilled bovine meat are Argentina (22% volume share in 2019) and Uruguay (11%), as well as Brazil (9%).

The Central Asian countries Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan did not export bovine meat between 2017 and 2019 into the European Union.

Figure 61: Bovine meat fresh or chilled (HS 0201) - imports from main non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Argentina	401.012.022	428.174.186	451.425.372	37.015.000	46.096.000	48.756.000
Australia	170.642.433	153.514.262	143.107.068	16.489.000	15.406.000	13.723.000
Brazil	195.987.461	168.606.287	143.198.297	22.917.000	22.441.000	20.944.000
Namibia	23.069.551	21.896.855	33.035.684	3.800.000	3.663.000	5.268.000
New Zealand	30.107.180	29.050.735	27.583.498	2.267.000	2.281.000	2.292.000
Paraguay	29.368.651	20.197.239	17.319.962	3.859.000	2.949.000	2.428.000
United States	181.691.422	159.244.288	151.761.851	16.318.000	14.742.000	12.859.000
Uruguay	233.334.975	212.632.131	210.984.799	26.468.000	25.094.000	24.241.000
EU27	1.678.833.209	1.633.917.001	1.660.296.637	206.368.000	212.042.000	224.416.000

average price/kg 8,14 7,71 7,40

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

6.5.6.2. Export of fresh or chilled lamb meat to the European Union

97% of fresh or chilled lamb meat are imported from the United Kingdom (2019).

Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan did not export lamb meat into the European Union in 2017 -2019.

Figure 62: Lamb meat fresh or chilled (HS 020410) - imports from main non-EU to EU 27

non-EU	Import Value to the EU (Euro)			Import Quantity to the EU (Kg)		
	2017	2018	2019	2017	2018	2019
Macedonia	9.192.610	8.834.953	8.694.959	1.956.000	1.722.000	1.685.000
New Zealand	320.014	152.607	154.607	51.000	26.000	25.000
United Kingdom	243.010.724	255.116.111	282.007.436	47.397.000	46.874.000	53.193.000
EU27	252.901.343	264.242.216	290.996.437	49.476.000	48.644.000	54.924.000

average price/kg 5,11 5,43 5,30

Source: <https://trade.ec.europa.eu/access-to-markets/en/statistics> and own calculations

7. Potential export market: CIS market with focus on RUSSIA

Russia is classified by the United Nations as a „transition economy“ (United, 2014)

The Russian Federation is a traditional export partner for Central Asian countries. It is a large and proximity market with already existing knowledge on its peculiarities and language among Central Asian exporters. (Euromonitor, 2019)

In addition, Russian consumers are familiar with Central Asian foods from Soviet Union times and appreciate the taste and appearance of its fruits and vegetables.

Another advantage for Central Asian countries is, that they are quite close to Russia geographically.

An additional benefit are the trade agreements with Russia. The Central Asian countries Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan are members of the **CIS Free Trade Area (CISFTA)** with Russia, which supports trade activities and exports.

Kazakhstan and Kyrgyzstan, like Russia, belong to the **Eurasian Economic Union (EAEU)** too.

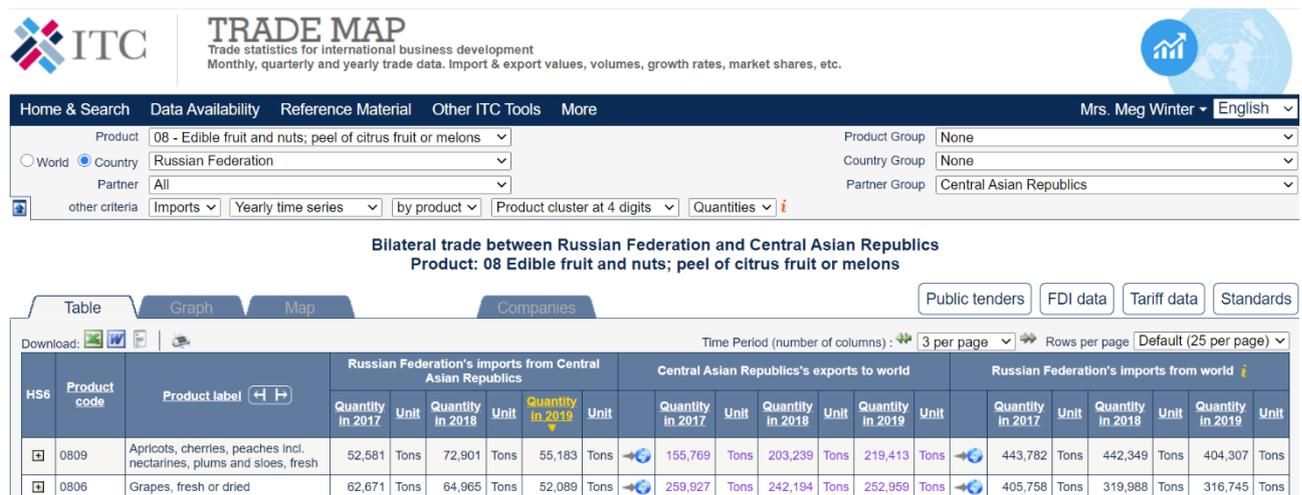
Increasing consumer attention to product quality and growing interest in naturally healthy food products are expected to benefit imports of quality food products and lead to increasing volumes.

Russian consumers are becoming more discerning, paying more attention to the contents and ingredients. (Euromonitor, 2019) The health and wellness trend is growing in Russia as well.

These developments offer a chance for the export of healthy food products like dried fruits, nuts and honey from the Central Asian countries to the Russian market.

A useful tool for analysing the existing export activities of the Central Asian countries with Russia is the **Trade map** of ITC (International Trade Center): www.trademap.org

Figure 63: ITC - Analysis of the trade with Russia



Source: <https://www.trademap.org/>

7.1. Fresh fruits

Central Asia exports mainly fresh grapes and melons to Russia, covering 10% of Russia's total import of fresh grapes.

Fresh melons have an even higher import value share: in 2019 about one third (31%) of Russia's fresh melon imports came from Central Asian countries, mainly Kazakhstan and Uzbekistan.

Figure 64: Russia - Fresh fruit export from Central Asian countries

HS	Product group (HS)	Russia's imports from Central Asian Rep.			Russia's imports from world		
		Value in .000 US\$			Value in .000 US\$		
		2017	2018	2019	2017	2018	2019
08055010	Lemons, fresh or dried	863	1.188	3.143	196.284	184.365	195.416
	Russia's import share (%) from Central Asia of its total imports from world	0%	1%	2%			
080610	Grapes, fresh	30.792	41.484	31.749	398.400	319.827	324.003
	Russia's import share (%) from Central Asia of its total imports from world	8%	13%	10%			
080711-19	Melons, fresh	5.886	6.486	8.555	25.088	27.528	27.797
	Russia's import share (%) from Central Asia of its total imports from world	23%	24%	31%			
080810	Apples, fresh	1.117	2.068	4.907	406.631	517.411	393.973
	Russia's import share (%) from Central Asia of its total imports from world	0%	0%	1%			

Source: (ITC, 2021) and own calculations

Figure 65: Russia - Fresh fruit exports from Central Asian countries: value and quantity

HS	Product group (HS)	Russia's imports from Central Asian Rep.			Russia's imports from Central Asian Rep.			Russia's imports from Central Asian Rep.		
		Value in .000 US\$			Quantity in tons			import value US\$/ kg		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
08055010	Lemons, fresh or dried	863	1.188	3.143	1.248	987	2.821	0,69	1,20	1,11
080610	Grapes, fresh	30.792	41.484	31.749	59.785	60.084	46.285	0,52	0,69	0,69
080711-19	Melons, fresh	5.886	6.486	8.555	30.591	20.380	22.649	0,19	0,32	0,38
080810	Apples, fresh	1.117	2.068	4.907	2.414	4.033	17.954	0,46	0,51	0,27

Source: (ITC, 2021) and own calculations

The exports of fresh apples and fresh lemons from Central Asia to Russia are still on a low level, but have had a high growth rate in the last 3 years.

The more than doubling of sales of fresh apples to Russia was due to a sharp drop of almost –50% in the import price level. This could have been caused by a discounted selling price and / or a different quality of the fresh apples exported. This price drop was mainly driven by Kazakhstan and Uzbekistan.

Uzbekistan is the largest fresh fruit trader in Central Asia, with strong focus on apricots, grapes and cherries. (Euromonitor International, 2017)

Figure 66: Russia: Central Asian exporters of fresh or dried lemons

Exporters to Russia of Lemon, fresh or dried	Imported value in .000 US\$			Imported quantity in tons			Import value US\$/kg		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
World	196.284	184.365	195.416	209.767	217.700	220.976	0,94	0,85	0,88
Central Asian Rep.	863	1.188	3.143	1.248	987	2.821	0,69	1,20	1,11
Uzbekistan	855	1.175	3.017	1.244	774	2.400	0,69	1,52	1,26
Kazakhstan	8	13	121	4	214	417	2,00	0,06	0,29
Tajikistan	0	0	5	0	0	4			1,25

Source: (ITC, 2021) and own calculations

Figure 67: Russia: Central Asian exporters of fresh grapes

Exporters to Russia of Grapes, fresh	Imported value in .000 US\$			Imported quantity in tons			Import value US\$/kg		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
World	398.400	319.827	324.003	382.093	295.679	289.380	1,04	1,08	1,12
Central Asian Rep.	30.792	41.484	31.749	59.785	60.084	46.285	0,52	0,69	0,69
Uzbekistan	28.313	38.123	29.589	38.321	47.932	32.234	0,74	0,80	0,92
Kazakhstan	931	1.030	503	20.179	9.653	12.391	0,05	0,11	0,04
Tajikistan	658	296	41	450	170	39	1,46	1,74	1,05
Kyrgyzstan	741	0	7	632	0	12	1,17		0,58

Source: (ITC, 2021) and own calculations

Figure 68: Russia: Central Asian exporters of fresh melons

Exporters to Russia of Melons, fresh	Imported value in .000 US\$			Imported quantity in tons			Import value US\$/kg		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
World	26.112	28.903	29.670	51.107	40.392	40.728	0,51	0,72	0,73
Central Asian Rep.	5.886	6.486	8.555	30.591	20.380	22.649	0,19	0,32	0,38
Kazakhstan	4.107	5.060	5.439	19.766	17.684	18.324	0,21	0,29	0,30
Uzbekistan	1.435	1.303	3.034	9.764	2.228	4.191	0,15	0,58	0,72
Kyrgyzstan	156	65	43	628	356	77	0,25	0,18	0,56

Source: (ITC, 2021) and own calculations

Figure 69: Russia: Central Asian exporters of fresh apples

Exporters to Russia of Apples, fresh	Imported value in .000 US\$			Imported quantity in tons			Importvalue US\$/kg		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
World	406.631	517.411	393.973	705.553	843.463	700.544	0,58	0,61	0,56
Central Asian Rep.	1.117	2.068	4.907	2.414	4.033	17.954	0,46	0,51	0,27
Kazakhstan	92	997	2.126	823	2.359	12.606	0,11	0,42	0,17
Uzbekistan	280	724	2.024	391	952	4.114	0,72	0,76	0,49
Kyrgyzstan	420	18	213	425	75	331	0,99	0,24	0,64
Tajikistan	16	8	4	12	6	2	1,33	1,33	2,00

Source: (ITC, 2021) and own calculations

The fresh fruit supply chain across Central Asia follows a typical global set-up, however the lack of volume consolidation results in high costs and inefficiency.

The majority of the producers are individual farmers and small and medium-sized agricultural enterprises who have limited funds and experience, but most importantly rather limited production volumes. While trading fruits domestically, small farmers are able to offer their produce to local traditional traders, however international trading requires a different level of bureaucracy, procedural conformity and produce volumes. (Euromonitor International, 2017)

Import regulations and requirements as described in chapters 7.2.4 and 7.3.4 can be adapted to fresh fruit as well.

Since the Central Asian countries are members of the **customs union with Russia** - either in the CIS Free Trade Area (CISFTA) and / or in the Eurasian Economic Union (EAEU) - they have advantages over other exporters.

7.2. Dried fruits and nuts

The import of mixed dried fruits and nuts (HS 081350) recorded over 2013-2017 a moderate yearly growth in volume terms at a 1.4%, and a sharp decline in value terms, at an annual average of 37.8%. The weakening Russian economy and the devaluation of the local currency contributed to the significant decline in value terms. (Euromonitor, 2019)

Figure 70: Russia - import destinations for Mixed dried fruits and nuts (HS 081350)

Country	Measure	Units	2013	2017	% share 2013	% share 2017	% CAGR 2013-17
Uzbekistan	Volume	Tonnes	83	746	10.0%	84.5%	+73.1%
Tajikistan	Volume	Tonnes	189	98	22.7%	11.1%	-15.1%
Kazakhstan	Volume	Tonnes	31	24	3.7%	2.7%	-6.2%
China	Volume	Tonnes	-	5	0.0%	0.6%	-
Iran	Volume	Tonnes	-	4	0.0%	0.5%	-
Other	Volume	Tonnes	531	6	63.7%	0.7%	-67.4%
World	Volume	Tonnes	834	883	100.0%	100.0%	+1.4%
Uzbekistan	Value	USD'000	72	412	1.5%	58.5%	+54.7%
Tajikistan	Value	USD'000	149	81	3.2%	11.5%	-14.1%
Serbia	Value	USD'000	-	69	0.0%	9.8%	-
China	Value	USD'000	-	33	0.0%	4.7%	-
Iran	Value	USD'000	-	28	0.0%	4.0%	-
Other	Value	USD'000	4,490	81	95.3%	11.5%	-63.4%
World	Value	USD'000	4,711	704	100.0%	100.0%	-37.8%

Source: International Trade Centre, Trade Map Database, 2019

Another reason for the decline in value terms is the change of the sourcing countries.

Sanctions imposed on imports of food products by the Russian government against the EU and the US have restrained imports of mixed dried fruits and nuts since 2014. As a result, in 2017, more than 98% of total volume of mixed dried fruits and nuts were imported from the CIS countries with a lower import price.

Uzbekistan led imports with a 84.5% volume share in 2017 by supplying low-priced mixed dried fruits and nuts.

In 2017, the average import value for mixed dried fruits and nuts was 0.6 US\$/kg imported from Uzbekistan and 0.8 US\$/kg imported from Tajikistan.

Figure 71: Russia - average import value of Mixed fruits and nuts 2017

Country	Import Value, USD/kg	% CAGR 2013-17
Uzbekistan	0.6	▼ -10.7%
Tajikistan	0.8	▲ +1.2%
Other	13.5	▲ +12.4%
World	0.8	▼ -38.7%

Source: International Trade Centre, Trade Map Database, 2019

Typically, Russian consumers purchase dried fruits and nuts as two separate food products. It is expected that over the next five years, consumption of dried fruits and nuts (as two separate food products) will demonstrate positive growth supported by the emerging health and wellness trend. (Euromonitor, 2019)

Figure 72: Russia - import of dried fruits and nuts

HS	Product group (HS)	Russian imports from Central Asian Rep.			Central Asian Rep.'s exports to world			Russians imports from world		
		Value in .000 US\$			Value in .000 US\$			Value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
081310	Dried apricots	2.236	3.246	4.102	16.918	12.965	19.015	16.381	19.212	20.300
	Russian share (%) of total Central Asian exports	13%	25%	22%						
	Russias import share (%) from Central Asia of its total imports from world	14%	17%	20%						
081320	Dried prunes	1.196	2.538	3.877	19.286	19.802	16.824	27.269	37.015	30.321
	Russian share (%) of total Central Asian exports	6%	13%	23%						
	Russias import share (%) from Central Asia of its total imports from world	4%	7%	13%						
081350	Mixtures of nuts or dried fruits	504	1.248	1.790	10.785	7.285	7.006	704	1.598	2.164
	Russian share (%) of total Central Asian exports	5%	17%	26%						
	Russias import share (%) from Central Asia of its total imports from world	72%	78%	83%						
0813	Dried fruits and nuts (total)	5.075	9.016	12.317	68.652	51.184	56.986	51.812	71.047	68.586

Figure 73: Russia - in-country consumption of dried fruits and nuts: forecast 2019-2023

Category	Measure	Unit	2019	2020	2021	2022	2023	% CAGR 2019-23
Dried fruits	Volume	'000 tonnes	7.8	8.0	8.2	8.4	8.6	2.7%
Nuts	Volume	'000 tonnes	38.8	42.7	46.2	49.5	52.6	7.9%
Total	Volume	'000 tonnes	46.5	50.6	54.4	57.9	61.2	7.1%

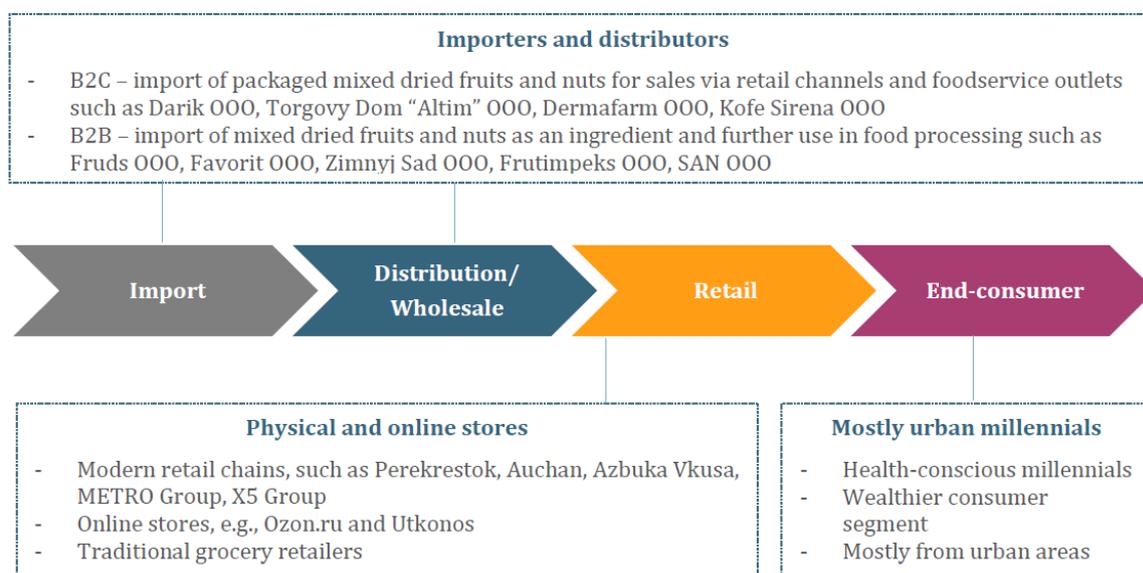
Source: Euromonitor International Passport Database, 2019

Source: (Euromonitor, 2019)

The highest growth is expected in almond consumption, which is forecast to more than double from 2,600 tons in 2019 to 5,500 tons in 2023. Peanuts are expected to remain the largest category in nuts, holding a 40.5% volume share in 2023. For imported products, opportunities exist in mixing added-value products, for example, several types of nuts with high nutritional value with dried fruits. Demand for nuts mixed with candied fruits (so-called “цукаты”) is also growing. (Euromonitor, 2019)

7.2.1. The value chain of imported mixed dried fruits and nuts in Russia

Figure 74: Russia - the value chain of mixed dried fruits and nuts



Source: (Euromonitor, 2019)

Import/Distribution/Wholesale

90% of mixed dried fruits and nuts are imported in bulk as an ingredient, with Fruds OOO, Favorit OOO, Zimnyj Sad OOO and SAN OOO being the largest importers by volume in 2017.

