

УДК 339.543

CURRENT TRENDS IN RUSSIAN EXPORTS AND ITS FOCUS ON NON-COMMODITY GOODS

E. Koptseva¹, E. Salimonenko¹

¹South Ural state University

Corresponding authors: ekaterina.koptseva.98@mail.ru

Article info:

Received 03.12.2020, accepted 18.12.2020

Article in English

For citation: *E. Koptseva, E. Salimonenko.* Current trends in Russian exports and its focus on non-commodity goods. *Ekonomika. Pravo. Innovacii.* 2020. No. 4. pp. 25–33.

Abstract: Currently the Russian Federation faces the task of increasing the volume of non-resource exports. Authors have analyzed the dynamics, commodity structure and structure of Russia's exports depending on the raw materials. Export development should be as extensive and differentiated as possible according to industry, country, structure and volume of supplies. However, with low rates of export of complex products of high-tech industries, which is confirmed by the analysis of statistical data, it is impossible to fully integrate into the world economic space, effective development of the country and its territories, and therefore the implementation of strategic tasks to boost the growth rate of the country's economy. In order to export products that are more complex, foreign trade participants face not only the technological backwardness of the industry and the lack of competitiveness of Russian goods, but also tariff and non-tariff barriers that restrict these exports. Administrative-legal and information-technical barriers are noted in the structure of non-tariff barriers. The barriers that a foreign trade participant faces when exporting products negatively affect the image of the customs authority, which reduces the number of firms that are interested in foreign trade. To solve these problems, customs authorities can create favorable conditions for increasing non-commodity exports, namely reducing control measures against foreign trade participants, creating a single window by creating a single center and increasing the transparency of the work of regulatory authorities

Keywords: export, commodity structure of exports, non-commodity exports, tariff and non-tariff barriers

СОВРЕМЕННЫЕ ТЕНДЕНЦИИ ЭКСПОРТА РОССИИ И ЕГО ОРИЕНТИРОВАНИЕ НА НЕСЫРЬЕВЫЕ ТОВАРЫ

Е.А. Копцева¹, Е.Н. Салимоненко¹

¹Южно-Уральский государственный университет

Адрес для переписки: ekaterina.koptseva.98@mail.ru

Информация о статье:

Поступила в редакцию 03.12.2020, принята к печати 18.12.2020

Язык статьи – английский

Ссылка для цитирования: *E. Koptseva, E. Salimonenko.* Current trends in Russian exports and its focus on non-commodity goods // *Экономика. Право. Инновации.* 2020. № 4. С. 25–33.

Аннотация: В настоящее время перед Российской Федерацией стоит задача наращивания объемов несырьевого экспорта. Авторами проанализирована динамика, товарная структура и структура экспорта России в зависимости от сырьевой принадлежности. Развитие экспорта должно происходить максимально разветвленно и дифференцированно по отраслям, странам, структуре и объему поставок. Анализом статистических данных подтверждено, что при низких показателях осуществления экспорта сложной продукции высокотехнологичных отраслей промышленности невозможна полноценная интеграция в мировое экономическое пространство, эффективное развитие страны и ее территорий, а значит, и выполнение стратегических задач по форсированию темпов роста экономики страны. Для того чтобы экспортировать сложную продукцию, участники внешнеэкономической деятельности (ВЭД) сталкиваются не только с технологической отсталостью промышленности и неконкурентоспособностью российских товаров, но и с тарифными и нетарифными барьерами, сдерживающими этот экспорт. В структуре нетарифных барьеров авторами были выделены административно-правовые и информационно-технические. Безусловно, барьеры, с которыми сталкивается участник ВЭД при экспорте продукции, отрицательно влияют на образ таможенного органа, что снижает

количество фирм, заинтересованных во внешней торговле. Для решения этих задач таможенные органы должны создать благоприятные условия для увеличения несырьевого экспорта, а именно, снизить количество контрольных мероприятий в отношении участников ВЭД, создать единое окно путем образования единого центра и повысить прозрачность работы контролирующих органов.