Packaged mixed dried fruits and nuts for further sales via retail channels and foodservice outlets are imported into Russia by a few local companies which are engaged in distribution and wholesale activities, for instance, Darik OOO, Torgovy Dom “Altim” OOO, Dermafarm OOO and Kofe Sirena OOO. (Euromonitor, 2019)

Figure 75: Russia - Imports of mixed dried fruits and nuts: main companies and volumes

Name of importing company	Import destination	Imported volume 2017, kg	Description of imported mixed dried fruits and nuts
Fruds OOO	Uzbekistan	310,009	Mixed dried fruits imported in bulk
Favorit OOO	Uzbekistan	105,100	Mixed dried fruits imported in bulk
Zimnyj Sad OOO	Uzbekistan	90,416	Mixed dried fruits imported in bulk
Fruitimpeks OOO	Tajikistan	75,510	Mixed dried fruits imported in bulk
SAN OOO	Uzbekistan	39,000	Mixed dried fruits imported in bulk
Darik OOO	Iran	3,197	Mixed date and nuts, hamun with walnuts, hamun with almonds. Packaged into 330g packs for retail sale
Kofe Sirena OOO	Lebanon	1,248	Mixed dried fruits and nuts. Packaged into 50g packs for sales in chained Starbucks coffee shops
Torgovy Dom “Altim” OOO	Uzbekistan	825	Mixed dried fruits and nuts. Packaged into 360g packs for retail sale
Dermafarm OOO	Israel	416	Mixed dried fruits and nuts. Packaged into 200g packs for retail sale

Source: Russian Customs Service, 2017

Source: (Euromonitor, 2019)

Other companies engaged in imports of mixed dried fruits and nuts are TK Kvadrat OOO, MegaBestFood OOO, Mogyi Rus, Nestlé Russia OOO and Ritter Sport Shokolad OOO.

TK Kvadrat OOO is the exclusive distributor of

- Singaporean packaged nuts and snacks under the brand Camel
- Turkish packaged mixed dried fruits and nuts under the brand Peyman
- Thai packaged dried fruits under Filipino Sun brand.

TK Kvadrat OOO distributes mixed dried fruits and nuts in the western part of Russia (Moscow, St Petersburg, Podolsk, Tula and Zhukov), as well as the Far Eastern Federal District. The company closely cooperates with major online retailers such as Ozon, Utkonos and Wildberries, as well as retail chains, such as Perekrestok, Auchan and Azbuka Vkusa.

MegaBestFood OOO imports branded mixed dried fruits and nuts (Mecay and NRJ) and distributes them via major chained retailers such as Auchan, Metro Group, X5 Retail Group and Azbuka Vkusa. The company also distributes mixed dried fruits and nuts through online stores, for example, Ozon.ru and Utkonos.

Mogyi Rus is a branch of the Hungarian private company Mogyi Kft, which is involved in production of healthy snacks. Since 2012, the company has been operating via its subsidiary in the Russian market, which is responsible for product distribution within the country and the cooperation with major chained retailers such as METRO, X5 Retail Group, O'KEY, Globus Gourmet and online retailers such as Ozon.ru.

Nestlé Russia OOO is the Russian branch of the international company Nestlé and is engaged in imports of mixed dried fruits from Serbia. The imported mixtures are used as an ingredient for the production of instant porridges.

Seeberger GmbH partners with Ritter Sport Shokolad OOO, the local subsidiary of Alfred Ritter GmbH & Co KG, for export of mixed dried fruits and nuts into Russia under the well-known brand Seeberger. Ritter Sport Shokolad OO, being a local branch of the international chocolate producer, has become an exclusive distributor of the Seeberger brand within the country's territory since 2011. Mixed dried fruits and nuts under the brand Seeberger are sold in major retail chains such as X5 Retail Group, Auchan, O'KEY, Azbuka Vkusa and Globus Gourmet, as well as via online stores.

(Euromonitor, 2019)

Retail

Packaged mixed dried fruits and nuts are mainly distributed via retail chains, such as hypermarkets, supermarkets and convenience stores.

The development of major retail chains, such as X5 Retail Group and Auchan, has contributed to the emergence of mixed dried fruits and nuts. The expansion of online retailing in the country has also contributed to the category's development.

In Russia, modern retail chains are tending to include naturally healthy food products in their portfolios, as they are considered to offer potential for growth. Modern grocery retailers are also tending to design separate sections for naturally healthy products in their stores. Retailers offering healthy food and farm products are increasing their presence, although this is largely confined to Moscow.

Consequently, quality imported mixed dried fruits and nuts are expected to continue benefitting from these trends in the next five years.

(Euromonitor, 2019)

Online shops

Although the purchasing of food products through online shops are not that popular yet, there is a chance for international brands to enter the Russian market with limited costs and risks.

The online store www.ozon.ru acts with “Ozon cross border” as a marketplace like Amazon.com, where international sellers can place their offers and receive orders from customers, and then ship parcels directly to them. This could be an opportunity for Central Asian producers of packaged dried fruits and nuts promoting their own brand, and could be a door-opener for the Central Asian exporter to get a listing in retail stores later on.

The online shop www.utkonos.ru is smaller and focussed on grocery deliveries to Moscow and the Moscow region.

End-consumer

Mixed dried fruits and nuts are gradually gaining in popularity as healthy snacking options for Russian consumers, who are increasingly experiencing busy lifestyles. The emerging consumer trend for “on-the-go” consumption is also contributing to the growing popularity of mixed fruits and nuts in Russia.

Mixed dried fruits and nuts are typically consumed by wealthier millennials. Demand for mixed dried fruits and nuts comes from consumers in urban areas, where living standards and awareness of healthy diets is higher than in rural areas.

(Euromonitor, 2019)

7.2.2. Consumer trends for dried fruits and nuts

The market for mixed dried fruits and nuts is growing as a result of increasing Russian consumer interest in products supporting a healthy lifestyle. The Russian government is taking measures to encourage this trend. The authorities recommend the consumption of dried fruits and nuts as an alternative to confectionery products.

Other important trends impacting consumption of mixed dried fruits and nuts include:

Figure 76: Russia - Trends impacting consumption of mixed dried fruits and nuts



Source: (Euromonitor, 2019)

When making purchasing decisions, Russian consumers mostly pay attention to product price and packaging. The average unit price for imported and branded mixed dried fruits and nuts ranges from 49.6 US\$/kg for the Hungarian NOBILIS mixture of dried fruits and nuts to 68.2 US\$/kg for the Turkish Peyman product.

Organic products

Russian consumers often do not understand the added-value of organic products offered at the relatively high retail prices, what is hampering the development of organic packaged food in the

country. As a result, importers, distributors and retailers are expected to focus more on educating consumers about the benefits and added-value of organic products.

Packaging

In terms of packaging trends, manufacturers are seeking to attract the attention of the consumer by altering the product weight and its single-portion packaging. For instance, Good Food has introduced dried fruits in individual packaging of 40g upwards, with the typical product weight on the store shelf being 100-200g.

7.2.3. Bottlenecks and key learnings

The key bottlenecks and key learnings from the value chain analysis of imported mixed dried fruits and nuts are:

Figure 77: Imported dried fruits and nuts from Tajikistan - bottlenecks and key learnings

	Topic	Bottleneck	Key learnings
IMPORT	Market knowledge	Tajik companies have limited knowledge about the Russian market and its potential for imported mixed dried fruits and nuts	To organise training and workshops on market research, access requirements and existing technical and phytosanitary regulations
	Access to the market	Lack of direct contacts between importers / distributors and exporting Tajik companies	To participate in exhibitions, trade fairs and other industry-specific events in Russia to establish contacts and partnership
	Quality control and certification	Lack of quality confirming documents and necessary certificates	To organise training on certification procedures and quality control to meet requirements of the technical regulations of the Customs Union “On the safety of food products” TP TC 021/2011, the Technical Regulations of the Customs Union “On food products labelling” TP TC 022/2011 and the technical regulations “On safety requirements for food additives, flavourings and technological aids” TP TC 029/2012.
		Lack of quality control and certification for organic produce	To organise training on certification procedures and quality control to meet requirements of GOST 32896-2014, which defines the general technical specifications for dried fruits; GOST 32874-201 regulating certification procedures for walnuts; GOST 16834-81 covering hazelnuts; GOST 31852-2012 defining specifications for pine nuts; GOST 16830-71 regulating certification of almonds, and GOST 31855-2012

	Topic	Bottleneck	Key learnings
DISTRIBUTION/ WHOLESALE	Import volumes	Concerns among importers and distributors regarding small un stable volumes supplied by Tajik exporters	To expand production capacities and increase production volumes, as well as to conclude long-term contracts for supply of mixed dried fruits and nuts
	Partnerships	Limited knowledge of Tajik companies regarding potential partners for import and distribution of mixed dried fruits and nuts	To research and analyse potential partnership opportunities for exports from Tajikistan to Russia including interaction via intermediaries to facilitate the process at the initial stages
	Image of Tajik products	Lack of strong image of Tajik dried fruits and nuts among Russian importers and distributors	Participation in specialist fairs and food exhibitions in Russia, e.g., Peterfood, as well as the organisation of product presentations for potential importers and distributors; Trainings for company representatives enabling them to promote Tajik products
	Product quality	Concerns among importers and distributors regarding quality, taste and homogeneity	To organise trainings and consultations on which quality confirming documents should be presented to importers and distributors, as well on the importance of conducting bioanalysis
RETAIL	Access to modern retail sector	Strict requirements in terms of quality, supplied volumes and long shelf life in order to supply the products country-wide	To partner with importers and distributors which have already established cooperation with the leading modern retailers, such as MegaBestFood OOO and TK Kvadrat OOO To consider approaching health and wellness stores (e.g. VkusVill) and retailing chains positioned as premium (e.g., Azbuka Vkusa, Globus Gourmet) directly
END CONSUMER	Marketing activities	Lack of marketing activities in promoting Tajik mixed dried fruits and nuts; Poor knowledge of the market and consumption culture	Focus on marketing activities e.g., promotions and advertising of Tajik mixtures of dried fruits and nuts Presentations and testing events enabling retailers to try the products
	Online retailing	Limited presence of Tajik mixed dried fruits and nuts in grocery e-commerce	To establish direct partnerships with the leading online retailers, such as Ozon.ru and Utkonos
	Competition from already present brands	Strong presence of premium imported brands e.g., Seeberger and Good Food	Focus on the organic origin and presence of traditional and quality fruits from Tajikistan, for instance, dried apricots, as these are considered to be a signature mark of Tajikistan agriculture To obtain eco-certification to differentiate from competitors and be in line with consumer trends
	Awareness about Tajik brands	Low awareness and limited knowledge about Tajik mixed dried fruits and nuts brands among Russian consumers	To organise product presentations for potential consumers in Russia To invest in advertising and promotion, especially in social networks such as vKontake, Instagram, Twitter
	Target consumers	Lack of knowledge of target consumer groups for mixed dried fruits and nuts	To conduct research and analysis of potential consumers, with a focus on those making purchases at modern retailers, such as supermarkets and hypermarkets, and online stores; To organise consultations, training and workshops on market research and consumer analysis for Tajik exporters

Source: (Euromonitor, 2019)

7.2.4. Import requirements and costs

In accordance with the technical regulations of the Customs Union “On the safety of food products” TP TC 021/2011, it is obligatory to obtain a declaration of conformity with the Customs Union and a protocol of certification tests for food products. Additionally, mixed dried fruits and nuts must comply with the requirements of the Technical Regulations of the Customs Union “On food products labelling” TP TC 022/2011 and “On safety requirements for food additives, flavourings and technological aids” TP TC 029/2012.

Mixed dried fruits and nuts are subject to sanitary-epidemiologic and phytosanitary inspections. In accordance with the special quarantine phytosanitary requirements, mixed dried fruits and nuts must be free from *Trogoderma Granarium* and *Dinoderus bifoveolatus*.

According to the Technical Regulations “On the safety of food products” TP TC 021/2011, the number of mesophilic aerobic and optionally anaerobic microorganisms must not exceed 5x10⁴ CFU/g. The number of bacteria belonging to the tocoliform bacteria group in the mass of the product should not be more than 0.1g/cm³ in dried fruit and 0.01g/cm³ in purified unroasted nuts, while mould content is required to be not more than 500 CFU/g in dried fruit and 103 CFU/g in peeled unroasted nuts. Yeast content must not exceed 500 CFU/g in dried fruit.

For dried fruits, a manufacturer has to obtain a certificate of conformity in accordance with the national standard GOST 32896-2014, which defines the general technical specifications for dried fruits. For each type of nut, there is a separate certificate of conformity in accordance with the national standards, for example, GOST 32874-2014 regulating certification procedures for walnuts, GOST 16834-81 covering hazelnuts, GOST 31852-2012 defining specifications for pine nuts, GOST 16830-71 regulating certification of almonds, and GOST 31855-2012 regulating certification for cashew kernels. In cases where the company decides to obtain voluntary certification, the protocol and declaration are required to be issued first, as these documents are of primary importance.

Organic products

In Russia, there are three national standards related to the terms, definitions and rules of organic products certification:

- GOST R 57022-2016, concerning the voluntary certification of organic production;
- GOST 33980-2016, establishing the rules for production, processing, labelling and implementation;
- GOST R 56104-2014, covering terms and definitions for organic foods.

The Law on Organic Products, which comes into force on 1 January 2020, is aimed to regulate issues related to the production, storage, transportation, labelling and sale of organic products in Russia.

(Euromonitor, 2019)

Procedure of mixed dried fruits and nuts export from Tajikistan to Russia by road consists of many steps and takes from 4 to 17 working days to obtain permissions and required documents.

(Euromonitor, 2019)

Currently, a zero-tariff taxation system is applied to mixed dried fruits and nuts exported from Central Asian countries to Russia.

Production, certification and export costs (transportation and customs clearance) of mixed dried fruits and nuts are:

Figure 78: Mixed dried fruits and nuts - production, certification and export costs

Cost Type	USD per 1,000 kg	USD / kg
I. Production	668.7	0.67
II. Certification (II.1+II.2+II.3)	226.3	0.23
II.1 Phytosanitary certificate	9.0	0.01
II.2 Certificate of conformity	174.2	0.17
II.3 Certificate of origin	43.1	0.04
III. Export	1,245.6	1.25
III.1 Transportation	1,225.7	1.23
III.2 Customs clearance	19.8	0.02
TOTAL COSTS	2,140.5	2.14

Source: Ministry of Economic Development and Trade of the Republic of Tajikistan, 2019; Euromonitor International based on in-depth interviews, 2019

Source: (Euromonitor, 2019)

7.3. Honey

Increasing consumer attention to product quality and growing interest in naturally healthy food products are expected to benefit imports of quality natural honey and lead to increasing volumes. (Euromonitor, 2019)

In 2019, the stagnating local production of natural honey due to massive bee deaths in Central Russia led to a sharp increase in imported natural honey – from 135 tons in 2018 to 180 tons in 2019.

Figure 79: Russia - Imported natural honey from Central Asian countries

Exporters	Natural honey: imported quantity in tons					Average import price/ kg	
	2015	2016	2017	2018	2019	2018	2019
World	147	163	155	135	180	4,67	4,27
Central Asian Republics	5	0	9	17	20	2,41	2,90
Kazakhstan		0	1	4	17	3,00	2,53
Kyrgyzstan	5		8	12	3	2,25	4,67
Uzbekistan				1	0	2,00	
Exporters	Natural honey: imported value in .000 US\$						
	2015	2016	2017	2018	2019		
World	708	707	720	630	769		
Central Asian Republics	6	1	23	41	58		
Kazakhstan	0	1	4	12	43		
Kyrgyzstan	6	0	19	27	14		
Uzbekistan	0	0	0	2	1		

Source: (ITC, 2021) and own calculations

Main honey Central Asian exporters to Russia are Kazakhstan and Kyrgyzstan.

The average import price from Central Asian countries is 2,90 US\$/kg (2019) compared to 4,27 US\$/kg average import value to Russia, which is about 50% higher.

Australia has a very high imported unit value because of the price for its Manuka honey.

Figure 80: Russia - Imported natural honey by countries and import unit value

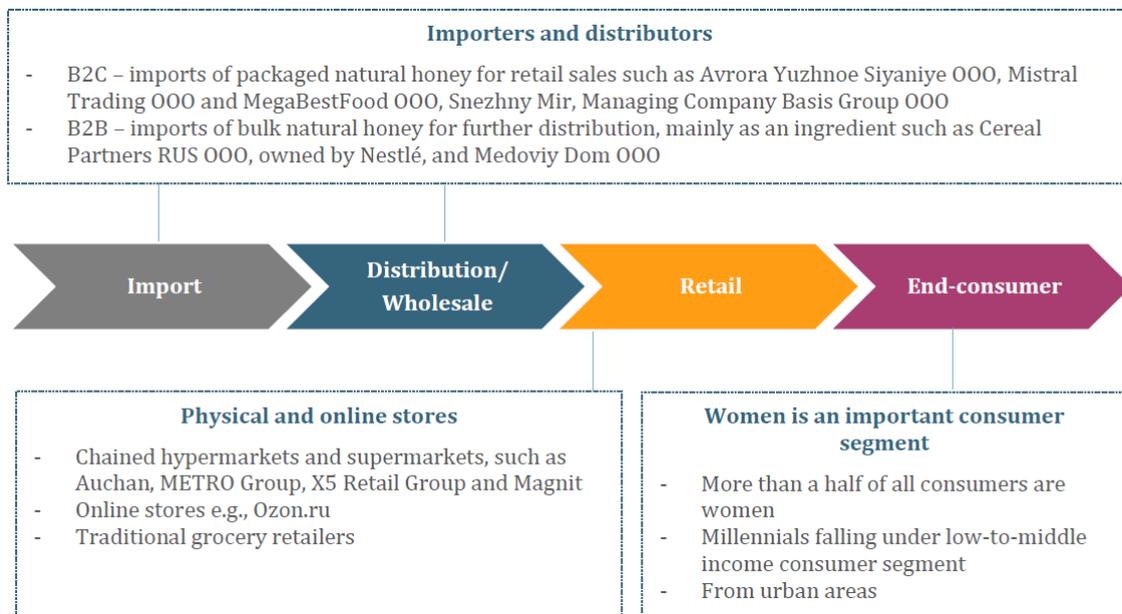
Exporters	Imported value in .000 US\$			Imported quantity in tons			Unit value, US\$/kg
	2017	2018	2019	2017	2018	2019	2019
Austria	380	367	344	87	80	79	4,35
France	123	83	195	20	14	29	6,72
Moldova	37	0	83	12	0	34	2,44
Kazakhstan	4	12	43	1	4	17	2,53
Kyrgyzstan	19	27	14	8	12	3	4,67
Australia	22	18	13	2	2	1	13,00
World	720	630	769	155	135	180	4,27

Source: (ITC, 2021) and own calculations

7.3.1. The value chain of honey in Russia

The import of honey has to be done through Russian import and distribution companies, especially since online stores are not that popular for food products yet.

Figure 81: Russia - The value chain of imported honey



Source: (Euromonitor, 2019)

Import/Distribution/Wholesale

Natural honey is imported to Russia by local companies that are involved in both importing and distribution activities, for instance, Mistral Trading OOO, MegaBestFood OOO, MitFish OOO (Snezhny Mir) and GSM Components OOO.

Natural honey is also imported by local subsidiaries of international companies involved in the production of natural honey abroad, for instance, Aurora Yuzhnoe Siyanie OOO, and Managing Company Basis Group OOO.

Figure 82: Russia - Imports of natural honey: main companies, destinations and volume

Name of importing company	Import destination	Imported volume 2017, kg	Description of imported natural honey
Mistral Trading OOO	Austria	86,882	Acacia honey, lime honey, forest flower honey, mountain honey. Packaged into 28g, 300g and 500 g packs for retail sale
MitFish OOO	France	11,425	Acacia honey. Packaged into 30gr packs for retail sales
MegaBestFood OOO	France	6,893	Acacia bio honey, chestnut honey, fruit flower honey, lime honey, honey with green propolis. Packaged into 250g and 395g for retail sales
Aurora Yuzhnoe Siyanie OOO	Australia	1,691	Manuka honey, organic honey, orange flower honey. Packaged into 250g and 500 gr packs for retail sale

Source: Russian Customs Service, 2017

Source: (Euromonitor, 2019)

Mistral Trading OOO accounts for more than half of natural honey imports in both volume and value terms, with the imported Austrian brand Darbo. The company operates as an exclusive distributor of branded food products from European and other markets and has partnerships with more than 30 retail chains.

Natural honey from France is imported by **MegaBestFood OOO** and **MitFish OOO**. MegaBestFood OOO imports natural honey under the brand Lune de Miel and distributes it via chained retailers. Meanwhile, **Snezhny Mir**, which is one of the largest suppliers of delicacies to foodservice and supermarkets in Russia and other CIS countries, imports and distributes natural honey under the brand Bonne Maman.

GSM Components OOO is a supplier to the Russian market of ecological natural honey collected in the Abkhazia mountains, which is sold through chained retailers and health and wellness food stores. Meanwhile, the Managing Company Basis Group OOO imports natural honey from Kyrgyzstan and sells it under the brand Te Gusto. The branded natural honey is distributed via both chained and traditional retailers, as well as tea and coffee shops, and online stores operated by chained retailers.

Aurora Yuzhnoe Siyanie is a branch of the Australian company Aurora Health Products International. The company is also a representative of leading Australian and New Zealand manufacturers in Russia and other CIS countries for healthy and premium organic food products. In Russia, the company represents natural honey produced by McAdam Ltd, Manuka Ltd and Berringa Honey Ltd.

Cereal Partners RUS OOO, which operates as a branch of the international company Nestlé in Russia, imports natural honey for the manufacturing of breakfast cereals such as Kosmostars and Hrutka. Natural honey is also used in the production of syrup for glazing.

Medovyi Dom OOO imports natural honey from Abkhazia, while also being the largest honey producer and exporter in Russia. The company imports natural honey in bulk, and further refines, packages and distributes it under its own brands. The company also mixes natural honey with other ingredients for the production of added-value products, for instance, honey smoothies and crème honey. (Euromonitor, 2019)

Retail

More than 70% of imported natural honey is packaged for further distribution via retail, while the remainder is imported in bulk as an ingredient for further use by the food processing industry, for example for confectionery, as well as further refining and packaging for retail by Russian companies under their own brands. (Euromonitor, 2019)

Packaged natural honey is distributed via chained retailers and traditional grocery retailers located primarily in the largest cities, in particular Moscow and St Petersburg, and their online stores. (Euromonitor, 2019)

Online shops

Independent online stores, such as Ozon.ru, also offer imported natural honey, for example the Darbo brand.

The online store www.ozon.ru acts with Ozon cross border as a marketplace like Amazon where international sellers can place their offers and receive orders from customers, and then ship parcels directly to them. This could be an opportunity for Central Asian producers of packaged honey promoting their own brand.

The online shop www.utkonos.ru is smaller and focussed on grocery deliveries to Moscow and the Moscow region.

Distribution of imported natural honey via both modern retail and online stores accounts for less than 30% of the volumes sold, with over 70% of natural honey being sold at fairs and festivals, as well as open markets and bazaars, as in these informal retail Russian consumers often seek quality natural honey.

Modern retail chains

It is expected that in the future, sales of packaged natural honey will gradually shift away from informal retail channels towards modern retail formats.

Sales of packaged natural honey via chained modern retailers, especially the largest ones, such as **Auchan**, **Metro Group**, **X5 Group** and **Magnit** will require the meeting of high-quality standards, including for packaging and labelling.

They are interested in partnering companies able to continuously supply natural honey in larger volumes. Typically, these retailers avoid working with small-scale suppliers which supply 100 kilograms of natural honey per year.

Chained modern retailers are looking for **branded products** whose label and band reflects the product quality.

Therefore, Tajik and Kyrgyz natural honey producers should go beyond traditional “made in Tajikistan/Kyrgyzstan” or “Tajik/Kyrgyz honey” statements on the label. Focus should be placed on added-value features such as the purity of the natural honey by positioning the product, as, for example, “highland natural honey” and adding information on quality confirming certificates (e.g. HACCP). Packaging should be made from glass, as most premium imported branded products, such as the very successful Austrian brand Darbo, are packed into this type of packaging. Glass packaging is also associated with lower environmental impact compared with, for instance, plastic packs.

As a result, budgets need to be allocated to carry out quality analyses and introduce marketing, for example to promote it as a natural and environmentally friendly product that has benefits for human health.

(Euromonitor, 2019)

End-consumer

In 2018, average annual consumption of honey in Russia was 0.24kg per capita. The emerging health and wellness trend is expected to contribute to a further increase in natural honey consumption in Russia, as more consumers include natural honey in their everyday diets. As a result, average annual consumption is expected to increase slightly to 0.25kg per capita in 2023. (Euromonitor, 2019)

Natural honey is typically purchased as a healthy sweetener, and is often used for the treatment of colds. This reflects the desire of Russians to take care of their health by consuming natural and nutritious food products.

Natural honey is often purchased by low-to-middle income female millennials. Typically, these female consumers live in urban areas and buy natural honey at chained retailers, fairs and open markets. Russian women are also increasingly shopping in online stores.

When making purchasing decision, consumers mostly pay attention to price, brand image and product flavour.

(Euromonitor, 2019)

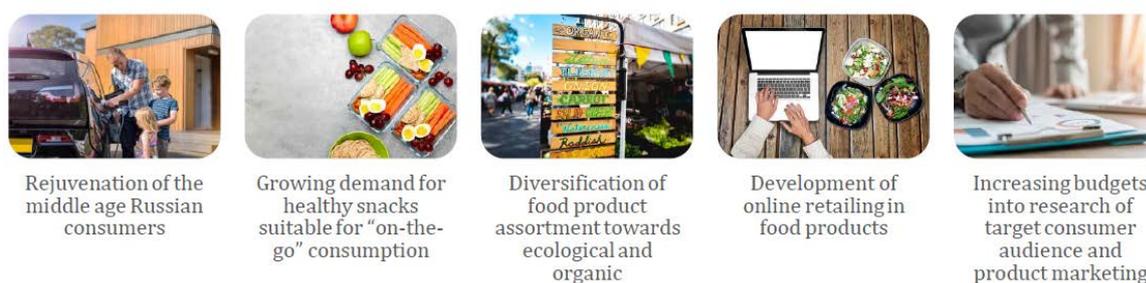
7.3.2. Consumer trends

In addition to healthy living, Russian consumers associate natural honey with a healthy approach to their everyday diets, and are increasingly replacing sugar and other conventional sweeteners with natural ones. Natural honey fits into this trend.

Russian consumers are also responding to the global trend for natural and ecological products, leading to the increasing presence of natural honey brands positioned as ecological, for example Nectaria. (Euromonitor, 2019)

Other important trends impacting consumption of natural honey include:

Figure 83: Russia - Trends impacting consumption of natural honey



Source: (Euromonitor, 2019)

Imported natural honey is often sold in glass jars. However, plastic jars and plastic pouches are growing in popularity, due to their convenience. In addition, gift packs, which contain natural honey in wooden packages, are available in Russia. (Euromonitor, 2019)

Typically, Russian consumers prefer natural honey collected by bees from lime, chestnut, buckwheat and acacia blossoms. However, natural honey collected from non-traditional and exotic plants is gradually growing in popularity; for example, coriander natural honey collected in the Marche region of Central Italy, or thyme honey from Kyrgyzstan.

One of the main barriers to the development of natural honey exports from Tajikistan and Kyrgyzstan to Russia is the heavy presence of imported brands, mostly from European (Austria, France), Middle East and Asian countries.

In traditional and informal retail channels heavy competition is faced from small regional brands.

Intensifying competition on the market is stimulating the launch of new products, for example crème honey with natural berries, offered by Melody Dom, or honey mixed with berries and fruits, offered by Fabrika Vkusa, under the Nectaria brand. Natural honey mixed with nuts is also growing in popularity in Russia. (Euromonitor, 2019)

Pricing

The average retail unit price for imported natural honey from the three key Western European brands Darbo, Moda Medo and Lune de Miel ranges from 30,3 US\$/kg for the Austrian **Darbo** brand of natural honey to 50.2 US\$/kg for the French **Lune de Miel**.

Natural honey from CIS countries is often offered at lower prices. The brand **Noyan**, imported from Armenia, is sold at an average retail price of 18.7 US\$/kg, while the Kyrgyz brand **Te Gusto** is offered at an average retail price of 21.8 US\$/kg. (Euromonitor, 2019)

Because most of the honey from Central Asian countries is exported to Russia in bulk, the average price is quite low.

Figure 84: Russia - Import of natural honey from Central Asia

HS	Product group (HS)	Russian imports from Central Asian Rep.			Central Asian Rep.'s exports to world			Russians imports from world		
		Value in .000 US\$			Value in .000 US\$			Value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
0409	Natural honey	23	41	58	3.215	2.217	2.639	720	630	769
	average price per kg	2,56	2,41	2,90						
	Russian share (%) of total Central Asian exports	1%	2%	2%						
	Russias import share (%) from Central Asia of its total imports from world	3%	7%	8%						

HS	Product group (HS)	Russian imports from Central Asian Rep.			Central Asian Rep.'s exports to world			Russians imports from world		
		Quantity in tons			Quantity in tons			Quantity in tons		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
0409	Natural honey	9	17	20	823	580	665	155	135	180
	Russian share (%) of total Central Asian exports	1%	3%	3%						
	Russias import share (%) from Central Asia of its total imports from world	6%	13%	11%						

Source: (ITC, 2021) and own calculations

7.3.3. Bottlenecks and key learnings

The bottlenecks and key learnings from the value chain analysis of imported natural honey are:

Figure 85: Russia - Imported natural honey from Tajikistan - bottlenecks and key learnings

	Topic	Bottleneck	Key learnings
IMPORT	Market knowledge	The wish of exporting Tajik companies to gain a presence on the retail shelves without a budget for marketing and knowledge of market trends and demand	To organise roundtables and conferences to share knowledge and experience on market research
	Access to the market	Limited presence of companies involved in the import and distribution of natural honey, which is considered a niche added-value product	Focus on establishing partnerships with the leading importers and distributors of natural honey, such as Mistral Trading OOO and Medovyj Dom OOO
	Quality control and certification	Lack of quality confirming documents and certificates for natural honey	To obtain a veterinary certificate product specification, certificate of origin, certificate of analysis, as well as to implement HACCP quality management system
DISTRIBUTION/ WHOLESALE	Partnerships	Limited knowledge among Tajik companies of potential partners for import and distribution of natural honey	Research and analysis on potential partnering opportunities for the export of natural honey from Tajikistan to Russia. Here, consultations and training are needed for Tajik exporters
	Awareness of Tajik products	Limited awareness and knowledge about Tajik natural honey among Russian importers and distributors	Participation in specialised fairs and food exhibitions in Russia, e.g., Peterfood, as well as the organising of product presentations for potential importers and distributors
	Product quality	Concerns among importers and distributors regarding natural honey's quality and flavour	To provide quality confirming documents and bioanalysis results
RETAIL	Access to modern retail channels	Strict requirements, especially for new companies and brands	To partner with importers and distributors which have already established cooperation with the leading modern retailers, such as Mistral Trading OOO, MegaBestFood OOO and Snezhny Mir. Tajik exporters should approach health and wellness stores (both physical and online) directly.
	Marketing activities	Lack of marketing activities promoting Tajik natural honey	Focus on marketing activities, e.g., promotions and advertising of Tajik natural honey, as well as stands at retailers for product tasting
	Online retailing	Limited presence of Tajik natural honey at online retailers, which are on the rise in Russia	To partner with the leading online retailers, such as Ozon.ru
END- CONSUMER	Competition from local brands	Strong presence of local brands offering a wide assortment of natural honey	Focus on the unique features of natural honey from Tajikistan; for example, emphasising that the honey was collected in mountains from mono-floral plants which do not grow in Russia
	Awareness of Tajik products	Limited awareness and knowledge of Tajik natural honey among Russian consumers	Organising of product presentations for potential importers and distributors
	Target consumers	Lack of knowledge on target consumer groups for natural honey with added-value features	Research and analysis of potential consumers with a focus on those purchasing natural honey at modern retailers such as supermarkets and hypermarkets, as well as online stores.

Source: (Euromonitor, 2019)

7.3.4. Import requirements and costs

Imported beekeeping products, including natural honey, must comply with the current regulatory documents of the importing country Russia on veterinary, quality, authenticity and safety. These documents include the “CODEX STANDARD FOR HONEY CODEX STAN 12-1981” (adopted in 1981, followed by revisions in 1987 and 2001) regarding honey.

Imported beekeeping products, including natural honey, must be accompanied by the following documents: a veterinary certificate, product specification, certificate of origin, certificate of analysis, delivery list, packing list and contract.

Natural honey is delivered to the customs of the area where the buyer organisation is located, in accordance with the contract. Samples are taken from the batch and sent to an accredited laboratory to confirm the quality, authenticity and safety of the imported products. Products are checked according to the “veterinary-sanitary” requirements for goods subject to veterinary supervision (control), dated 18 June 2010.

Only natural honey and other beekeeping products obtained from export-approved farms and areas free from dangerous contagious diseases of agricultural and domestic animals, are allowed to be imported into Russia.

Natural honey and other beekeeping products obtained using genetic engineering methods or other genetically modified sources are not allowed to be imported into Russia.

The quality and naturalness of natural honey must comply with “GOST 19792-2001: Natural Honey: Technical conditions” and “GOST R 52451-2005: Monofloric honey. Technical conditions”.

Natural honey’s production, certification and export costs (transportation and customs clearance) are summarised further.

Figure 86: Natural honey - production, certification and export costs

Cost Type	USD per 1,000 kg	USD / kg
I. Production	4,287.5	4.29
II. Certification (II.1+II.2+II.3)	236.4	0.24
II.1 Permission to export veterinary products and inspection	21.7	0.02
II.2 Certificate of conformity	171.5	0.17
II.3 Certificate of origin	43.1	0.04
III. Export	1,947.1	1.95
III.1 Transportation	1,927.3	1.93
III.2 Customs clearance	19.8	0.02
TOTAL COSTS	6,471.0	6.47

Source: Ministry of Economic Development and Trade of the Republic of Tajikistan, 2019; Euromonitor International based on in-depth interviews, 2019

Source: (Euromonitor, 2019)

7.4. Meat: fresh lamb & bovine meat

Exports of fresh and chilled bovine and sheep/lamb meat from the Central Asian countries are quite low. Kazakhstan exports this meat mainly to Russia and the Iran.

Figure 87: Export of meat (HS 02) by the Central Asian countries to Russia

Exporters to Russia	Imported value in 2017	Imported value in 2018	Imported value in 2019
World	2.670.384	2.065.547	1.877.830
Central Asian Republics	13.371	18.413	19.034
Kazakhstan	13.371	18.413	18.928
Kyrgyzstan	0	0	106

Source: (ITC, 2021)

Figure 88: Export of bovine and sheep meat to Russia

HS	Product group (HS)	Russia's imports from Central Asian Rep.			Russia's imports from Central Asian Rep.			Central Asian Rep.'s exports to world			Russia's imports from world		
		Value in .000 US\$			import value US\$/kg			Value in .000 US\$			Value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
0201	Meat of bovine animals, fresh or chilled	361	2.093	3.038	3,41	3,58	3,26	2.713	11.729	7.671	343.052	370.724	243.288
	Export share (%) to Russia of total Central Asian exports	13%	18%	40%									
	Russia's import share (%) from Central Asia of its total imports from world	0%	1%	1%									
0202	Meat of bovine animals, frozen	1.168	4.651	1.542	3,29	3,32	3,54				891.895	892.790	806.321
0204	Meat of sheep or goats, fresh, chilled or frozen	397	710	1.462	5,22	5,14	4,96	5.023	18.885	16.552	16.644	18.927	15.173
	Export share (%) to Russia of total Central Asian exports	8%	4%	9%									
	Russia's import share (%) from Central Asia of its total imports from world	2%	4%	10%									

Source: (ITC, 2021) and own calculations

Meat of sheep or goats, fresh, chilled or frozen

Kazakhstan is with about 10% market share a player on the Russian market for sheep meat.

Russia's top importers of Meat of sheep or goats, fresh, chilled or frozen (HS 0204) in 2019:

New Zealand with a share of	36%	5.53 million US\$
Australia with a share of	28%	4.33 million US\$
Moldova with a share of	20%	3.05 million US\$
Kazakhstan with a share of	10%	1.65 million US\$

Source: (TrendEconomy, 2021)

The **import structure** of 0204 - Meat of sheep or goats, fresh, chilled or frozen to Russia is

51%	7.85 million US\$	020442 Meat of sheep (excl. lamb & carcasses), frozen
27%	4.15 million US\$	020441 Carcasses/half-carcasses of sheep (excl. lamb), frozen
13%	2.06 million US\$	020443 Meat of sheep (excl. lamb), frozen, boneless
4%	620.000 US\$	020422 Meat of sheep (excl. lamb & carcasses), fresh/chilled
3%	467.000 US\$	020421 Carcasses/half-carcasses of sheep (excl. lamb), fresh/chilled
0.7%	107.000 US\$	020410 Carcasses/half-carcasses of lamb, fresh/chilled
0.4%	57.000 US\$	020423 Meat of sheep (excl. lamb), fresh/chilled, boneless
0.3%	48.000 US\$	020430 Carcasses/half-carcasses of lamb, frozen

Source: (TrendEconomy, 2021)

Meat of bovine animals, fresh or chilled

Russia's top importers of Meat of bovine animals, fresh or chilled (HS 0201) in 2019:

Belarus with a share of	94%	237 million US\$
Kazakhstan with a share of	1.7%	4.31 million US\$
Argentina with a share of	1.7%	4.14 million US\$
Uruguay with a share of	1.2%	2.95 million US\$

Source: (TrendEconomy, 2021)

Belarus is with 94% market share the clear market leader. Kazakhstan is with 1,7% market share the second largest importer.

The **import structure** of 0201 - Meat of bovine animals, fresh or chilled to Russia is

53%	135 million US\$	020130 Meat of bovine animals, fresh/chilled, boneless
37%	94 million US\$	020120 Meat of bovine animals, fresh/chilled, bone-in
8%	20 million US\$	020110 Carcasses/half-carcasses of bovine animals, fresh/chilled

Source: (TrendEconomy, 2021)

Import requirements as described in chapters 7.2.4 and 7.3.4 can be adapted to meat as well.