Ключевые слова: экспорт, товарная структура экспорта, несырьевой экспорт, тарифные и нетарифные барьеры

Introduction. The development of exports both on a national and regional scale is the center of the formation of a sustainable economy. At the same time, it is necessary to understand that the development of exports should be as extensive and differentiated as possible by industry, country, structure and volume of supplies. This will reduce the risks arising in the field of export activities to a level of acceptable predictability and control. In the absence of the development of exports of complex products of high-tech industries, its full integration into the world economic space, effective development of the country and its territories, and therefore the implementation of strategic tasks to boost the growth rate of the country's economy, is impossible. Currently the Russian Federation faces the task of increasing the volume of non-resource exports. The customs service should promote the development of international trade, the growth of trade turnover and non-commodity exports of our country, because the barriers that a foreign trade participant faces when exporting products negatively affect the image of the customs authority, which reduces the number of firms interested in foreign trade.

Literature review. Over the past decade, many domestic and foreign scientists have devoted their work to analyzing the dynamics of non-resource exports and finding ways to increase it.

Among the works of foreign scientists, one can note the works of Bruno Lanfranco [1], which studied South American export trends. Trends, opportunities, and priorities for food exports were described in V. V. Rau [2]. Export analysis of major commodities in Malaysia was carried out by N a Ismail, B a Talib, a Mokhtar [3], and analysis of export growth of major export goods in Gwangju – Nam-Jun HeoSoo-Won MoKwang-Bae Lee [4].

Yakushev N. O. devoted his work to studying the specifics of Russian non-oil exports [5]. Morozenkova O. V. [6], Kuts O. O., Kuts E. O. [7], Amiraslano-VA E. A., Barkova N. Yu.,

Shpunt T. O. [8] and others considered the problems of Russian non-commodity exports and barriers to their development in their works. The influence of state support and the analysis of applied tools on the development of non-commodity exports in the Russian Federation was described by Simonova L. M., Dorokhova A. O. [9] and others.

Various ways to stimulate non-commodity exports based on international experience were evaluated by Kuznetsova G. V., Tsedilin L. I. [10]. Ways to improve customs regulation of non-commodity exports were developed by Dedkova E. G., badasyan A. A. [11] and others.

Researchers Spartak A. N., Knobel A. Yu., Flegontova T. A., Ismagilova O. D., Koval A. A., Le-Vashenko A.D., Pyzhikov N. S., Sneg M. L., Khokhlov A.V., Yakubovsky I. V. believed that it was necessary to continue creating and modernizing export production, introduce advanced technologies, attract and grow qualified personnel for these tasks. The importance of the initial orientation of import-substituting production to setting and achieving goals in the export sphere was also noted [12].

The President of the Russian Federation Vladimir Putin notes the need to increase non-oil exports. In his message to the Federal Assembly he stated the following: «Another source of growth is the development of non-resource exports. We need to remove all administrative barriers and create a most-favored-nation regime for companies that operate and enter foreign markets. Within six years, we should almost double the volume of non-resource exports to 250 billion dollars».

Research methodology. The customs service should promote the development of international trade, the growth of trade turnover and non-commodity exports of our country. We decided to track how the dynamics of exports, imports and foreign trade turnover of the Russian Federation changed from 2013 to 2018 and assess the trend of these changes, taking into account the crisis period entering the analyzed period of time. The data of the Federal

customs service of Russia served as the information base for this analysis [13].

In order to assess the volume of raw and non-raw materials exports, we analyzed the commodity structure of exports and the structure of Russian exports by category. The information base for the analysis was the REC data [14]. Based on the analysis of the commodity structure of Russia's non-primary exports, we noted a significant share of steel products in it.

We conducted a sample of the main regions of exporters of steel products by the commodity structure of exports and on the example of three. With proof of a high concentration of export on

the basis of the calculation of the Herfindahl-Hirschman index and a significant share of steel products in the export structure, the analysis of non-oil energy and non-energy exports added value in order to identify the main trends and barriers for growth of such exports, in particular tariff and non-tariff barriers faced by traders.

Analysis of dynamics of import, export and foreign trade turnover in Russia. Based on open data from the Federal customs service of Russia [4], we will analyze the dynamics of exports, imports and foreign trade turnover in Russia for the period 2013–2018, shown in Figure 1.