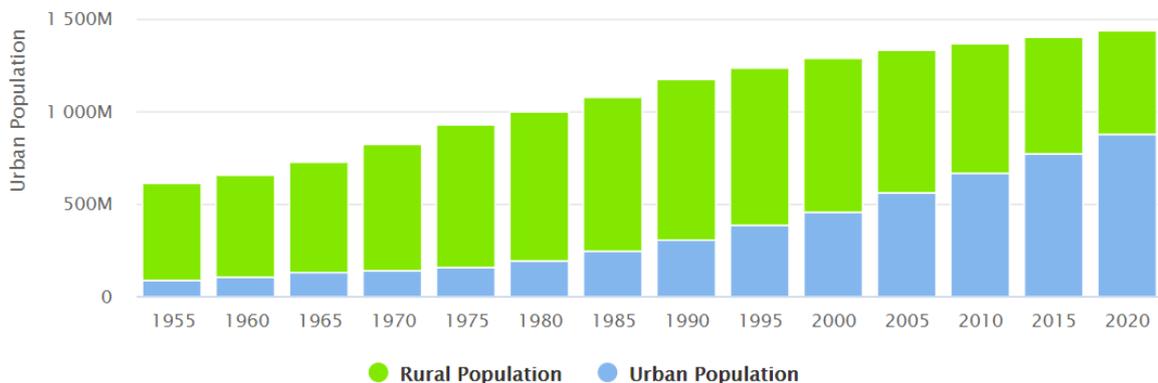
Since Kazakhstan and Russia are in the Eurasian Economic Union (EAEU) customs union, imports from Kazakhstan to Russia are treated favourably and are an advantage for Kazakh exporters.

8. Potential export market: CHINA

China has the highest population of the world: 1,439 billion (2020), which is equivalent to 18,5% of the total world population. Source: (Worldometer, 2021)

In 2019 about 60% of the population of China is urban (856,4 Mio people). This trend towards urban areas makes it a huge market for groceries, especially packaged and prepared food.

Figure 89: China – urban versus rural population from 1955 - 2020



Source: (Worldometer, 2021)

The imported food market in China is a lucrative market full of opportunities for ambitious players.

China is considered being a large and relatively proximate market for Central Asian exporters. (United, 2014)

The Chinese market is totally different than the other market in the world. That is why it is so complicated for brands to develop their businesses in China.

Devising the right digital marketing strategy for this market is therefore the key.

China's demand for high-quality agriculture and food products is growing rapidly. The Australian Bureau of Agriculture and Resource Economics and Sciences (ABARES) predicts China will account for 43 % of the global growth in agricultural demand by 2050. (ABARES, 2021)

Large export market, where consumers are increasingly valuing convenience, premiumisation and healthiness due to accelerating urbanisation and increasing disposable incomes. (Euromonitor, 2019)

Premiumisation can have two consumer approaches:

1. Premiumisation is driven by the consumer desire to demonstrate success in material ways.
2. Premiumisation can as well be characterised by the tendency to be selective, to invest in fewer, better products and experiences, limiting the spending on things that don't matter to them to free up the money for other things that do.

Both approaches can be found on the Chinese market.

Premiumisation concerning the content or packaging of products is occurring in almost all the product categories. To align with the healthier eating trend, many manufacturers are launching products that

have shorter shelf lives, or that are low in fat and sugar. Greater convenience is being achieved by offering products in smaller pack sizes, a trend especially prominent in baked goods and snacks. (Euromonitor, 2019)

8.1. The imported food market in China

The imported food market is booming in China. More and more Chinese consumers prefer buying foreign products than local products and that for some reason. Compare also with chapter 8.4

There are three main reasons for the development of the imported food market (Marketing to China, 2021)

1. Food safety

China's middle class has evolved rapidly, with a more and more raised available income. The standard of life changes and eating habits have changed too. Chinese make sure to eat better and pay attention to food safety.

China suffered of many food scandals challenging all kinds of products consumed in daily life, which has reinforced the concern among Chinese around food security. It is an opportunity for Export food products in China.

The scandals on food security have a significant impact on consumers, they are less confidence toward local brands but it also impacts foreign brands.

Now, around 86% of Chinese consumers pay attention to food security when they buy their products.

Another interesting point for foreign food brands: most of Chinese consumers are against food additives. 88% of Chinese consumers in the cities of 1st and 2nd row are against and 25% of them preferred to pay higher prices for food without additives inside.

2. Healthy food

Chinese consumers show greater interest in eating healthy food. Consumers are paying more attention to their healthcare and thus what they are eating to stay healthy. They are also sensitive to their body weight, synonym of good health.

In China, health is very important, Chinese people pay more and more attention to their health.

There is a huge untapped potential in several segments of foreign healthy food:

As stated above, consumers are now more looking for

- healthy food without food additives, but also
- organic products,
- low in calories and
- has a slimming effect.

These four categories are the trends that foreign brands should develop.

Chinese consumers embrace this new organic trend, they want to eat healthier. Over 30% of consumers in the cities of 1st and 2nd rows often buy organic food.

Consumers seek foods with fewer pesticides that can harm their health.

Having a child will also influence on how to consume the food. Parents are more vigilant about food. Families with high income are willing to pay more for organic food.

67% of consumers look at the ingredients and nutritional information that constitute the food.

The vast majority who are concerned with nutrition are the parents. Due to the increase of wealth, the phenomenon of obesity is growing. Lots of parents give too much food to their kids. They want to prevent their children from getting sick and care about many of the ingredients of the food they buy.

But now, they are more and more aware that their kids suffered of obesity, that's why, they check the ingredients and look for high quality products.

3. **Food globalization:** Chinese people want more and more international food

Globalization is changing people's food habits, the food is discovered by traveling, consuming imported products. Cultures mix and include many different foods around the world. In China, over 80% of consumers buy imported products: the most consumed products are products of everyday life.

The consumption of imported products depends primarily on whether the consumer has children or not and also its income.

Buying foreign food products in China is also an image question. It shows to the others that you are open-minded and you have a high purchase power.

In China, the rank you have regarding to your peers in the society is very important.

8.2. The Chinese consumer and its food purchasing behaviour

Chinese are curious and willing to try new culinary experiences.

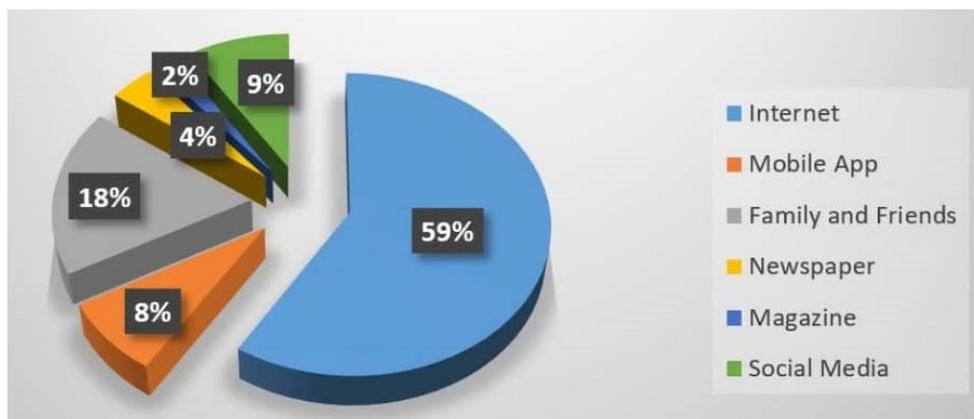
53% of consumers enjoy trying new food and are very open to innovations. (Marketing to China, 2021)

8.2.1. How Chinese consumers research food products

As with most things in China, the internet is the main source of information when it comes to Chinese consumers researching food brands. (Marketing to China, 2021)

Nearly two thirds check Baidu.com (China's Google) for information on food brands before purchasing a product. Family, friends and KOL (Key Opinion Leaders) represent the second most popular source of information.

Figure 90: Main source of information about food in China



Source: <https://www.marketingtochina.com/food-market-china-export-guide/>

Regarding to imported food consumption, age does not play an important. All Chinese consumers of different ages have the same purchase behaviour. The one area where age does play a role worth considering is in the 25 -34 age group who are more likely to be strongly influenced by social media. (Marketing to China, 2021)

8.2.2. How Chinese consumers buy imported food products

60% of Chinese consumers who buy imported food buy online because it offers more choices and it is more convenient. In addition, they can also find better prices through online platforms than in traditional stores.

Friends and family recommendations, as well as online information was the driving factor which led 60 % of the Chinese consumers to buy imported food online.

China imports a wide range of food products including dairy, meats, jam, chocolates and confectionery. Dairy products and snacks foods are the most commonly purchased. It is becoming a new Chinese habit to consume this kind of products they did not consume before.

As said before, they are mostly looking for safety. Foreign food products are reputed to be safer than the local products.

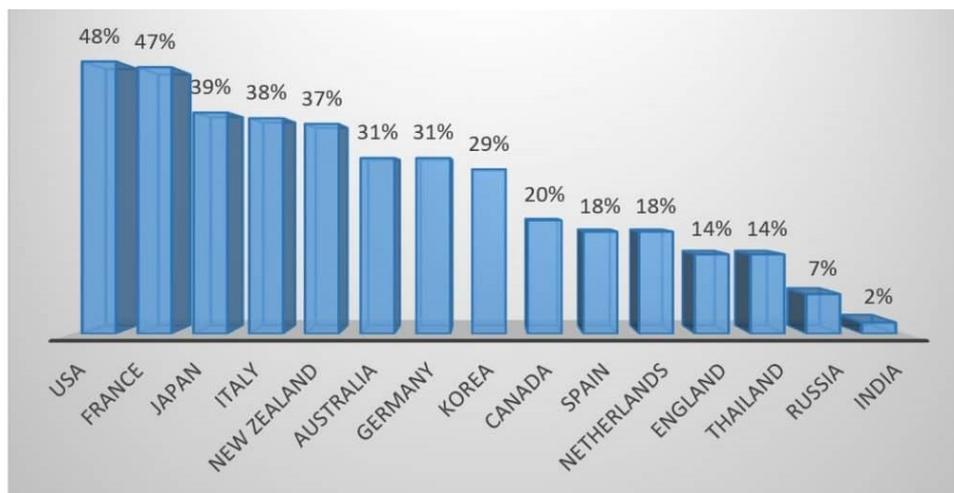
Quality is ranking second, seen as an important buying trigger for 66% of the Chinese consumers. Most of the consumers who buy imported food are impacted by the brand.

8.2.3. The most popular countries for imported products

The United States and France are the most popular source markets. These two countries are seen as having the best reputation for food.

Japan and Italy follow very closely behind, with New Zealand and Australia also ranking well. (Marketing to China, 2021)

Figure 91: Favourite origin of imported goods



Source: <https://www.marketingtochina.com/food-market-china-export-guide/>

These countries appeal to consumers on two levels :

- Chinese consumers think these countries are more advanced in food production with better production methods and more hygienic factory environments.
- These countries are aspirational countries with lifestyles the Chinese try to emulate. For the affluent young Chinese, consuming these products show a sign of wealth and worldliness.

8.2.4. Imported food products as a prestigious gift

In China, imported food products are often used as a gift.

“Mianzi”, literally “Face”, idiomatically means dignity/prestige is an important subculture in China that strong rooted in people’s mind and deeply influences daily life of Chinese.

In China, one has to offer a decent gift to show how respectful one is to the recipient of the gift.

A bad quality or cheap looking gift is equal to provocation.

Imported food products in China are better packed. Western brands pay attention to the packaging of each product because in Western countries it is one of the purchasing criteria for consumers.

In addition, the price is relatively high which makes it a perfect choice of gift. In some important occasions like weddings, business meeting...imported food products are also widely welcomed.

8.3. Marketing on the Chinese market

Foreign food products are more and more appreciated and bought by Chinese consumers.

To be very effective, you need to be transparent with your Chinese consumers.

Foreign food producers have to focus their products and their marketing strategy on to

- the (food) security
- the quality and
- originality of their products.

It's now your turn to take a part of the pie and introduce your food brand to Chinese consumers. Let's see some tips to develop your food brand on the Chinese food market.

Offering a nicely packed food product from Central Asia can be an interesting export good to China, as it can be used as a gift which offers not only a good image but also health to the receiver – see also chapter 8.2.4.

The key to develop quickly an international brand in China is to understand that it is important to adapt the international strategy to the Chinese channels.

Lots of food companies tried to develop their sales in China but failed because they used the same marketing strategy as in their own country on the Chinese market. China has a different way of thinking. To understand this is key for selling international food products in China.

8.3.1. Chinese Website for importers on the Chinese market

For selling an international food product it is important to have a Chinese website in Mandarin.

Aesthetic norms in China are really different. Western consumers will prefer a clean design, but Chinese consumers like pages with a lot of information, animations and pictures.



Also, the content needs to be adapted to the Chinese consumer and it has to be in mandarin. A mandarin website will also allow to do SEO because when consumers do research, they use mandarin key words. With SEO, the website and its brand will gain in visibility, which is the key of success in China.

The website needs to be hosted in China that is to say in “.cn”.

Chinese consumers like to read content. Quality content will help them to build trust into the website and its brand. This will improve image and develop a good e-reputation. Quality information show that the website and its products and services are professional.

Some suggestions for creating a Chinese friendly website to get a good ranking: (Marketing to China, 2021)

- Translate it into Mandarin so that the target audience can read it
- Hosted in Mainland China, Hong Kong, or any other close country, the reason: Loading speed.
- Upload content regularly and answer to consumers' comments to give it a boost and to give it more authority on Baidu
- Content must be localized. Every country has its own practices and traditions even on the internet, especially China.
- Mobile phones friendly: Chinese netizens mostly use the Internet from their mobiles.
- no Google Plugins, otherwise website will not load or appears to be broken.

8.3.2. Building brand and image on the Chinese market

Reputation and image (Chinese “mianzi”(面子) are very important for Chinese consumers.

Even if having a good website and being on Baidu, but some bad comments or a bad/not existing reputation can destroy not only the chances with the consumer but also with the distributors.

Online Reputation Management (ORM) by an agency can be a solution for developing and keeping a good image. This can also be done by own competent staff.

ORM services consist of building the brand reputation online, managing all the content related to it, navigating bad buzz but also keeping the positive results on page one of search engines and social media.

Word of mouth

In China recommendations mostly come from locals because Chinese consumers mostly trust other Chinese consumers. Word of mouth in China is the key. Therefore, the presence on Chinese forums and to do Public relations (PR) is important.

Brand reputation is an important element to promote products. However, a successful reputation is not about what the company says about itself, but what Chinese consumers say about the brand. The online community is a crucial factor for becoming viral and staying at the top. **Viral marketing** will increase the Internet word of mouth and thus boost the brand awareness.

8.3.2.1. Reviews on Chinese Forums

Opinions shared on forums have a big influence on the decisions that a Chinese person makes. They can spend hours and days checking the forums to decide which product is better to buy.

There are many designated forums in China and all of them are Chinese forums in the Mandarin language. The most useful forums are Zhihu and Baidu Zhidao.

Zhihu

Zhihu has an array of features that can be used to create and manage a community around a topic related to the brand. These tools can be used to engage with the brand / product audience and exchange information with them but also to build an author authority.

Here are some of the tools:

- Zhihu column
- Zhihu Roundtable
- Zhihu live
- Zhihu tip service

Figure 92: Chinese forum Zhihu



Source: <https://www.marketingtochina.com/honey-market-shares-china/>

Baidu Zhidao and Baidu Tieba

Baidu Zhidao is a service of questions and answers supplied by the Baidu platform, where only registered users can interact with questions and providing answers. It is very influential in terms of positioning.

Baidu Tieba is the Baidu “Social Network” that allows the company to have a diary or company social page, where it can go to share status, photos, and videos. It is possible to comment and follow public profiles.

8.3.2.2. Chinese Social media

WeChat



WeChat is an app, similar to WhatsApp. It has 1,08 billion active users every month, more than 1,5 million active brands, more than 17 million official accounts, and it is used for 86% by people of 18-40 years old. (Marketing to China, 2021)

WeChat is an essential tool for life in China, it allows Chinese people to converse by message, call each other, pay, place orders, send money, meet other people, share photos and moments through a dedicated page, etc.

For food companies it can be seen as an email & community management marketing tool. WeChat was created by the Chinese giant, Tencent. At its core, it is a messaging app, but it has much more to offer. No other app in the West is comparable to WeChat. It would rather be a mix of Facebook, Skype, Slack, Amazon and Paypal.

Recently WeChat added the mini-programs. This new feature can be described as a kind of “sub-application”. An app inside another. As a result, users will no longer have to use or download new apps because they may already be in WeChat.

The mini-programs concern all types of services: sales, e-commerce, and government services.

On WeChat, a company can also open a store called “**mini store**” and sell its products. It is very convenient for little brand which has not yet a high reputation in China. Tmall or JD will not accept small brands.

WeChat combines two effective possibilities for companies: to gain visibility and to sell online.

WeChat e-brochure for B2B

WeChat E-brochure (also called as H5 WeChat) offers many features. The user can access to an HTML5 page (as a small simplified web page).

There are many ways to communicate using WeChat E-brochure. Some brands propose mini-games or animations on their page while some others use more conventional ways such as websites alike pages, gifs or images.

The e-brochure is ideal for products listing and to reach out to distributors.

When joining a food fair, visitors can use a QR code that allows them to access the WeChat Brochure of the company. This is a positive first step which tells a potential Chinese partner that the exporter has an understanding of the Chinese market and its marketing.

Figure 93: E-brochure for New Zealand honey brand in China



Source: <https://www.marketingtochina.com/honey-market-shares-china/>

Weibo



Weibo is one of the most appreciated social media platforms. Chinese users love Weibo because it is the first place where they can express themselves “without” censorship. This is why the platform is so popular in China.

Weibo is only a social media platform where people can communicate and share information. The platform is often compared to Twitter, but different to Twitter, users are allowed to write long posts and customize their posts.

Weibo, as a pure social media platform is effective for imported food brands to communicate with their followers and potential consumers. It is also a good platform to send information, discounts, announce products launch, ask the advices of users and to advertise.

8.3.3. Influencers

Influencers or Key Opinion Leaders (KOL) are very powerful in China. They are simple users who became famous by generating a lot of traffic on their accounts.

They are often more popular than celebrities and Chinese consumers trust their advices. Key Opinion Leaders are more effective in China because users tend to be more impressionable, they highly value the status of such individuals.

Influencers are a good tool to gain visibility, but KOL are numerous in China. In order to attract Chinese consumers, it is crucial to find the one who matches with the brand and the brand image.

8.3.4. Search engine Baidu

The most important search engine in China is **BAIDU.com** <https://www.baidu.com/>



75% of the research in China are made on Baidu. Before buying anything, Chinese consumers will first spend time on Baidu to get more information about the product and the brand. Therefore, it is very important for exporters from Central Asia to be found on this website with their brands and products.

The Search Engine Optimization (SEO) is a strategy that works to rank the company website in the natural search results over time. If the ranking on the natural search results is good, the brand will be more visible and Chinese consumers will trust it.

In China it is key for food exporters to be digital in order to get in contact with the consumers. See also in chapter 8.2.1 about consumer behaviour.