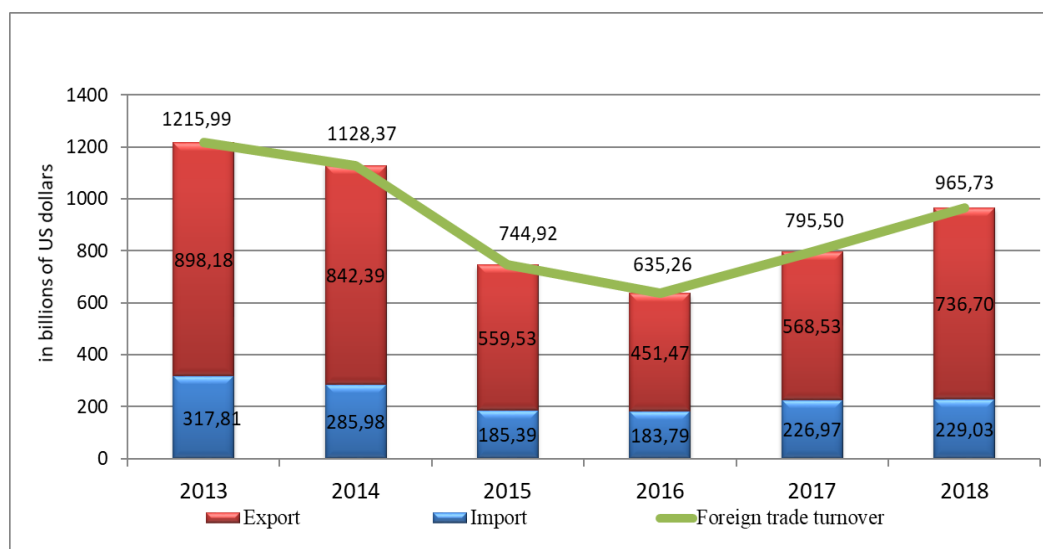


Figure 1. Dynamics of import, export and foreign trade turnover in Russia
Calculations based on data from the Federal customs service of Russia [13]

The decline in foreign trade turnover and exports began in 2014 due to Russia's foreign policy differences with the EU and the United States. After the crisis in 2014, Russian exports in 2018 increased by 27,9%, but still have not exceeded the maximum of 2013 – 898,18 billion dollars. For 2 years (2015–2016), the indicators of foreign trade turnover fell by 47,8%, and export indicators decreased by 49,7%. Russian exports significantly exceed imports. This predominance of exports creates a positive trade balance, which thus has a favorable effect on the state's economy. However, a high share of exports is achieved by a large volume of raw materials.

The task of increasing the share of non-oil exports is discussed at many forums and

conferences, but so far, there has not been a positive trend. To minimize dependence on commodity exports, a clear, coordinated work of all government departments, including customs, should be organized. One of the goals of the Strategy for the development of Russian customs until 2030 is to promote the development of international trade, the growth of trade and non-resource exports.

To understand whether the Russian Federation has export potential in the non-primary sector, it is necessary to analyze the export structure of our country and the export structure based on the classification of exports of raw materials, non-primary energy and non-energy, presented in Figure 2.

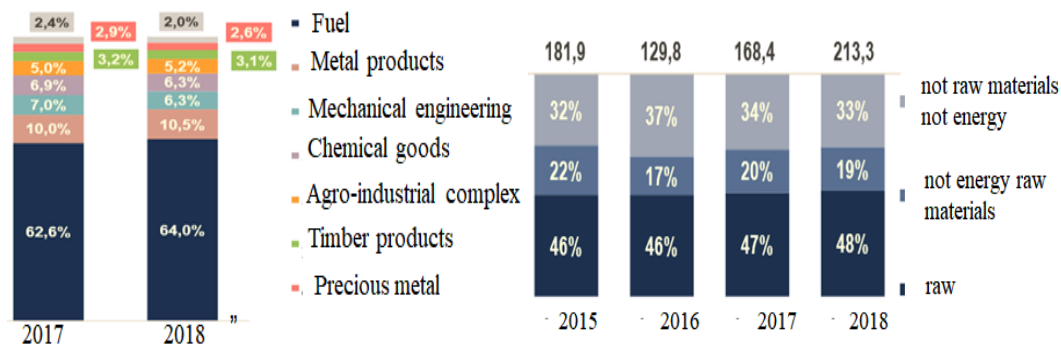


Figure 2. Commodity structure of exports and export structure by categories of Russia for 2017 and 2018

Calculations based on data from JSC «Russian Export Center» [14]

After analyzing the commodity structure of Russian exports for 2017 and 2018, it can be seen that export growth is observed in almost all commodity groups. But fuel, as a commodity, occupies the largest share in Russia's export structure. The second place among the popular exported goods is metal products, and the third is mechanical engineering. The highest positive dynamics were observed in the export of metal products (+34%), agricultural products (+30%) and fuel (+29%). The share of raw materials exports for the period 2015–2018 changes slightly, and the share of non-primary non-energy exports has been decreasing since 2016.

The share of raw materials exports for the period 2015–2018 changes upwards, therefore, the Russian economy cannot move away from the raw materials orientation of exports. The share of energy non-oil is decreasing, but insignificantly, but the share of non-oil non-energy exports has been decreasing at a faster pace since 2016.

Dependence on commodity exports in Russia is still at a high level. Despite the fact that many of the non-renewable natural resources that Russia is rich in are starting to be depleted all over the world, the world prices for

these resources are also decreasing. Such factors not only negatively affect the national economy at present, but also threaten the growth of Russia's economic potential in the future. Despite dependence on commodity exports, in Russia it is necessary to develop other types of industry that are capable of producing non-commodity non-energy goods.

Analysis of the export of the main non-primary non-energy product using the example of three subjects of Russia. Based on the above analysis of the commodity structure of Russian exports, we noted a significant share of metal products in it. Based on a sample of regions for the metallurgical profile according to the structure of exports according to the EAEU HS, and based on an analysis of concentration factors, we selected three regions as an example. Table 1 shows the export concentration coefficients of the Chelyabinsk, Lipetsk and Vologda regions based on the calculation of the Herfindahl-Hirschman index. We will try to assess the prospects for increasing exports of steel products as part of non-resource non-energy exports and assess the barriers that may be faced by enterprises that export it.

Table 1

Export concentration Coefficients of Russian regions – exporters of steel products

Calculations based on data from the Federal customs service of Russia [13]

Russian region	2013	2014	2015	2016	2017	2018
Chelyabinsk region	6472	7501	6983	6400	6781	6845
Lipetsk region	8496	8764	8936	8334	8204	7806
Vologda region	3976	3833	3765	3792	4253	3970

Having calculated the export concentration coefficients of the regions, it is clear that their values are high, and this indicates the concentration of exports on metallurgical products. High concentration indicators reflect the dependence of the region on a particular specialization, which in turn can lead to undesirable consequences for the region if the world prices for products of this product

change, or if technological changes that may affect the demand for this product in the foreign market.

The change in export volumes of the Chelyabinsk, Lipetsk and Vologda regions, shown in Figure 3, is similar to its changes in the overall Russian economy. Foreign policy conflicts in 2014–2016 contributed to a decrease in export volumes, including in the regions.

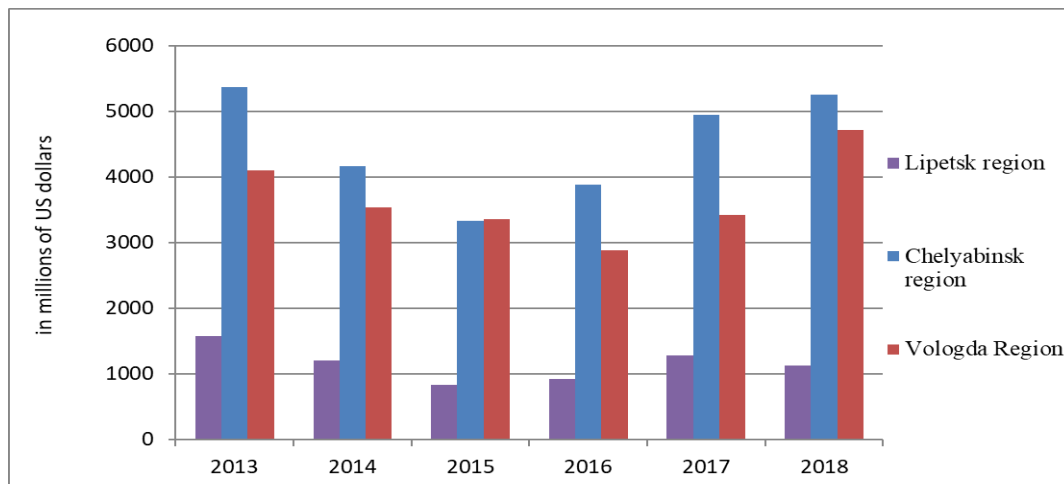


Figure 3. Dynamics of import, export and foreign trade turnover by regions
Calculations based on data from the Federal customs service of Russia [13]

Let's consider the export structure of the Chelyabinsk, Vologda and Lipetsk regions according to the Commodity nomenclature of foreign economic activity, shown in Figure 4. The largest share of exports in the Chelyabinsk and Lipetsk regions is occupied by unalloyed hot-rolled sheet metal (22,63% and 25,17%, respectively), in Vologda – semi-finished unalloyed steel (51,24%). Lipetsk region also sells chemical and woodworking products. Vologda region, in addition to metal products, exports food and agricultural products.