Social media and mobile apps are more powerful than print media advertising in newspapers or magazines. They are the best allies to export a food brand in China.

Print media advertising is not a primary marketing avenue for imported food in China as it is costly and difficult to measure.

Social media and mobile apps are effective. They allow the exporter to interact with its consumers and to make creative advertising. (Marketing to China, 2021)

8.3.5. Cross-border e-Commerce platforms in China

Established Chinese E-Commerce platforms can be a good chance to sell imported food products in China.

E-Commerce platforms are very convenient for foreign companies. They can sell without a physical presence in China so long as you gain approval from the relevant cross-border platforms.

With China's huge online population of over 900 million citizens and 250 million e-shoppers an online sales infrastructure is everything when entering the market. It is an advantage for brands to conquer the Chinese market without having to pay heavy charges or taxes. (Marketing to China, 2021)

Everything is convenient for both parts. Consumers have the possibility to have access to foreign products without fear of the language barrier because the websites are optimized in mandarin. The delivery is as fast as for local products because all the e-commerce infrastructure is organized. For sellers, this enables exporters to sell their products in China without suffering from the large gap in understanding.

The Chinese market has many opportunities since it affects a wide range of consumers. Foreign companies have the opportunity to target the right niche markets to market their offers.

Online food sales continue to grow in popularity as consumers seek convenience and choice. 94 % of Chinese consumers have ever purchased food online.

Tmall is the preferred platform, but **JD** and **Yihaodian** also are well appreciated.

Buying directly from the website of the exporter / brand ranked further down in fifth position. This can be attributed to the strategic move by many brands to distribute through a larger Chinese e-commerce platform for logistical ease.

For Chinese consumers, it is more efficient to visit an aggregator site to find all options and to be sure of the safety and quality of the products. These cross-border platforms are reputed to only accept quality brands and they guarantee a good product.

8.3.5.1. E-Commerce platform Tmall



Tmall is the most reputable cross border e-commerce platform in China. This platform is associated by Chinese consumers with quality and authenticity in a market place often associated with fake. Therefore, many imported food brands established their stores on Tmall.

A Tmall.com storefront is essential to the China retail strategy of leading global businesses. It is the most effective way for a market penetration in China. (Marketing to China, 2021)

But Tmall only accepts brands who have already a significant presence and realized high sales in China. This is the reason why a lot of companies are rejected by the platform which wants to keep a high standard.

There are two ways to join the Tmall platform:

- If you are a company with China in-country business operations, you can apply to Tmall.com.
- If you are a company with overseas licenses, you are eligible to Tmall Global.

8.3.5.2. E-Commerce platform Yihaodian



Yihaodian is a B2C (business-to-consumer) e-commerce website that provides people with a platform to shop groceries online.

Yihaodian has “virtual stores” that exhibit images of stocked grocery shelves on walls and other surfaces in urban public areas in China, which passers-by can scan codes under the images with a mobile device to purchase corresponding groceries online.

The US retail giant Walmart first invested in Yihaodian in 2011; in 2012, it announced additional investment so that Walmart controlled 51% of Yihaodian's ownership. In July 2015, Walmart acquired 100% ownership of Yihaodian. (Wikipedia, 2021)

8.3.5.3. E-Commerce platform JD



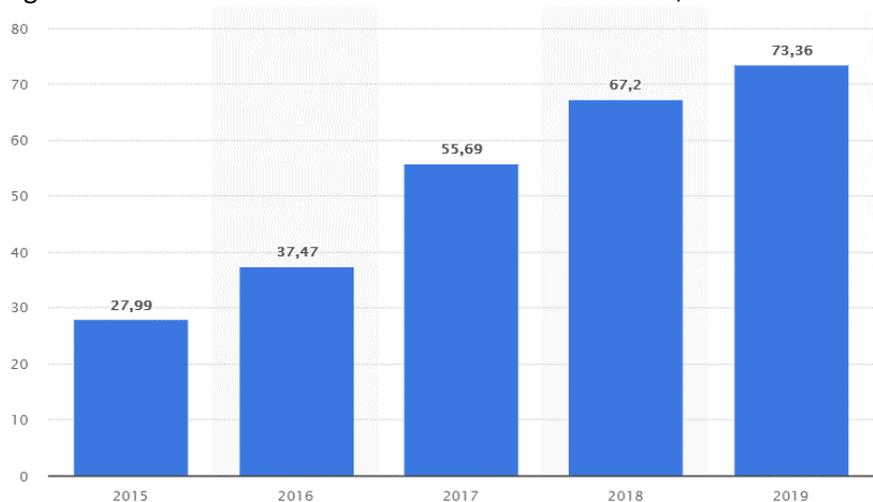
JingDong – JD.com one of the biggest online retailers in China.

JD or JD Global is quite similar as Tmall and Tmall Global, offering foreign and local merchants or brands an online store on the platform. However, it is a bit cheaper than Tmall and Tmall Global to enter. The annual fee for the platform is around \$ 1,000 (with a consumer deposit of \$ 10,000-\$15,000). JD.com also charges a commission. The commission depends on the product category, and ranges between 2%-10%.

JD also opened their cross-border platform in 2015 called JD Worldwide. The platform offers foreign companies access to the Chinese market. No longer do foreign merchants need to be settled in China, or even hold a bank account. JD Worldwide offers all they need to be able to sell to Chinese consumers. Even marketing support is being offered.

In June 2016 Walmart/ Yihaodian and JD.com, China's largest e-commerce company by revenue, announced that they have formed a strategic alliance to better serve consumers across China through a powerful combination of e-commerce and retail. (Walmart, 2016)

Figure 94: Turnover of JD.com 2015 – 2019 in billion US \$



Source: <https://de.statista.com/statistik/daten/studie/804342/umfrage/umsatz-von-jdcom/>

8.3.5.4. E-Commerce platform Taobao



Taobao (淘宝网) is a Chinese another online shopping website, owned by Alibaba. It is ranked as eighth most visited website.

Taobao marketplace facilitates consumer-to-consumer (C2C) retail by providing a platform for small businesses and individual entrepreneurs to open online stores that mainly cater to consumers in Chinese-speaking regions.

For every trade deal on Taobao, there must be a section of customer feedback, which is a determination factor of the sale volume for the shop. (Wikipedia, 2021)

8.3.5.5. E-Commerce platform Pinduoduo

Among the possible Apps to choose from, Pinduoduo (拼多多) has distinguished itself in recent years. An application that, thanks to its advantageous offers, is especially loved in third and fourth-tier cities.

Pinduoduo is an e-commerce platform allowing users to participate in group buying deals. This leads to a lower price for each group member.

With a direct „producer to consumers“ business model, Pinduoduo is a great place to get started within China (Marketing to China, 2021)

- low platform fees
- Pinduoduo supports & invests in agriculture
- integrated marketing tools for Pinduoduo sellers
- second largest Chinese e-commerce platform with a large reaching

Figure 95: E-Commerce platform Pinduoduo



Source: <https://www.marketingtochina.com/honey-market-shares-china/>

8.3.5.6. WeChat mini-store

On WeChat, a company can also open a store called “mini store” and sell its products. It is very convenient for little brand which has not yet a high reputation in China. Tmall or JD will not accept small brands.

WeChat combines two effective possibilities for companies: to gain visibility and to sell online.

8.4. Analysis of food imports into China

A useful tool for the analysis offers ITC (International Trade Center) with its Trade map www.trademap.org

Figure 96: ITC - Analysis of the trade with China

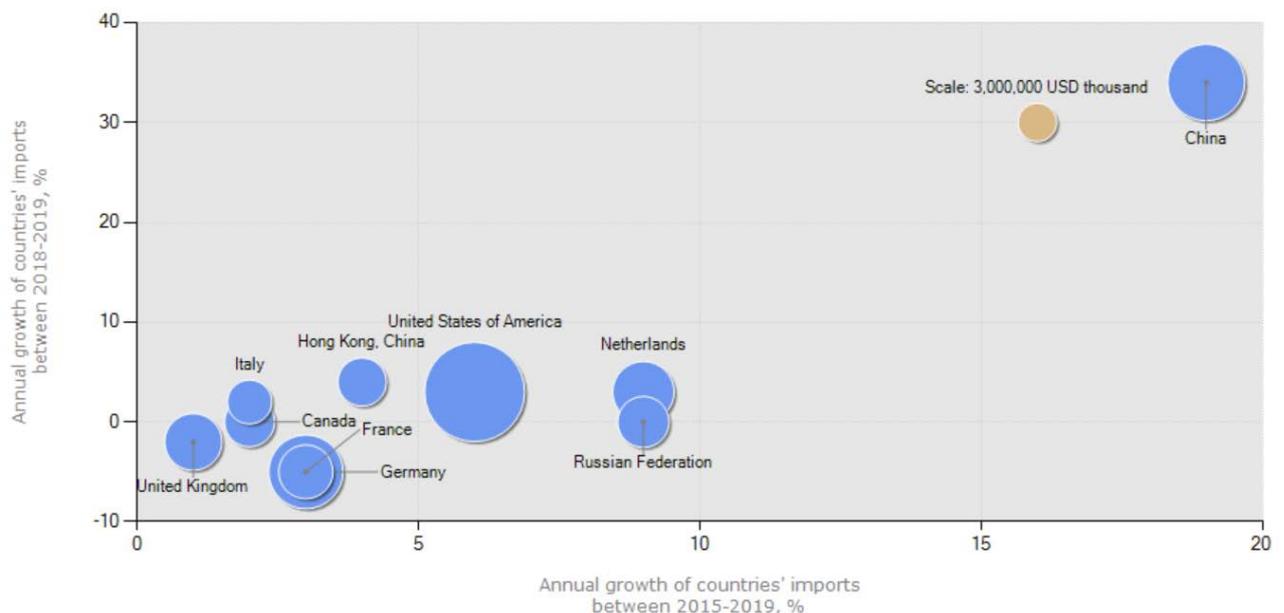
The screenshot shows the ITC Trade Map website interface. At the top, there is a navigation bar with links for Home & Search, Data Availability, Reference Material, Other ITC Tools, and More. A login button and a language dropdown (English) are also present. Below the navigation bar, there is a search section with tabs for Imports and Exports. The search filters include Service and Product, with radio buttons for Single and Group. There are two input fields: one for a keyword or product code, and another for a country/territory or region name. Both input fields have a search icon and a link to Advanced search. At the bottom of the search section, there are buttons for Trade Indicators, Yearly Time Series, Quarterly Time Series, Monthly Time Series, and Companies.

Source: <https://www.trademap.org/>

China had the by far highest growth rate for edible fruits and nuts (HS 08) over the last 5 years with about 19%. Between 2018 and 2019 the food imports (HS 08) into China grew even more: about 35%.

This shows the huge potential for food exporting countries to sell to China.

Figure 97: Growth rates for imports of HS 08 (fruits and nuts) into countries



(ITC, 2021)

The main exports of fruits (fresh and dried) and nuts to China are from Uzbekistan.

Figure 98: China imports of fruits and nuts (HS 08) from Central Asian countries

Exporters to China	2019				
	Value imported (USD thousand)	Share in China's imports (%)	Growth 2015-2019 (% p.a.)	Growth 2018-2019 (% p.a.)	Average customs tariff applied by China (%)
World	11.662.825	100%	19	34	
Central Asian Republics total	37.300	0.3 %			
Uzbekistan	28.737	0.2 %	6	36	14,60%
Kazakhstan	6.089	0.1 %	-22		14,60%
Kyrgyzstan	1.946	0.0 %	0	-22	14,60%
Tajikistan	528	0.0 %	0	101	14,60%

Source: (ITC, 2021)

Figure 99: China imports of fruits and nuts (HS 08) from Central Asian countries

HS	Product group	China's imports from Central Asian Republics									
		Quantity in tons					Value in .000 US\$				
		2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
'0802	Other nuts, fresh or dried, whether or not shelled or peeled	5.420	335	270	19	1.207	22.690	722	636	78	6.487
'0805	Citrus fruit, fresh or dried	0	0	0	0	0	0	0	0	0	1
'0806	Grapes, fresh or dried	22.954	25.416	20.504	25.738	27.902	19.428	25.398	16.064	20.065	23.832
'0807	Melons, incl. watermelons, and papaws (papayas), fresh	0	0	0	0	126	0	0	0	0	21
'0808	Apples, pears and quinces, fresh	0	0	0	0	0	0	0	0	0	0
'0813	Dried apricots, prunes, apples, peaches, pears, papaws "papayas", tamarinds and others	1.009	1.197	2.220	3.197	1.796	670	905	1.476	2.546	1.750

Source: (ITC, 2021)

8.5. Fresh fruits

There are basically no exports of fresh fruits from Central Asia to China, although there is high potential due the demand on the Chinese market.

Figure 100: Fresh fruits import to China from Central Asia

HS	Product group (HS)	China's imports from Central Asian Rep.			Central Asian Rep.'s exports to world			China's imports from world		
		Value in .000 US\$			Value in .000 US\$			Value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
0805	Citrus fruit, fresh or dried	0	0	1	5.635	5.048	21.151	551.894	633.749	594.239
	Export share (%) to China of total Central Asian exports	0%	0%	0%						
	China's import share (%) from Central Asia of its total imports from world	0%	0%	0%						
080610	Grapes, fresh	0	0	0	104.809	127.856	128.324	589.242	586.198	643.863
0807	Melons, incl. watermelons, and papayas, fresh	0	0	21	10.740	13.018	44.272	32.876	45.305	45.438
	Export share (%) to China of total Central Asian exports	0%	0%	0%						
	China's import share (%) from Central Asia of its total imports from world	0%	0%	0%						
0808	Apples, pears and quinces, fresh	0	0	0	10.254	12.774	38.021	127.556	130.056	240.094
	Export share (%) to China of total Central Asian exports	0%	0%	0%						
	China's import share (%) from Central Asia of its total imports from world	0%	0%	0%						

Source: (ITC, 2021) and own calculations

8.6. Dried fruits & nuts

In China, dried fruits and nuts increasingly become a common snack for Chinese consumers, who are aware of the healthy and nutritional features of this product.

Following the trend in the developed countries, Chinese consumers started to realise the benefits of inclusion of dried fruits and nuts in the diet. This is expected to further drive consumer interest in imported mixed dried fruits as well.

Figure 101: China - Consumption of dried fruits and nuts

Category	Measure	Unit	2019	2020	2021	2022	2023
Dried fruits	Volume	'000 tonnes	194.1	195.7	197.0	198.0	198.6
Nuts	Volume	'000 tonnes	8,166.9	8,380.2	8,587.5	8,788.3	8,981.7
Total	Volume	'000 tonnes	8,361.0	8,575.8	8,784.6	8,986.3	9,180.3

Source: Euromonitor International Passport Database, 2019

Source: (Euromonitor, 2019)

China imports dried fruits and nuts under the HS 081350 code ("Mixtures of dried fruits and nuts"). Over 2013-2017, import of mixed dried fruits and nuts to China showed a significant growth both in volume and value terms recording the respective CAGRs of 21% and 26%.

Figure 102: China - main import countries for mixed dried fruits and nuts

Country	Measure	Units	2013	2017	% share 2013	% share 2017
USA	Volume	Tonnes	10	32	25.0%	37.2%
Australia	Volume	Tonnes	1	16	7.5%	18.6%
Thailand	Volume	Tonnes	3	4	7.5%	4.7%
South Korea	Volume	Tonnes	0	3	0.0%	3.5%
Germany	Volume	Tonnes	17	1	42.5%	1.2%
Other	Volume	Tonnes	9	30	22.5%	34.9%
World	Volume	Tonnes	40	86	100.0%	100.0%
USA	Value	USD thousand	85	458	22.7%	48.4%
Australia	Value	USD thousand	7	141	1.9%	14.9%
Thailand	Value	USD thousand	23	70	6.1%	7.4%
South Korea	Value	USD thousand	1	50	0.3%	5.3%
Germany	Value	USD thousand	148	19	39.6%	2.0%
Other	Value	USD thousand	110	209	29.4%	22.1%
World	Value	USD thousand	374	947	100.0%	100.0%

Source: International Trade Centre, Trade Map Database, 2019

Source: International Trade centre. Trade Map database.

The fact that almost all leading import destinations are developed countries is signalling that imported mixed dried fruits and nuts are rather belonging to the premium price segment. Furthermore, within the category, major trading countries, namely the United States and Australia, mostly export branded mixes to China. It is in line with increasing consumer awareness of American brands and products. (Euromonitor, 2019)

The trade conflict between China and the USA may restrain trading activities between China and the US and cause changes in the current trade environment. In 2018, this trade war resulted in the tariff

increase applied by Chinese government to the most products imported from the USA, including all kinds of nuts. Although the trade conflict is now suspended, the situation remains unstable. This is chance for new suppliers of dried fruits and nuts for the Chinese market.

Figure 103: Average import value of mixed dried fruits and nuts by country in 2017

Country	Import Value, USD/kg
USA	14.3
Australia	8.8
Thailand	17.5
Germany	19.0
Other	7.0
World	11.0

Source: International Trade Centre. Trade Map Database, 2019

Source: International Trade centre. Trade Map database.

In 2017, the average import value ranged from 8,8 US\$/kg imported from Australia to 19,0 US\$/kg for German mixed dried fruits and nuts.

Moderate exports opportunities exist in packaged mixed dried fruits and nuts. Typically, imported branded mixed dried fruits and nuts record extensive marketing support within retail channels compared to locally-produced counterparts.

Meanwhile, imported branded mixed dried fruits and nuts face competition from local food manufacturers, who mix dried fruits and nuts by themselves and further sell them under own brands like Three Squirrels and QiaQia. Local production is able to satisfy half of the demand for nuts¹ and food manufacturers are forced to import nuts from abroad. (Euromonitor, 2019)

Export potential: moderate

Product: Mixed dried fruits and nuts

Business model: **B2C** (business-to-consumer): exports of packaged mixed dried fruits and nuts
 Channels: - modern chained retailers
 - Convenience stores
 - Online retailing

Business model: **B2B** (business-to-business): exports of mixed dried fruits and nuts as two separate food products for further in-country mixing and packaging
 Channels: Food manufacturers

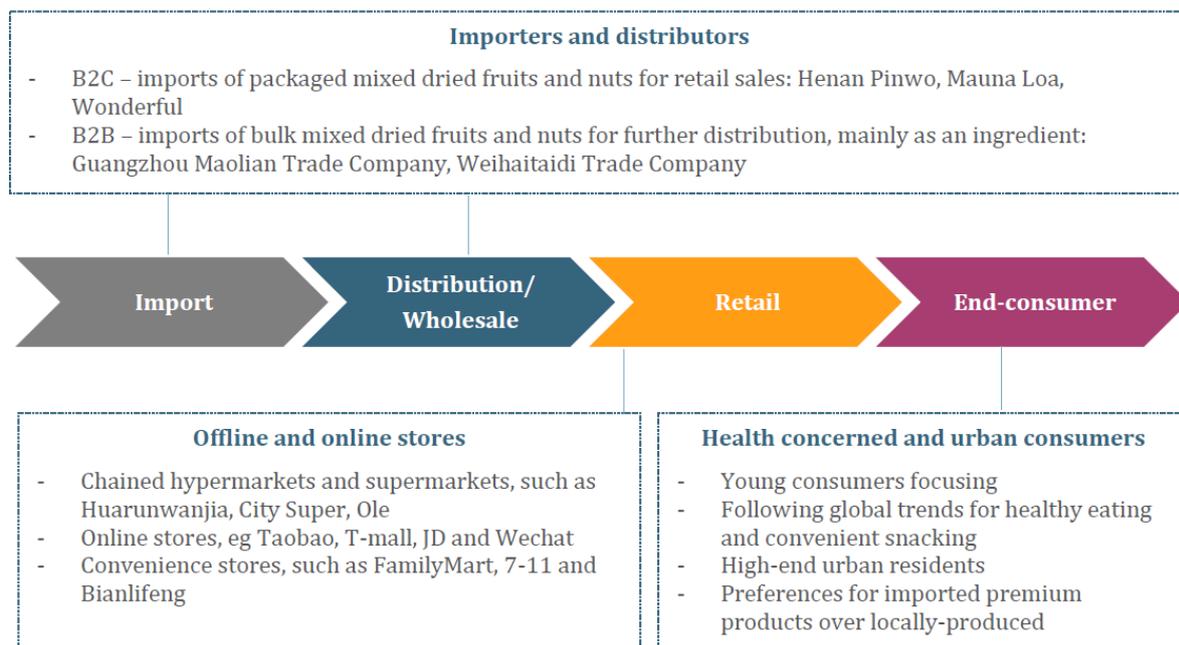
Promotions/ Activities:
 - Participation in specialist fairs and food exhibitions
 - Promotions via social networks and blogs
 - Consumer educational campaigns conducted online
 - Establishment of subsidiary

Source: (Euromonitor, 2019)

¹ In accordance to the data from Euromonitor International database, in 2018, local production accounted to 53.4% of the nut consumption.