Structure of non-primary energy exports by category by region. Global demand is shifting towards more high-tech products, and after analyzing the structure of non-resource non-energy exports by regional divisions, we found that high export rates of goods included in the upper and middle divisions are achieved only in the Chelyabinsk region, as shown in Figure 5.

The production of lower-grade goods is most pronounced in the Lipetsk region (the

share of lower-grade goods in 2018 was 64,33% of exports). In the Vologda region, the share of exports of lower – grade goods in 2018 was 43,92%, and in the Chelyabinsk region – 14,95%. The share of exports of goods of upper processing in the Chelyabinsk region in 2018 was 9,34%, while in Lipetsk it was only 2,81%, and in Vologda – 2,02%.

The dynamics of exports of goods related to average processing showed that in the Chelyabinsk and Vologda regions, its share is growing every year, after a sharp fall in 2015. The share of exports of goods in the Lipetsk region has not changed over the years. The indicators are approximately in the same range.

The production of high-value goods is important for the region. Chelyabinsk region has high indicators, which indicates the successful technological development of the region's manufacturing sector. The presence of high-tech industry indicates the production of quality products, so it is important for the region and for the country as a whole.

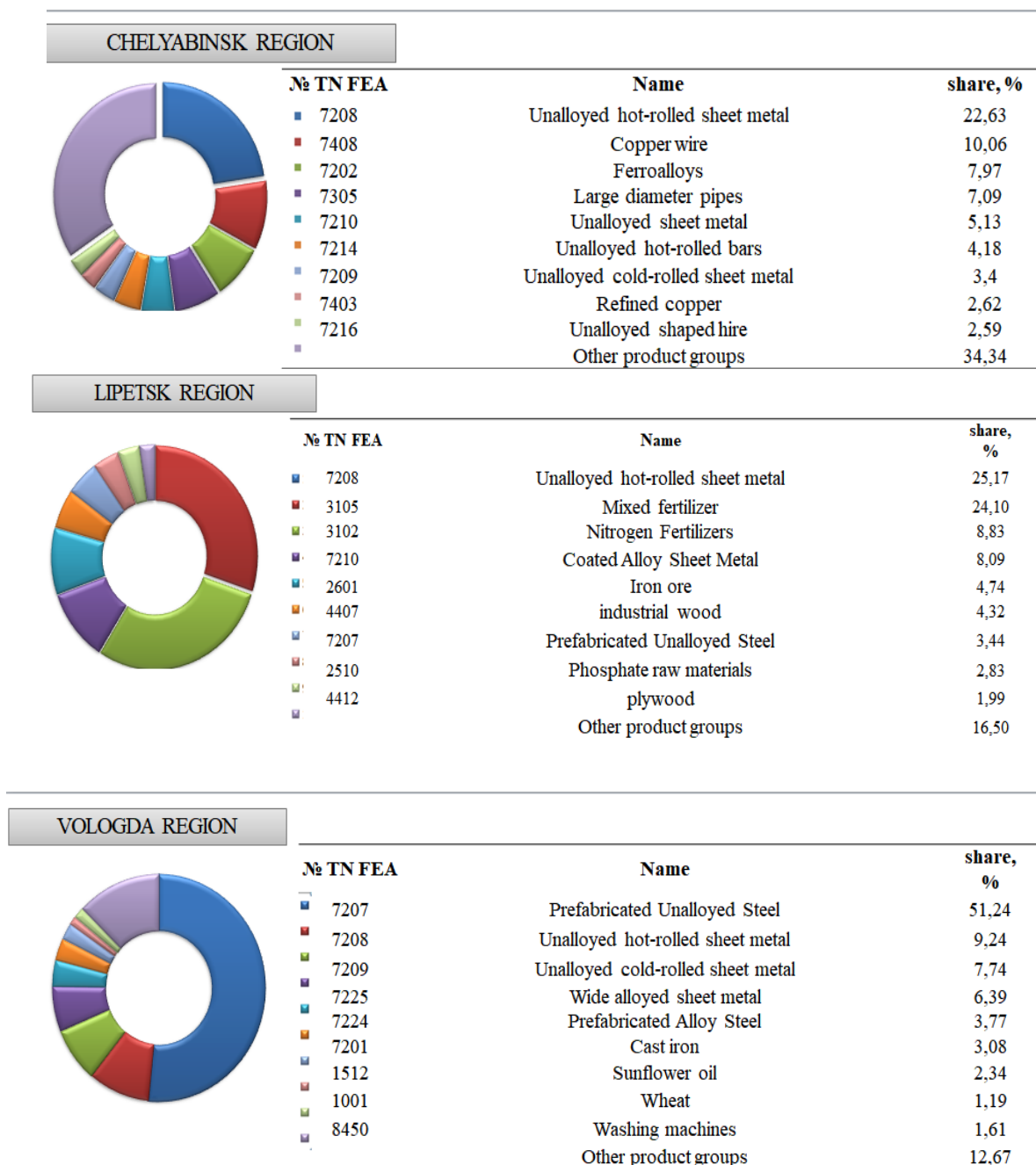


Figure 4. Export Structure of metal products exporting regions by Commodity nomenclature of foreign economic activity
 Calculations based on data from JSC «Russian Export Center»

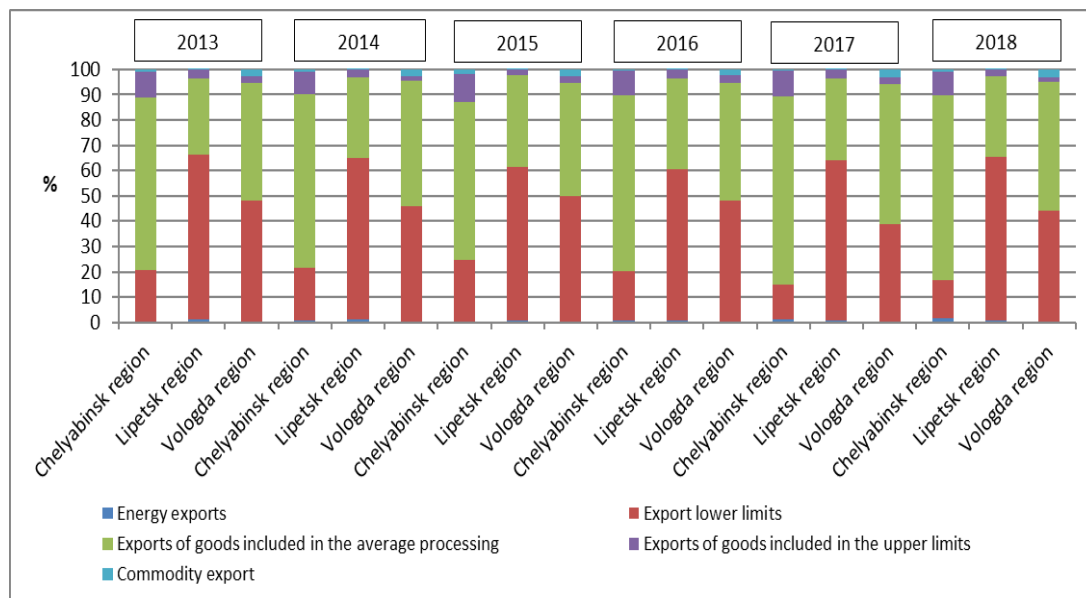


Figure 5. Structure of non-primary energy exports by category

At the same time, the export of high-value goods largely depends on the export of three key groups of goods: weapons, components for aviation (including military) and components for nuclear power plants.

At the moment military and nuclear technologies are steadily developing from the non-resource sector of the upper divisions. It should be noted that today the development of the regions of the Russian Federation is given increased attention.

Tariff and non-tariff barriers to exports.

Analysis of regional exports showed that the largest companies specializing in a particular market segment provide non-resource exports. However, to increase non-resource exports throughout Russia, we need to increase the number of exporters not only at the expense of large, but also medium and small businesses. An obstacle to increasing the variety of goods exported is not only the technological backwardness of Russian industry and the lack of competitiveness of Russian goods, but also the barriers that restrict these exports. For the company to enter the international market is a serious problem. Such problems can be divided into internal and external. External barriers are the tariff and non-tariff policies of the counterparty countries in relation to Russia. External tariff barriers are associated with high import duties on Russian products. Non-tariff barriers are expressed in technical and licensing restrictions on the import of goods from Russia.