8.6.1. The value chain of dried fruits and nuts in China

Figure 104: The value chain of imported dried fruits and nuts in China



Source: (Euromonitor, 2019)

Import/Distribution/Wholesale

Import of dried fruits and nuts to China via:

- **Chinese food processors:**
Dried fruits and nuts are often imported as two separate food products for further mixing by Chinese food processing companies who further process and package them.
Food processors: Xuzhou Jiushun Food Co Ltd, Hangzhou Huaguoshan Food Co Ltd, Shanghai Laizhende Food Co Ltd.
After further processing and packaging of the mixes, these companies sell the processed products to the retail channels, such as hypermarkets, supermarkets, online retailers, or primary food processing, eg bakery and confectionery players.
- **Chinese subsidiaries of foreign producers:** famous foreign brands like Planters (Kraft Foods), Blue Diamond and Wonderful have entered into a partnership with the JD online platform and opened their own online stores in China. JD has a strategic alliance with Yihodian, whose owner is the large US trading company Walmart. (see chapter 8.3.5.2)
- **Cooperation with local importers and distributors for retail:**
The market of imported mixed dried fruits and nuts is highly fragmented in China. Thus, importers are mainly small to medium-sized trading companies with less than a 1% market share, which are usually regional players only responsible for importation and distribution in certain regions. For instance, Dongguan ETI Trading CO.,Ltd. is a medium-sized regional trading company importing and selling dried fruits and nuts from Turkey. Yingbo (Shanghai) Imp. & Exp. Co., Ltd. is a trading company that imports dried fruits and nuts from Chile under brands Sunny Silvestre, Andes Secrets,

Anden Gold, Prunesco and other. Mixed dried fruits and nuts from Iran and Central Asia are imported by Weihai Teddy Trading Co. Dried fruits and nuts from Turkey are imported by Ningbo Hanguo Trade Company to China under the brand of Tadim.
Compare (Euromonitor, 2019)

Retail

Retailing landscape is developing in China being heavily supported by the growth of modern retailers. Hyper- and supermarkets proved to be the most popular distribution channels for savoury snacks including mixed dried fruits and nuts, holding a 60% share in 2018.

Due to the growing online shopping platforms in China online shopping is increasing and becoming a routine. The share of Internet retailing for savoury snacks including mixed dried fruits and nuts has risen from 1.8% to 12.5% over 2013-2018.

Taobao, T-mall and JD online stores increasingly gain popularity and are expected to record a stable growth over the next 5 years. More and more smaller shops and supermarkets start their own online-shop to gain from a multichannel strategy and compete with the large online retailers.

Some local brands, eg Three Squirrels, have established own online stores to attract Chinese consumers giving preference to online shopping.

Thus, it creates additional pressure upon imported dried fruits and nuts also seeking omni-channel distribution strategy but often facing inability to access the local distribution landscape.
(Euromonitor, 2019)

End-consumer

In recent years the purchasing power of the Chinese population has increased due to the improvement of consumer living standards and rising disposable income. A growth in health awareness has resulted in raising demand for dried fruits and nuts. As consequence, such processed plant-based food as dried grapes, dried apricots and nuts, has grown strongly and is currently perceived by consumers as healthy snacks compatible with on-the-go consumption prevalent among the younger generations driving the segment.

For dried apricots and dried grapes, the key purchasing criteria are brand and product origin. As there are numerous brands of dried fruits available on the market, specific brands in different regions have established brand awareness. Consumers evaluate product quality and features based on brand name and country of origin.

Brands with higher consumer awareness and better promotional images enjoy higher demand among consumers. In addition, in recent years demand for high-quality nuts has been especially stable throughout the country among high-end consumers with higher purchasing power in first-tier cities. Other consumer segments primarily pay attention to the cost-performance ratio when purchasing packaged nuts or mixes. (Euromonitor, 2019)

8.6.2. Consumer trends for dried fruits and nuts

A key market driver for mixed dried fruits and nuts is an increase in consumer health awareness influenced by the nation-wide communication campaigns devoted to the health and wellness and broadcasted TV health programs. Furthermore, the 2018 edition of Snack Guidance for Children and Teenagers recommends nuts as one of the best choices for snacks.

Besides the government, industry players also take part in the development of the category. For instance, two of the largest tree nut associations in China, the Nuts and Roasted Seeds Division of the Chinese National Food Industry Association and the South China Tree Nut Association, have strongly contributed to this nation-wide demand through consumer education on the health benefits of nut consumption.

In addition, according to traditional Chinese medicine, dried fruits such as dried apricots and grapes are said to be good for the kidneys and brain, and can invigorate the blood, thus are appreciated by consumers.

The growing trend towards snacking and on-the-go consumption resulted in a growing popularity of dried fruits and nuts in small individual packaging, mostly 25g to 100g per pack. These new products have gained popularity among younger consumers, especially women.

In addition, in order to meet the preferences of young consumers, the current product packaging is also becoming more and more delicate and attractive.

Large packaging and canned mixed dried fruits and nuts are more favoured by family consumers so that they can share them together.

Consumer preference for tastes has changed from the dominant original flavour and flavour with five spices a decade ago to various flavours including original flavour, salt and pepper flavour, flavour with five spices, spicy flavour and creamy flavour. Salted nuts, spicy nuts and salted egg yolk-flavoured nuts are largely welcomed by young consumers.

Local brands of mixed dried fruits and nuts, eg Three Squirrels, QiaQia, Wolong and Bestore, developed at an amazing speed by launching new flavours, co-branding with famous Ips (intellectual property like brands, cartoons,...) and figuring out new product formats. (Euromonitor, 2019)

8.6.3. Bottleneck and key learnings

The key bottlenecks and key learnings from the value chain analysis of imported mixed dried fruits and nuts are:

Figure 105: China - imported dried fruits and nuts - bottlenecks and key learnings

Topic	Bottleneck	Key learnings
Legislation	Complex legislation and import regulation which varies in mainland China and special territories such as Macau and Hong Kong	To conduct analysis of the legal environment in China

	Topic	Bottleneck	Key learnings
IMPORT	Quality and certificates	Lack of quality confirming documents and necessary certificates	To organise training on certification procedures and quality control to meet safety requirements for dried fruits and nuts embedded in the national standards GB 19300-2014 and GB16325-2005
	Market knowledge	Tajik companies have limited knowledge about the Chinese market and its potential for imported mixed dried fruits and nuts	To organise training and workshops on market research, access requirements and existing technical and phytosanitary regulations
	Access to the market	Lack of direct contacts between importers / distributors and exporting Tajik companies Highly fragmented import and distribution landscape	To participate in exhibitions, trade fairs and other industry-specific events in China, especially, in target regions/cities, to establish contacts and partnership
DISTRIBUTION/ WHOLESALE	Access	Importers and distributors mostly hold the regional focus and therefore may not be easily accessed Fragmented market	To consider entering more cities and regions via collaboration with local importers and distributors (initially, an external assistance in establishing contacts may be required, eg provided by a local consulting company)
	Business culture	Different from the Tajik business culture and mentality	To organize trainings and consultations on business culture issues to develop an understanding of doing business peculiarities with Chinese entrepreneurs
RETAIL	Online retailing	Fragmented online retailing with large number of players, therefore, the problem for Tajik exporters is whom to reach	To prioritise and start the market penetration via the online platforms having a large coverage and selling similar products in terms of product price and quality (so target audience is aware of these e-retailers)
	Modern chained retailers	Limited focus on working with chained retailers	To collaborate with the largest and well-known online retailing platforms such as Aliexpress.com and Alibaba.com To enter hypermarkets and supermarkets such Ole and City Super in first-tier cities, such as Shanghai and Beijing. Typically, these retail channels attract wealthier consumers, who could potential opt for higher-priced imported mixed dried fruits and nuts
END-CONSUMER	Consumer awareness	Low consumer awareness of Tajik mixed dried fruits and nuts	To organise product presentations for potential consumers in China, especially in modern retail chains To invest in the marketing efforts, particularly using TV and social media advertising (including Chinese social media platforms) To differentiate via eco-positioning (requires obtaining eco-certificates, eg EcoCert)
	Target consumers	Lack of knowledge on target consumer groups	To organise trainings devoted to the market research and analysis of potential consumers

Source: (Euromonitor, 2019)

8.6.4. Import requirements and costs from Tajikistan to China

In order to conduct trading activities with China, the export countries should obtain inspection and quarantine access first and be listed on the “List of products from countries and regions meeting relevant assessment requirements or having traditional trades with China” developed by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). According to the list Tajikistan has permission for importing dried apricots, apricot kernels and walnut in shells.

All foreign food producers and exporters are required to file their company information online with the Bureau of Import and Export Food Safety of AQSIQ.

In China, the safety of nuts is regulated by the national standard GB 19300-2014, while the safety of dried fruits - by GB16325-2005.

Detailed packaging list, together with a description of the packaging materials, is also required to be submitted by the exporting company. The documents are reviewed only after the shipment arrives in China. Every food product supplied into China must be labelled in simplified Chinese characters for the procedures of customs clearance. The universal rules of the labelling of packaged food, GB7718-2011, determine the basic labelling requirements on layout and content of packaged foods in China.

A label must include the following information: food product name, list of ingredients (with a percentage of the total content), name and contact details of producer, local agent or distributor, production and best before dates, instructions for storage, country of origin, quality grade, and code of national standard/industry standard for the production and special contents (if any).

All labels must be approved by the Chinese Inspection and Quarantine Service (CIQS).

Once the shipment arrives in China, the food products are examined by customs officials to confirm the presence of the relevant shipping documentation and compliance with labelling requirements. The CIQ sanitary certificate can be issued only if a complete set of documents has been submitted by the exporter. If the shipment is missing any documents, the company can either submit a CIQ declaration or provide the missing documents. To receive a CIQ declaration, a company must provide the following documents: business licence, import licence, quota certificate, safety compliance declaration, an introduction to the company, and product information in detail.

In order to go through customs clearance, a company is required to provide the following documents: shipper and manufacturer registration number at the CIQS, the business licence of the consignee in China, bill of lading/air way bill, invoice, sales contract, packing list, certificate of origin, health certificate, certificate of analysis, bottling date certificate, and original labels and their translation into Chinese language.

Imports requirements in Hong Kong and Macao have some additional specifics.

Procedure of mixed dried fruits and nuts export from Tajikistan to China by road consists of many steps and takes from 4 to 17 working days to obtain permissions and required documents. (Euromonitor, 2019)

All these steps, requirements, procedures and permissions are a cost factor which are added to the production costs of the honey. Additionally, transportation costs and import duties have to be paid.

The current tax rate for imported mixed dried fruits and nuts from Tajikistan is: import duty 18% and value added tax of 11%.

Figure 106: Mixed dried fruits and nuts - costs of production, certification and export

	USD per 1,000 kg	USD / kg
I. Production	668.7	0.67
II. Certification (II.1+II.2+II.3)	226.3	0.23
II.1 Phytosanitary certificate	9.0	0.01
II.2 Certificate of conformity	174.2	0.17
II.3 Certificate of origin	43.1	0.04
III. Export	1,947.1	1.95
III.1 Transportation	1,927.3	1.93
III.2 Customs clearance	19.8	0.02
TOTAL COSTS	2,842.1	2.84

Source: Ministry of Economic Development and Trade of the Republic of Tajikistan, 2019; Euromonitor International based on in-depth interviews, 2019

Source: (Euromonitor, 2019)

8.7. Honey

China is the world's largest consumer of honey, but also the world's largest producer. Stronger demand for natural foods during the COVID-19 pandemic has created a boom in the honey industry in 2020.

Because of the many fake honey products in China, quite a few Chinese prefer to buy imported honey, which is great news for non-Chinese honey producers.

China² imports natural honey under the HS0409 code ("Natural honey"), which refers to the honey produced by bees and other insects, with no sugar or any other substances added. The code does not cover artificial honey, as well as mix of natural honey and artificial honey.

Between 2013 - 2017, imports of natural honey to China were growing in volume at about 4% per year. A much faster growth of about 20% per year was recorded in value terms. This reflects the shift towards more premium honey products because of the Premiumisation trend. China is one of the top 10 largest importers of natural honey in the world in 2017 (value terms).

New Zealand and Australia produce and supply **premium manuka honey**, which is obtained from the juice of a tree growing only in these countries. Wealthy Chinese consumers, who take care of themselves and opt for quality products, are constantly looking for this variety of natural honey.

In 2017, New Zealand was the leading importer of natural honey, holding a 38.8% share with a volume of 2,203 tons, followed by Australia with a 9.4% share and a volume of 534 tons.

Premium manuka honey is expected to continue dominating imports of natural honey benefiting New Zealand's and Australian exporters. Russian natural honey is also likely to be in demand within the next five years. (Euromonitor, 2019)

Figure 107: China - main import countries for natural honey (value & volume)

Country	Measure	Units	2013	2017	% share 2013	% share 2017
New Zealand	Volume	Tonnes	1,576.0	2,203.0	32.4%	38.8%
Australia	Volume	Tonnes	368.0	534.0	7.6%	9.4%
Russia	Volume	Tonnes	22.0	370.0	0.5%	6.5%
Thailand	Volume	Tonnes	445.0	347.0	9.2%	6.1%
France	Volume	Tonnes	162.0	305.0	3.3%	5.4%
Other	Volume	Tonnes	2,447.0	2,228.0	50.4%	39.2%
World	Volume	Tonnes	4,858.0	5,682.0	100.0%	100.0%
New Zealand	Value	USD million	25.4	66.9	59.1%	73.2%
Australia	Value	USD million	3.9	7.4	9.0%	8.1%
Germany	Value	USD million	2.4	2.4	5.6%	2.6%
France	Value	USD million	1.4	1.9	3.2%	2.1%
Thailand	Value	USD million	1.6	1.8	3.8%	2.0%
Other	Value	USD million	8.2	11.0	19.2%	12.0%
World	Value	USD million	42.9	91.4	100.0%	100.0%

Source: International Trade centre. Trade Map database.

https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c156%7c%7c%7c0409%7c%7c%7c4%7c1%7c1%7c1%7c2%7c1%7c2%7c1%7c1%7c1

² Refers to China as a mainland

Figure 108: Export of natural honey from Central Asia to China

	Import Value to China (US \$)				Import Quantity to China (Kg)			
	2016	2017	2018	2019	2016	2017	2018	2019
Kyrgyzstan	542.000	715.000	817.000	707.000	106.000	120.000	173.000	223.000
Kazakhstan			12.000	184.000			2.000	34.000
World	72.807.000	91.235.000	70.129.000	84.901.000	6.034.000	5.669.000	3.824.000	4.962.000

Average price/kg:

Kyrgyzstan	5,11	5,96	4,72	3,17
Kazakhstan			6,00	5,41
World	12,07	16,09	18,34	17,11

Source: International Trade centre. Trade Map database.

https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c156%7c%7c%7c23%7c0409%7c%7c%7c4%7c1%7c1%7c1%7c2%7c1%7c2%7c2%7c1%7c1 and own calculations

The export quantities from Kyrgyzstan and Kazakhstan to China were growing in the last years. The export value was partially decreasing due to a lower price/kg. It looks like the exporters from Kyrgyzstan and Kazakhstan face high competition and are not competitive enough to keep the prices high. The cause for this could be not sufficient marketing and packaging.

The much higher average price/kg for all the world imports into China is mainly because of the high price of Manuka honey from New Zealand and Australia.

High growth opportunities for Tajik and Kirgiz companies lay in exports of packaged natural honey, which benefits from the increasing consumer interest in imported products. Typically, natural honey of foreign origin is perceived being of higher quality compared with locally produced counterparts.

Export potential: high

Product: natural honey

Business model: B2C (business-to-consumer): exports of packaged natural honey

Channels:

- modern chained retailers
- Convenience stores
- new retail format stores
- Online retailing

Promotions/ Activities:

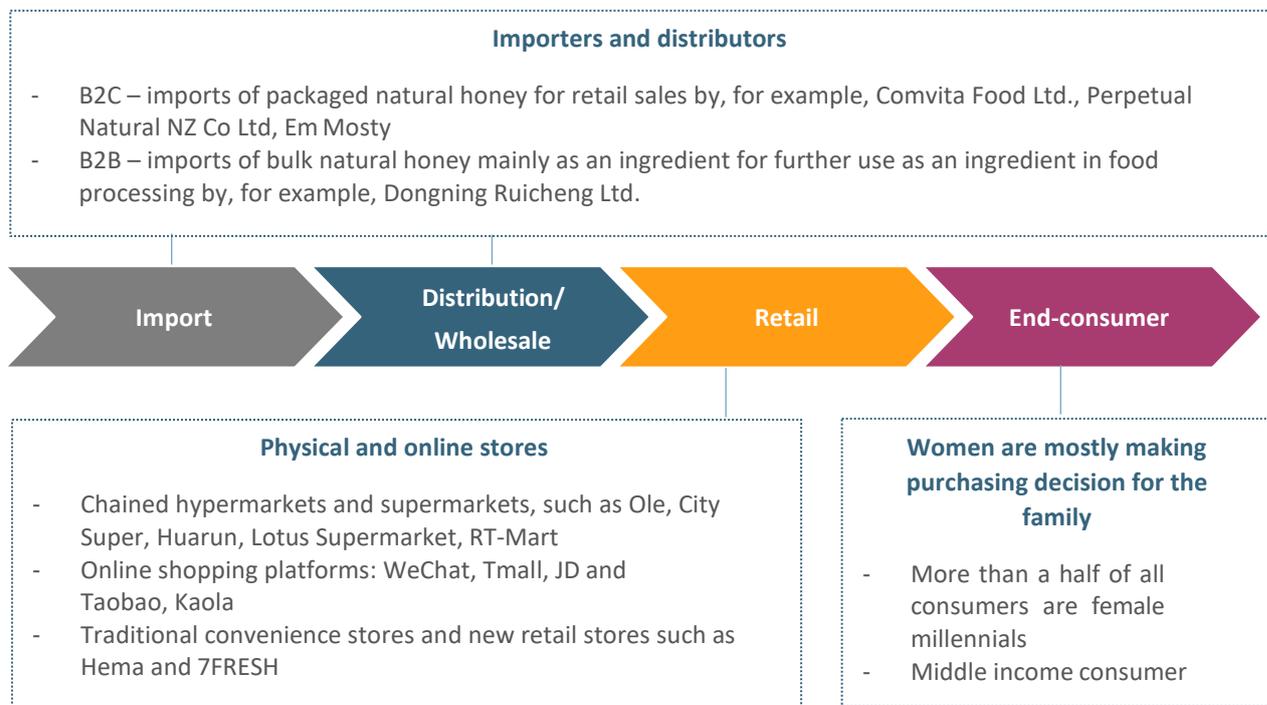
- Participation in specialist fairs and food exhibitions
- Promotions via social networks and blogs
- Consumer educational campaigns conducted online
- Establishment of subsidiary

Source: (Euromonitor, 2019)

8.7.1. The value chain of honey in China

The value chain of imported natural honey includes the following stages.