Internal barriers can be divided into administrative-legal and information-technical barriers.

Administrative and legal barriers are:

- The complex structure of customs legislation, which does not lend itself to a single systematization. Many restrictions are set by individual Regulations and Decisions.

- Duplication of checks by customs and tax authorities, which increases the administrative burden on business.

Information and technical barriers are:

- Insufficient information exchange between the Federal customs service and the Federal tax service, which sometimes leads to duplication of on-site inspections.

- The absence of a single window that would simplify the passage of export customs procedures.

- Dependence of foreign economic activity on political factors that may lead to the possible introduction of bans and restrictions. This creates a "fear" of foreign trade participants to enter into long-term contracts with foreign partners.

Results. In the result of the analysis, we have identified the trend of export, import and foreign trade turnover of Russia, analyzed the structure of exports based on its classification for raw materials and desire, showing that a pronounced dependence on raw materials of our country have not reduced, and the structure of the non-commodity non-energy exports

dominated by products mostly low technological conversion, which is demonstrated by some of the leading regions of the Russian Federation – exporters of steel products. However, in order to export products that are more complex, foreign trade participants face tariff and non-tariff barriers. In order to achieve the set goals of increasing non-commodity exports, it is necessary to reduce control measures against foreign trade participants by strengthening interaction between the Federal customs service and the Federal tax service. Provided by the integration of the FCS and FTS databases, the development of common requirements for inspections and the development of common risk profiles; the creation of a single window through the formation of a single center where a foreign trade participant can receive consulting services of tax and customs legislation, obtain permits and certificates; increasing the transparency of the work of regulatory authorities, informing foreign trade participants about possible risks and losses, assistance in conducting foreign trade operations.

Discussion. As noted earlier, many domestic and foreign scientists have devoted their work to analyzing the dynamics of exports, non-commodity exports and finding ways to increase it. We studied the specifics of non-resource exports, barriers to their development, assessed the effectiveness of state support tools, and

ways to stimulate non-resource exports. But, as the study showed, there is a number of constraints on the development of non-primary exports, which may not be eliminated in the near future, because our country has an abundant raw material base and, as a result, a raw material economy.

Limitations of the research. This study did not analyze the experience of increasing non-commodity exports of foreign countries and its adaptation to our raw material economy, because there is a number of restrictions and specific features, including the geographical location of each country, certain legislative and regulatory acts that are restrictive for the activities of participants in foreign economic activity.

Conclusion. Barriers that a foreign trade participant faces when exporting products negatively affect the image of the customs authority, which reduces the number of firms interested in foreign trade. To solve these problems, customs authorities can create favorable conditions for increasing non-resource exports. Thus, it can be concluded that in order to achieve the goals of the Russian customs development strategy, which are expressed in the promotion of international trade, the growth of trade turnover and non-commodity exports, it is necessary to reduce the emerging internal and external export barriers.

Список литературы:

1. Bruno Lanfranco. South American export trends ahead // 9th TRT World Rice Conference proceedings. November. 2017. (in Eng)
2. V.V. Rau. Russian food exports: Trends, opportunities, and priorities // Studies on Russian Economic Development. 2017. № 28 (4). pp. 431–436. (in Eng)
3. N.A. Ismail, B.A. Talib, A. Mokhtar. Export analysis of major commodities in Malaysia // IOP Conference Series: Earth and Environmental Science. 2019. Volume 327. doi:10.1088/1755-1315/327/1/012002 (in Eng)
4. Nam-Jun Heo, Soo-Won Mo, Kwang-Bae Lee. Analysis of Export Growth of Gwangju's Main Export Products // The e-Business Studies. 2020. Vol. 21. pp. 153–165. (in Eng)
5. Якушев Н.О. Специфика российского несырьевого экспорта // Научно-методический электронный журнал «Концепт». 2018. № 6. С. 162–166 [Электронный ресурс]. – Режим доступа: <http://e-koncept.ru/2018/184029.htm>

References:

1. Bruno Lanfranco. South American export trends ahead. 9th TRT World Rice Conference proceedings. November. 2017.
2. V. V. Rau. Russian food exports: Trends, opportunities, and priorities. *Studies on Russian Economic Development*. 2017. No. 28 (4). pp. 431–436.
3. N.A. Ismail, B.A. Talib, A. Mokhtar. Export analysis of major commodities in Malaysia. *IOP Conference Series: Earth and Environmental Science*. 2019. Volume 327. doi:10.1088/1755-1315/327/1/012002
4. Nam-Jun Heo, Soo-Won Mo, Kwang-Bae Lee. Analysis of Export Growth of Gwangju's Main Export Products. *The e-Business Studies*. 2020. Vol. 21. pp. 153–165.
5. N. Yakushev. Specifics of Russian non-oil exports. *Nauchno-metodicheskij elektronnyj zhurnal «Koncept»*. 2018. No. 6. pp. 162–166. Available at: <http://e-koncept.ru/2018/184029.htm> (in Rus)

6. Морозенкова О.В. Потенциал несырьевого неэнергетического экспорта России // Российский внешнеэкономический вестник. 2018. № 12. С. 31–49.
7. Куц О.О. Внутренние ограничения и барьеры для развития несырьевого экспорта в Российской Федерации и пути их преодоления // Теория. Практика. Инновации. 2017. № 7 (19). С. 98–103.
8. Амирасланова Э.А. Барьеры внешнеэкономической деятельности для российского экспорта несырьевых товаров // Вестник университета. 2019. № 5. С. 67–72.
9. Симонова Л.М. Влияние государственной поддержки на развитие несырьевого экспорта в Российской Федерации // Вестник Тюменского государственного университета. Социально-экономические и правовые исследования. 2019. Т. 5. № 4. С. 169–187.
10. Кузнецова Г.В. Стимулирование несырьевого экспорта: международный опыт и российская практика // Мировая экономика и международные отношения. 2018. Т. 62. № 5. С. 72–79.
11. Дедкова Е.Г. Совершенствование таможенного регулирования несырьевого экспорта // Решение. 2018. Т. 1. С. 465–466.
12. Спартак А.Н. Перспективы наращивания российского несырьевого экспорта / А.Н. Спартак, А.Ю. Кнобель, Т.А. Флегонтова, О.Д. Исмаилова, А.А. Коваль, А.Д. Левашенко, Н.С. Пыжиков, М.Л. Снег, А.В. Хохлов, И.В. Якубовский // Центр стратегических разработок. – Москва. Апрель. 2018. – 129 с.
13. Федеральная таможенная служба // Официальный сайт [Электронный ресурс]. – Режим доступа: <http://www.customs.ru>
14. АО Российский экспортный центр // Официальный сайт [Электронный ресурс]. – Режим доступа: <https://www.exportcenter.ru/>
6. O. Morozenkova. The potential of non-oil non-energy exports of Russia. *Rossiiskij vneshne-ekonomicheskij vestnik*. 2018. No. 12. pp. 31–49. (in Rus)
7. O. Kuts. Internal restrictions and barriers for the development of non-oil exports in the Russian Federation and ways to overcome them. *Teoriya. Praktika. Innovacii*. 2017. No.7(19). pp. 98–103. (in Rus)
8. E. Amiraslanova. Barriers to foreign economic activity for Russian exports of non-raw materials. *Vestnik universiteta*. 2019. No. 5. pp. 67–72. (in Rus)
9. L. Simonova. Influence of state support on the development of non-commodity exports in the Russian Federation. *Vestnik Tyumenskogo gosudarstvennogo universiteta. Socialno-ekonomicheskie i pravovye issledovaniya*. 2019. Vol. 5. No. 4. pp. 169–187. (in Rus)
10. G. Kuznetsova. Stimulating non-commodity exports: international experience and Russian practice. *Mirovaya ekonomika i mezhdunarodnye otnosheniya*. 2018. Vol. 62. No. 5. pp. 72–79. (in Rus)
11. E. Dedkova. Improving customs regulation of non-commodity. *Resheniye*. 2018. Vol. 1. pp. 465–466. (in Rus)
12. A. Spartak. Prospects for increasing Russian non-commodity exports / A. Spartak, A. Knobel', T. Flegontova, O. Ismagilova, A. Koval', A. Levashenko, N. Py`zhikov, M. Sneg, A. Hohlov, I. Yakubovskij *Center for strategic developments. Moscow. April*. 129 p. (in Rus)
13. Federal customs service. *Official site*. Available at: <http://www.customs.ru> (in Rus)
14. JSC Russian expert center. *Official site*. Available at: <https://www.exportcenter.ru/> (in Rus)