Figure 109: The value chain of imported natural honey in China



Source: (Euromonitor, 2019)

Import/Distribution/Wholesale

Natural honey is imported to China by local companies that are involved in importing, wholesaling and distribution activities.

Import to China via: (Euromonitor, 2019)

- **Chinese distribution company: Chao Pi Commercial & Trading Co., Ltd.:** The company is one of the largest distributors of food products in China and benefits from the partnerships with Beijing’s modern chained retailers (eg hypermarkets, supermarkets and convenience stores) and foodservice outlets.
- **Import trading companies: for example, First Russian Cross- Border (FRC) International Trading Limited:** The company is mainly engaged in food supply to China, operating via warehouses in Moscow, Shanghai and Hangzhou. FRC sells through its own and third-party electronic platforms, as well as through the various distribution channels such as modern chained retailers and horeca. In 2016, the company launched Dakaitaowa platform enabling to purchase Russian food products in China online. The online platform is integrated into Chinese electronic customs system, as well as into the logistics and payment systems.

- **Local importers and distributors for retail:** eg Dalian Xingye Hentai Imp. & Exp. Co., Ltd., Dongning Country Ruilong Economic & Trade Co., Ltd., Jingtangshan Gold Bee Trading Limited Company and others.
- **Importers for retail and B2B:** eg Dongning Ruicheng, Ltd., operates both in B2B and B2C segments, supplying honey not only for retail sales but also in bulk for further use in food processing.
- **Chinese subsidiaries of foreign producers:** for example, the leading manuka producer of New Zealand, Comvita Limited, has its own representative offices (Comvita Food China Ltd and Comvita China Limited) in China. They sell its products through a network of partnering modern chained retailers and online retailing.

Retail

According to the survey results conducted by the Beijing Precision Planning Market Research Department in 2015, around a half of Chinese consumers purchase natural honey in large supermarkets and hypermarkets, for example, Ole and City Super in first-tier cities, such as Shanghai and Beijing. Nearly one-third of consumer opt for purchase honey products at smaller-size grocery retailers, bee products stores and bee product counters. The proportion of consumers who generally buy natural honey products at bee keepers accounts to less than one-fifth. The rest consumers purchase natural honey at other retail channels with online retailing gaining pace. (Euromonitor, 2019)

Being the largest sales channel for natural honey, Chinese modern chained retailers anticipate strong consumer demand for imported natural honey and other beekeeping products within next five years. In order to diversify distribution of imported natural honey, the focus should be also placed on emerging online retailing. (Euromonitor, 2019)

End-consumer

In 2018, average annual consumption of honey in China stood at 0.09 kg per capita. The emerging health and wellness trend is expected to contribute to a further increase in natural honey consumption in China, as more consumers include natural honey in their everyday diets. Increasing application of natural honey in beauty and personal care (BPC), as well as healthcare is also expected to bring benefits for the developing natural honey's market. As a result, average annual consumption is expected to slightly increase to 0.095 kg per capita in 2023. (Euromonitor, 2019)

Natural honey is typically purchased as a healthy sweetener and is often used for the health treatment. This reflects the desire of Chinese consumers to take care of their health by consuming natural and nutritious food products.

Furthermore, natural honey is also perceived as a part of traditional medicine being famous for its healing features. (Euromonitor, 2019)

8.7.2. Consumer trends for honey

Chinese consumers continue seeking branded all-natural food products. They typically perceive natural honey as a natural and healthy alternative to regular sweeteners. As a result, Chinese importers and distributors started to increase their focus on the quality of imported natural honey and revise their

marketing strategies to meet the demand of consumers concerned about their health and seeking natural food products.

When making purchasing decisions, consumers mostly pay attention to the product safety, packaging, price and natural positioning.

The Chinese natural honey market is characterised by the growing presence of fake products, which leads to the increasing consumer concerns about quality and safety of both local and imported honey. As a consequence, it becomes crucial for imported natural honey to emphasize product safety when promoting it in the Chinese market. Usually, it is achieved via labelling the product with the HACCP and other certification claims, promotional brochures and other advertising tools.

Natural honey imported from Russia and other CIS countries is normally offered at a lower price due to the weaker brand reputation and lack of marketing activities raising consumer awareness.

Consumers often opt for smaller packaging solutions and typically prefer glass jar over other packaging types perceiving it as a proxy of premium quality and sustainability.

Besides the growing demand for unique product varieties or wild herbs honey, Chinese consumers also demonstrate a significant attention to the product positioning and increasingly seek organic honey.

8.7.3. Bottlenecks and key learnings

This information was prepared by Euromonitor (Euromonitor, 2019) for the Tajik market, but is mostly valid also for the other Central Asian countries.

Figure 110: China - imported natural honey Value chain - bottlenecks and key learnings

	Topic	Bottleneck	Key learnings
IMPORT	Access to the market	Competition from other countries already gained proof for their quality natural honey with added-value features	To conduct market research to understand competitive landscape and set pricing
	Legislation	Complex legislation and import regulation A threat of copying Tajik products and further distribution in the market	To conduct analysis of the legal environment in China To protect ownership rights for the produced natural honey by developing trademarks
DISTRIBUTION/ WHOLESALE	Volatile volumes	Irregular import volumes within distributors and wholesalers	To conclude long-term contracts with importers and distributors and indicate volumes for imports
	Collaboration with local distributors	Fragmented import and distribution of natural honey in China	To focus on collaboration with importers and distributors by organizing visits to their premises and arranging events and roundtables
	Business culture	Different from the Tajik business culture and mentality	To organize trainings and consultations on business culture issues to develop an understanding of doing business peculiarities with Chinese entrepreneurs

	Topic	Bottleneck	Key learnings
RETAIL	Online retailing	Boosting online shopping platforms are hard to choose	Position Tajik natural honey at a proper platform is important. To choose the exact retail model from all online shopping platforms is the key to success.
		Lack of the presence of Tajik products within the largest online retailers	To collaborate with the largest and well-known online retailing platforms such as Aliexpress.com and Alibaba.com
	Chained retailers	Lack of focus on working with chained retailers	To focus on hypermarkets and supermarkets such as Ole and City Super in first-tier cities, such as Shanghai and Beijing. Typically, these retail channels attract wealthier consumers, who could potential opt for higher-priced imported natural honey
END-CONSUMER	Safety and quality	Consumer concerns around safety and quality of the products due to the increasing presence of fake honey products	To emphasize the naturalness and quality when labelling the product and promoting to Chinese consumers, for example, by putting 'Non-GMO' claims To meet safety requirements for natural honey embedded in the national standard GB 14963 To implement HACCP food safety management system within natural honey supply chain in Tajikistan
	Awareness of Tajik products	Limited awareness and knowledge of Tajik natural honey among Chinese consumers	Organising of product presentations for potential consumers in China, especially in retail chains To intensify the marketing efforts, particularly using TV and social media advertising
	Target consumers	Lack of knowledge on target consumer groups	To differentiate via eco-positioning (requires obtaining eco-certificates, eg EcoCert) To organise trainings devoted to the market research and analysis of potential consumers
	Positioning	Lack of clearance in product positioning ie as an ingredient in food products, as a medicine and other applications	To co-operate with scientists to emphasise and promote natural honey's benefits to human health what gains importance in the Chinese market
	Brand awareness and claims	Lack of brand awareness for natural honey and focus on claims	To develop branded product with the emphasis on its unique characteristics and the needs of the target consumer group. For example, "ecological natural honey collected in mountains", "for health being", or by emphasizing content of added-value features eg "methylglyoxal 400+"

Source: (Euromonitor, 2019)

8.7.4. Import requirements and costs from Tajikistan to China

The natural honey must be only imported from countries or regions that are allowed by China. Only exporters which are on the list set by the Import and Export Food Safety Bureau can be included on the final list. All countries exporting natural honey must have implemented food safety management systems assessed by China. Imported natural honey must also go through the risk analysis. (Euromonitor, 2019)

In China, the safety of natural honey is regulated by the national standard GB 14963. Before actual shipment of products, exporters must provide the documentation regarding product quality, quarantine, origin and import control. Furthermore, a detailed packaging list, together with a description of the packaging materials, are also required to be submitted by the exporting company. The documents are reviewed only after the shipment arrives in China. A complete and authentic set of documents allows the avoidance of delays and additional storage costs. (Euromonitor, 2019)

Every food product supplied into China must be labelled in simplified Chinese characters for the procedures of customs clearance. The universal rules of the labelling of packaged food, GB7718-2011, determine the basic labelling requirements on layout and content of packaged foods in China. A label must include the following information: food product name, list of ingredients (with a percentage of the total content), name and contact details of producer, local agent or distributor, production and best before dates, instructions for storage, country of origin, quality grade, and code of national standard/industry standard for the production and special contents (if any). All labels must be approved by the Chinese Inspection and Quarantine Service (CIQS). (Euromonitor, 2019)

Once the shipment arrives in China, the food products are examined by customs officials to confirm the presence of the relevant shipping documentation and compliance with labelling requirements. The CIQS sanitary certificate can be issued only if a complete set of documents has been submitted by the exporter. If the shipment is missing any documents, the company can either submit a CIQ declaration or provide the missing documents. To receive a CIQS declaration, a company must provide the following documents: business licence, import licence, quota certificate, safety compliance declaration, an introduction to the company, and product information in detail. (Euromonitor, 2019)

In order to go through customs clearance, a company is required to provide the following documents: shipper and manufacturer registration number at the CIQS, the business licence of the consignee in China, bill of landing/air way bill, invoice, sales contract, packing list, certificate of origin, health certificate, certificate of analysis, bottling date certificate, and original labels and their translation into Chinese language. (Euromonitor, 2019)

Imports requirements in Hong Kong and Macao have some additional specifics that should be taken into consideration by potential importers. (Euromonitor, 2019)

The procedure of natural honey export from Tajikistan to China by road consists of many steps and takes from three to 15 working days to obtain permissions and required documents.

All these steps, requirements, procedures and permissions are a cost factor which are added to the production costs of the honey. Additionally, transportation costs and import duties have to be paid.

The current tax rate for imported bottled natural honey is: import duty 15% and value added tax of 11%.

Figure 111: Natural honey - cost of production, certification and export

Cost Type	USD per 1,000 kg	USD / kg
I. Production	4,287.5	4.29
II. Certification (II.1+II.2+II.3)	236.4	0.24
II.1 Permission to export veterinary products and inspection	21.7	0.02
II.2 Certificate of conformity	171.5	0.17
II.3 Certificate of origin	43.1	0.04
III. Export	2,414.9	2.41
III.1 Transportation	2,395.1	2.40
III.2 Customs clearance	19.8	0.02
TOTAL COSTS	6,938.7	6.94

Source: Ministry of Economic Development and Trade of the Republic of Tajikistan, 2019; Euromonitor International based on in-depth interviews, 2019

Source: (Euromonitor, 2019)

8.8. Meat: fresh lamb & bovine meat

China's demand for high-quality beef is growing rapidly, driven by a growing middle class. (ABARES, 2021)

Figure 112: Main meat importers (in 000. US\$)

02 Meat and edible meat offal	Imported value in .000 US\$				
Importers	2015	2016	2017	2018	2019
World	110.221.746	109.878.142	117.979.372	124.399.473	131.630.754
China	6.798.207	10.259.495	9.485.369	11.018.798	18.835.596
Japan	8.596.179	9.133.433	10.086.320	10.407.491	10.843.065
United States of America	9.361.387	7.908.001	8.203.506	8.427.161	8.764.365
Germany	6.683.492	6.977.102	7.666.016	7.996.203	7.651.287

Source: (ITC, 2021) and own calculations

China is by far the biggest importer of meat in the world. China imported in 2019 about 70% more meat than in 2018.

China is Australia's second-most important sheep meat export destination, despite China imposing tariffs ranging from 12% to 23%, with Australian exports to China worth \$471 million (108.497 tons) in 2017. (ABARES, 2021)

Central Asia could not participate in this growth. The import of bovine or sheep meat (fresh, chilled or frozen) from Central Asia to China is not really existing.

Kazakhstan was the only Central Asian country exporting bovine or sheep meat – both frozen only - to China.

Figure 113: Meat exports from Central Asia to China

HS	Product group (HS)	China's imports from Central Asian Rep.			China's imports from Central Asian Rep.		
		Value in .000 US\$			Quantity in tons		
		2017	2018	2019	2017	2018	2019
0201	Meat of bovine animals, fresh or chilled	0	0	0	0	0	0
0202	Meat of bovine animals, frozen	0	0	11.452	0	0	3.211
0204	Meat of sheep or goats, fresh, chilled or frozen	0	47	176	0	16	37
020430	Frozen lamb carcasses and half-carcasses	0	47	176	0	16	37

Source: (ITC, 2021)

Figure 114: Meat exports from Central Asia to China and comparison with world imports

HS	Product group (HS)	China's imports from Central Asian Rep.			Central Asian Rep.'s exports to world			China's imports from world		
		Value in .000 US\$			Value in .000 US\$			Value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
0201	Meat of bovine animals, fresh or chilled	0	0	0	2.713	11.729	7.671	73.508	136.561	296.567
	China share (%) of total CA exports	0%	0%	0%						
	China import share (%) from Central Asia of total imports from world	0%	0%	0%						
0202	Meat of bovine animals, frozen	0	0	11.452	675	3.633	14.626	2.991.540	4.663.063	7.931.483
	Export share (%) to China of total Central Asian exports	0%	0%	78%						
	China's import share (%) from Central Asia of its total imports from world	0%	0%	0%						
0204	Meat of sheep or goats, fresh, chilled or frozen	0	47	176	5.023	18.885	16.552	878.356	1.309.067	1.861.896
020430	Frozen lamb carcasses and half-carcasses	0	47	176				607	2.872	28.983
02	Meat total	0	47	11.628	22.824	49.293	62.822	9.485.370	11.018.799	18.835.595

Source: (ITC, 2021) and own calculations

China imports most of its meat (bovine and sheep) in frozen form.

Central Asian producers are well-positioned to develop trade in bovine and sheep meat.

Both variants are considered healthier meat options, providing vital minerals and vitamins to the human body. The nutritional value of beef and lamb is higher than that of the most widespread meat in China: pork.

Furthermore, lamb benefits from delicatessen status in some markets, and cultural religious ritual demand in others. While the healthy living trend does call for lower consumption of meat, consumers tend to cut back on pork, while choosing higher-quality beef and lamb.

Despite the stable but modest growth of local meat production in China, the domestic supply of beef and lamb cannot fully meet the demand. China is not a traditional livestock husbandry market, having a limited cattle and sheep farming industry, that faces relatively high production costs. This leads to limited supply of beef and lamb. This supply situation is likely to continue, at least for the mid-term future, as efficiency developments are slower than the increasing demand.

(Euromonitor International, 2017)

Halal meat of sheep should be the key focus of Central Asian exporters.

While the United Arab Emirates (UAE) are the obvious market for halal meat, Germany and China are also seeing growth in demand for halal meat, as more immigrants are looking to make halal meals. (Euromonitor International, 2017)

China is an important market for Halal bovine and sheep meat. Some northern parts of China demand it to conform to halal dietary requirements. There are in total 10 ethnic minorities with halal food requirements, and the total population of Muslims in China is over 20 million. Usually halal certification is required, which can be applied for at the China Islamic Association. (Euromonitor International, 2017)

Strict regulation of meat imports by the Chinese government

The Chinese government has released a series of laws and regulations to control the quality of imported meat products, in order to ensure that all imports of meat and meat products conform to national standards in terms of inspection, quarantine access and prevention of animal deceases, such as foot-and-mouth disease, avian influenza and many others

Meat can only be imported through ports designated for inspection and quarantine. Currently, there are total of 68 designated ports. The main ones include the ports of Tianjin, Shanghai and Shenzhen. Shanghai is a major port, as imported meat can be further transported to various coastal regions. Tianjin port can supply the entire domestic market.

There are no designated ports in Northwest China, which means there are no designated ports in Xinjiang province, which borders Central Asian countries. (Euromonitor International, 2017)

9. ASEAN with focus on Singapore

The **Association of Southeast Asian Nations** (ASEAN) is a regional intergovernmental organization comprising of 10 countries in Southwest Asia which promotes intergovernmental cooperation and facilitates economic, political, security, military, educational and sociocultural integration among its members and other countries in Asia. ASEAN maintains a global network of alliances and dialogue partners. (Wikipedia, 2021)

As of 1 July 2019, the population of the ASEAN was about 655 million people (8.5% of the world population). (Wikipedia, 2021)

Figure 115: ASEAN - Map of the member countries

Member countries are:

Brunei
Cambodia
Indonesia
Laos
Malaysia
Myanmar
Philippines
Singapore
Thailand
Vietnam



Source: <https://asean.org/asean/asean-member-states/>

More information about ASEAN can be found on <https://asean.org/>

Singapore

Singapore is a sovereign island city-state in Southeast Asia with the second highest greatest population density in the world. It has about 5,8 million inhabitants in 2020.

Singapore being a nation with very limited land and therefore with almost no natural resources, imports most of its food requirements, which is estimated to be about 90% of total food consumption. The virtual absence of agriculture, livestock farming and aquaculture and the need to meet the gastronomic demands of a population base of 5,8 million residents and over 7 million tourists per year, stimulates the imports from neighbouring countries. (Hawksford, 2021)

Singapore is considered the most developed food retail market in Southeast Asia. Wet markets account for a major share of the sales of items such as vegetables, seafood, rice, eggs, chicken and pork. As household incomes keep growing and mall culture is taking deeper roots the share of supermarkets and hypermarkets in sales of food products is growing across all categories. (Hawksford, 2021) Singapore is the tourist and transportation hub of South East Asia and has a very large food service

industry with many hotels, restaurants, airline caterers, ship handlers, hospitals, and clubs. This opens up another dimension of opportunity in trade of fine gourmet food products and supplies. Singapore provides a sourcing and distribution center for many food products sold in the region, either through re-exporting or processing for value-added products. As the overall economies of the region continue to grow, the role that Singapore plays in the food trade will increase. (Hawksford, 2021)

9.1. Food export to Singapore

Singapore allows free import of food supplies and products but as a country reputed for food safety and hygiene, it has strict regulatory regimes to ensure the safety of food and food supplies that are being imported into the country. The Agri-Food and Veterinary Authority of Singapore (AVA) and Food Control Department are the major governing bodies of Food trade. (Hawksford, 2021)

The **Singapore Food Agency (SFA)** is the organization of the government of Singapore for food safety and offers on its website <https://www.sfa.gov.sg/food-import-export> valuable information about the export of food products to Singapore.

All commercial food imports that enter Singapore must come from accredited food establishments in approved countries. In addition, only traders who are licensed or registered with SFA can bring in commercial shipments of food into Singapore. More information: <https://www.sfa.gov.sg/food-import-export/commercial-food-imports>

The **National Centre for Food Science (NCFS)** is the SFA office responsible for SFA's integrated food safety programme, especially for food inspection services and laboratory testing services. This center in Singapore (at Lim Chu Kang Agri-BioPark) is designed as a **one-stop service** for food safety. More information: <https://www.sfa.gov.sg/about-sfa/sfas-centres>

SFA offers a checklist with suggested steps. By clicking onto the steps more detailed information about the procedure can be retrieved.

Figure 116: Steps before importing food to Singapore



Source: <https://www.sfa.gov.sg/food-import-export/commercial-food-imports>

Food classification by SFA product code

All HS codes have a reference SFA product code. The SFA codes for fresh or chilled bovine meat starts with MBC0xx, xx depending on the part of the beef or veal.

The SFA code for dried apricots (HS 081310) is Z2P0ACOP200, for natural honey (HS 0409) it is ZHP0HYN0000. Both are considered as processed food.

Singapore Customs

Additional information can be retrieved from the Singapore Customs website

<https://www.customs.gov.sg/> and <https://www.customs.gov.sg/businesses/importing-goods/overview>

Figure 117: Singapore customs: Quick guide for importers

Quick Guide for Importers

This page provides a quick guide on the import procedures for those who wish to import goods into Singapore.

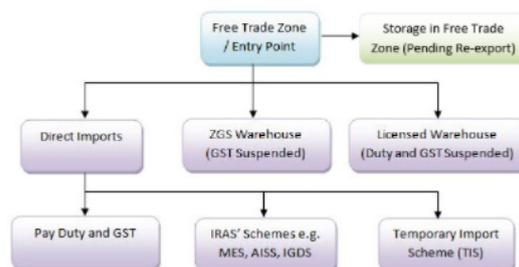
Imports

An import refers to goods brought into customs territory from an entry point or a free trade zone (FTZ), or overseas goods brought into a free trade zone for storage and pending re-export.

To import goods into Singapore, you are required to make a declaration to Singapore Customs. Goods and Services Tax (GST) is payable on non-dutiable goods. Both GST and duty are payable for dutiable goods if these goods are imported for local consumption.

How to Import Your Goods?

General Import Flow Chart



Source: <https://www.customs.gov.sg/businesses/importing-goods/overview>

More detailed information about the import of processed food can be found on <https://www.customs.gov.sg/businesses/national-single-window/tradenet/competent-authorities-requirements/sfa-processed-food>

Legal tips and a guide from Singapore Legal Advice about “How businesses can import food into Singapore” can be found under <https://singaporelegaladvice.com/law-articles/businesses-import-food-singapore/>

9.2. Fresh fruits

The import of fresh fruits and vegetables is regulated under the Control of Plants Act. It stipulates that the produce should not contain any prohibited pesticide, and the levels of pesticide residue or toxic chemical residue should not exceed the prescribed levels. The containers (eg cartons, baskets) of fresh fruits and vegetable must be labelled specifying

- the name and address of the producer of the products
- product description
- date of export/packing

Upon landing, the consignment may be subject to inspection by the AVA authorities, and the importer must obtain an import permit for every consignment. To this effect, it is significant to ensure documents such as bills of lading, air waybills and invoices are properly maintained by the parties involved. It is important to verify that the importing party that you are dealing with has a valid License for Import and Transshipment of Fresh Fruits and Vegetables issued by the AVA. (Hawksford, 2021)

Figure 118: Conditions to import fresh fruits and vegetables

Conditions to Import Fresh Fruits & Vegetables

You can import fresh fruits and vegetables from any country as long as the imports meet SFA's conditions. Fresh fruits and vegetables refer to **raw and unprocessed** fruits and vegetables.

Fruits and vegetables which have undergone some processing such as cutting, peeling, canning and freezing are regulated as processed food.

1. Ensure the produce is safe to eat

According to the **Control of Plants (Import & Transshipment of Fresh Fruits & Vegetables) Rules**, the fresh fruits and vegetables you import must not contain:

- any prohibited pesticide, or
- levels of pesticide residue or toxic chemical residue exceeding the prescribed levels specified in the Ninth Schedule of the **Food Regulations** or recommended in the **Joint FAO/WHO Codex Alimentarius Commission**.

2. Obtain a phytosanitary certificate

This condition only applies to consignments from countries or regions in the South American Tropics and Mexico.

Each consignment you import from **countries or regions in the South American tropics** and Mexico must be accompanied by a phytosanitary certificate certifying that the imported produce is **free from South American Leaf Blight (SALB) or is sourced from or grown in an area free from SALB**.

You can obtain this phytosanitary certificate from the competent authority of your exporting country or region.

3. Ensure labels are accurate and complete

You must ensure that the containers (e.g. cartons, baskets, etc.) of the produce are labelled with the following:

- name and address of the producer of the products;
- product description; and
- date of export/packing.

Source: <https://www.sfa.gov.sg/food-import-export/commercial-food-imports>

Although the fresh food import market of Singapore is attractive, Uzbekistan is the only Central Asian exporter of small amounts of fresh grapes, fresh melons and fresh apples to Singapore. Lemons are not exported to Singapore.

Figure 119: Fresh fruits imports of Singapore

Import of fresh grapes		Singapore's imports from Central Asian Republics			Singapore's imports from Central Asian Republics			Singapore's imports from world		
		Imported value in .000 US\$			Imported quantity in tons			Imported value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
08055010	Lemons, fresh or dried	0	0	0	0	0	0	0	5.980	12.333
'080610	Grapes, fresh	0	1	0	0	0	0	50.509	48.678	49.853
080711-19	Melons, fresh	0	3	1	0	2	1	30.598	28.048	31.124
080810	Apples, fresh	0	1	0	0	0	0	61.415	61.014	65.151

Source: (ITC, 2021)

9.3. Dried fruits & nuts

The import conditions for dried fruits and nuts can be found in the conditions for processed food.

Figure 120: Conditions to import processed food

Conditions to Import Processed Food & Food Appliances

You can import processed food and food appliances from any country or region as long as you meet SFA's conditions.

1. Import from regulated establishments

Regulated Source Programme

You have to ensure that the processed food products you intend to import are manufactured in an establishment which:

- is under proper supervision of the food authority of your exporting country or region, or
- has a quality assurance program acceptable to SFA.

You are required to maintain documentary proof that your imported products are produced under sanitary conditions in a regulated establishment. Note that you should submit this documentation to SFA if you import the following food products:

S/No.	Types of products
1	Packaged mineral and drinking water and ice
2	Coconut milk and grated coconut, and <i>nasi lemak</i>
3	Infant cereals and infant formulas (Please refer to the Calculation guide for Infant formula to conduct self checking on the compliance of the nutritional composition of infant formulas)
4	Land snails
5	Minimally processed fruits and vegetables

Importers of other food products not listed above should also maintain regulated source documentation and produce them when requested by SFA officers. The following are some examples of regulated source documents that SFA accepts as documentary proof:

- Certificate of HACCP (Hazard Analysis Critical Control Point)
- Certificate of GMP (Good Manufacturing Practices)
- Health Certificate (issued by competent food or veterinary authority of exporting country or region)
- Attestation of export (issued by competent food or veterinary authority of exporting country or region)
- Factory licence (issued by regulatory authority of the exporting country or region)

How to submit documentary proof

Source: <https://www.sfa.gov.sg/food-import-export/commercial-food-imports>

The regulations regarding processed food are relatively rigorous. Importers are required to source products from regulated establishments where, the food is produced under proper sanitary conditions. Therefore, it is essential that aspiring traders and manufacturers adhere to quality assurance procedures that are acceptable to the AVA (Agri–Food and Veterinary Authority of Singapore). To enforce this AVA demands the importers to submit certified-true-copy documents, from the food safety authority of the country of origin, certifying that the imported food product is produced or manufactured by a licensed or regulated premises. (Hawksford, 2021)

The processed food products which are being assessed for import into Singapore will be subjected to Sale of Food Act which stipulates regulations on:

- Packaging
- Sale by date/expiration date
- Labelling requirements
- the minimum or permitted levels of certain constituents of each food type

All imported processed food products are subjected to inspection. Certain food products have been identified through trend studies and classified as high-risk products. They require pre-market assessment such as laboratory testing reports and health certificates to ensure the safety of the products. (Hawksford, 2021)

In 2018, Uzbekistan exported as only Central Asian exporter dried grapes and dried apricots to Singapore.

Central Asian countries did not export walnuts and mixtures of nuts or dried fruits to Singapore between 2017 and 2019.

Figure 121: Dried fruits and nuts imports of Singapore

Import of dried fruits and nuts		Singapore's imports from Central Asian Republics			Singapore's imports from Central Asian Republics			Singapore's imports from world		
		Imported value in .000 US\$			Imported quantity in tons			Imported value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
080620	Grapes, dried	0	40	0	0	11	0	6.551	7.071	6.166
081310	Apricots, dried	0	1	0	0	0	0	1.017	846	766
081350	Mixtures of nuts or dried fruits	0	0	0	0	0	0	735	1.385	1.064
080231-32	Walnuts	0	0	0	0	0	0	6.591	6.206	6.044

Source: (ITC, 2021)

9.4. Honey

The import conditions are described in the conditions for processed food – see Figure 120.

Kazakhstan is the only Central Asian exporter of honey to Singapore. The export volume is still low, but growing.

Figure 122: Honey imports of Singapore

Honey imports		Singapore's imports from Central Asia						Singapore's imports from world		
		Imported value in .000 US\$			Imported quantity in tons			Imported value in .000 US\$		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
'0409	Natural honey	0	6	25	0	1	4	27.464	24.078	21.527

Source: (ITC, 2021)

9.5. Meat: fresh lamb & bovine meat

For the import of meat and meat products specific conditions apply.

Figure 123: Conditions to import meat and meat products

Conditions to Import Meat & Meat Products

1. Import from approved sources

You can only import meat and meat products from SFA-approved sources. Please see [Countries/Regions approved to export meat to Singapore \(PDF\)](#). You may also use [our database to search for approved overseas establishments](#).

As the lists of approved countries/regions and establishments are subject to change, please make sure you check them before importing meat and meat products into Singapore.

To find out more about the latest suspensions of food, refer to [SFA's Circulars](#).

2. Meet all veterinary conditions

Only meat and meat products that are able to meet SFA's veterinary conditions are allowed for import. Refer to the documents below for details:

- [Veterinary conditions for the importation of beef and beef products](#)
- [Veterinary conditions for the importation of pork and pork products](#)
- [Veterinary conditions for the importation of poultry and poultry product](#)

3. Obtain a health certificate

Each consignment you import must be accompanied by a health certificate issued by the **competent authority of the exporting country**. This is to certify that your imports comply with Singapore's animal health and food safety requirements.

4. Ensure food labels are accurate and complete

Every carton and basic packaging unit of your imported meat or meat product **must** be labelled with the following particulars:

- description of the meat product;
- the country of origin of the meat product;
- the brand name of the meat product, if any;
- the name and designation number of the processing establishment, if applicable;
- the date on which the meat product was processed;
- in the case of a **processed meat product**, the name and designation number of the slaughterhouse in which the animals used in the production of such meat product were slaughtered and the date of the slaughter;
- the name and designation number of the establishment in which, and the date on which, the meat product was packed;
- the batch number and, where the meat product is canned, the canning code; and
- the net weight of meat product as contained in each basic packaging and outer carton.

Source: <https://www.sfa.gov.sg/food-import-export/commercial-food-imports>

The import of meat products into Singapore is regulated under the Wholesome Meat and Fish Act. Meat products may only be imported from source countries and its establishments (slaughterhouses, meat processing establishments) that are approved by the AVA and it has to be noted that India does not feature in the list. (Hawksford, 2021)

Singapore imports quite a lot of meat and meat products mainly from Brazil and Australia.

Figure 124: Meat imports of Singapore

Meat imports of Singapore		Imported value in .000 US\$			Imported quantity in tons		
		2017	2018	2019	2017	2018	2019
'0207	Meat and edible offal of fowls of the species Gallus domesticus, ducks, geese, turkeys and ...	235.694	246.421	259.335	125.024	138.593	142.839
'0203	Meat of swine, fresh, chilled or frozen	279.086	265.259	240.697	105.694	87.886	75.387
'0202	Meat of bovine animals, frozen	118.070	112.176	115.340	26.945	25.711	27.257
'0201	Meat of bovine animals, fresh or chilled	91.467	100.491	95.640	6.404	6.799	6.642
'0204	Meat of sheep or goats, fresh, chilled or frozen	75.339	75.867	78.482	13.969	13.463	14.276
'0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, ...	36.386	42.239	31.910	20.272	20.040	17.376
'0210	Meat and edible offal, salted, in brine, dried or smoked; edible flours and meals of meat or ...	13.562	15.945	15.177	1.826	2.206	2.060
'0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, ...	1.145	1.905	3.912	1.185	0	0
'0208	Meat and edible offal of rabbits, hares, pigeons and other animals, fresh, chilled or frozen ...	2.184	1.955	1.753	171	161	163
'0205	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen	0	0	0	0	0	0

Source: (ITC, 2021)

Figure 125: Meat exporters to Singapore

Meat (HS 02): Top Exporters to Singapore	Imported value in .000 US\$		
	2017	2018	2019
World	852.935	862.257	842.247
Brazil	349.802	357.928	366.860
Australia	204.260	206.845	185.550
United States of America	67.527	68.255	78.240
Netherlands	48.247	53.760	42.607
Spain	34.007	25.725	33.847
New Zealand	34.802	29.073	24.902
Japan	14.543	17.113	19.588
Argentina	11.195	17.596	16.387
Germany	9.012	12.166	15.501

Source: (ITC, 2021)

Central Asian countries did not export meat to Singapore between 2017 and 2019.

10. Conclusion and Outlook

This paper is intended to show the specifics of the described export markets: those, which can be advantageous for Central Asian producers, those, which are challenging and those, which are promising and should be taken into consideration.

European Union: Central Asian countries can take advantage of trade instruments (e.g., GSP+), but there are very strict requirements related to food safety and quality. Compared to the other markets European consumers are more conservative but have high appreciation for organic food.

Russia: Central Asian products are well known for their taste and quality.

China: This market is open to new food products and innovations, including imported food as a gift when attractive packaging is used. Online trade portals are an important distribution channel for it.

This synopsis aims not only to provide MSMEs and BIOs with existing data on potential export markets, but also to give them guidance and enable them to analyse this information and apply it in their own business and to make successful business decisions.

We believe that by using this synopsis and guidance, MSMEs in Central Asia can develop their market entry and export strategies.

To foster these efforts, HWI and the CANDY V project will offer in 2021 one general Training for Development of Export Strategies. Key part of this workshop will be the immediate transfer of market strategies and their trial in the Business Simulation “Global Strategy” in competition with the other teams. The business simulation will reproduce product-market strategies in a simplified form. This learning method offers an opportunity to analyse different market scenarios and various outcomes of the chosen product-market strategy in a competitive environment.

To ensure long term development support for Central Asian MSMEs, HWI can offer also beyond the CANDY V project customized trainings and consultation on development of market and export strategies, which can help them become more competitive and successful.

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Annex

Certificate of Origin

1. Goods consigned from (Exporter's business name, address, country)		Reference No			
2. Goods consigned to (Consignee's name, address, country)		GENERALISED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A Issued in _____ (country) See Notes overleaf			
3. Means of transport and route (as far as known)		4. For official use			
5. Item number	6. Marks and number of packages	7. Number and kind of packages, description of goods	8. Origin criterion (see Notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. _____ Place and date, signature and stamp of certifying authority		12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in _____ (country) and that they comply with the origin requirements specified for those goods in the Generalised System of Preferences for goods exported to _____ (importing country) _____ Place and date, signature of authorized signatory			

NOTES (2004)

I. Countries which accept Form A for the purposes of the generalized system of preferences (GSP):

Australia*	Republic of Belarus	European Union:	Italy	Austria
Canada	Republic of	Belgium	Cyprus	Poland
Japan	Bulgaria	Czech Republic	Latvia	Portugal
New Zealand**	Russian Federation	Denmark	Lithuania	Slovenia
Norway		Germany	Luxembourg	Slovakia
Switzerland		Estonia	Hungary	Finland
United States of		Greece	Malta	Sweden
America***		Spain	Netherlands	United Kingdom
		France		
		Ireland		

II. General conditions

To qualify for preferences, products must:

- fall within a description of products eligible for preferences in the country of destination. The description entered on the form must be sufficiently detailed to enable the products to be identified by the customs officer examining them;
- comply with the rules of origin of the country of destination. Each article in a consignment must qualify separately in its own right; and
- comply with the consignment conditions specified by the country of destination. In general, products must be consigned direct from the country of exportation to the country of destination but most preference-giving countries accept passage through intermediate countries subject to certain conditions. (For Australia, direct consignment is not necessary.)

III. Entries to be made in Box 8

Preference products must either be wholly obtained in accordance with the rules of country of destination or sufficiently worked or processed to fulfil the requirements of that country's origin rules.

- Products wholly obtained: for export to all countries listed in Section I, enter the letter "P" in box 8 (for Australia and New Zealand Box 8 may be left blank)
- Products sufficiently worked or processed: for export to the countries specified below, the entry in Box 8 should be as follows:
 - United States of America: for single country shipments, enter the letter "Y" in Box 8, for shipments from recognized associations of countries, enter the letter "Z", followed by the sum of the cost or value of the domestic materials and the direct cost of processing expressed as a percentage of the ex-factory price of the exported products; (example "Y" 35% or "Z" 35%).
 - Canada: for products which meet origin criteria from working or processing in more than one eligible least developed country, enter letter "G" in Box 8; otherwise "F"
 - Japan, Norway, Switzerland and the European Union: enter the letter "W" in Box 8 followed by the Harmonized Commodity Description and Coding System (Harmonized System) heading at the 4 digit level of the exported product (example "W" 96.18).
 - Bulgaria and the Russian Federation: for products which include value added in the exporting preference-receiving country, enter the letter "Y" in Box 8 followed by the value of imported materials and components expressed as a percentage of the f.o.b. price of the exported products (example "Y" 45%); for products obtained in a preference-receiving country and worked or processed in one or more other such countries, enter "Pk".
 - Australia and New Zealand: completion of Box 8 is not required. It is sufficient that a declaration be properly made in Box 12.

* For Australia, the main requirement is the exporter's declaration on the normal commercial invoice. Form A, accompanied by the normal commercial invoice, is an acceptable alternative, but official certification is not required.

** Official certification is not required.

*** The United States does not require GSP Form A. A declaration setting forth all pertinent detailed information concerning the production or manufacture of the merchandise is considered sufficient only if requested by the district collector of Customs.