

# GROWING BUSINESS THROUGH REGULATION

RUSSIAN SANCTIONS ON TURKISH AGRI-PRODUCE

## AN OPPORTUNITY FOR EGYPTIAN EXPORTS



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**N Gage Consulting**

Public Strategy and Government Relations Specialists

On November 24th, Turkish F-16 jets shot down a Russian fighter jet, leading to the death of a Russian pilot.

This incident resulted in a political feud between the two countries, which quickly escalated into economic and commercial sanctions. Most notably, Russia has threatened to ban imports of Turkish agricultural products, which amount to nearly **USD1.27 billion**. The Turkish Agriculture Minister said that the food ban would decrease Turkish agriculture exports to Russia by **USD764 million**, or **60%** of total Turkish agriculture exports to Russia.

This report provides an overview of Russian sanctions on Turkish agriculture products, and highlights potential export opportunities for Egyptian agri-business to Russia. The following table demonstrates the HS codes that were banned by Russian authorities for Turkish imports, in addition to the current value of Egyptian exports to Russia of those products. It sheds light on the considerable opportunities that have risen for Egyptian exports to Russia in light of the sanctions.

HS Code	Product	Russian imports from Turkey (in USD thousand)	Russian imports from Egypt (in USD thousand)	Egypt's exports to world (in USD thousands)
0207 14	Fowls (gallus domesticus), cuts & offal, frozen	6,295	0	49
0207 27	Turkey, cuts & offal, frozen	2,598	0	1
0603 12	Fresh cut carnations and buds, of a kind suitable for bouquets or for	2,796	0	223
0702 00	Tomatoes, fresh or chilled	429,247	2,916	70,936
0703 10	Onions and shallots, fresh or chilled	32,140	32,538	165,180
0704 10	Cauliflowers and headed broccoli, fresh or chilled	414	62	901
0707 00	Cucumbers and gherkins, fresh or chilled	71,020	36	1,434
0805 10	Oranges, fresh or dried	59,432	187,261	442,277
0805 20	Mandarins (tang&sats) clementines&wilkg&sim citrus hybrids,fresh/drid	207,650	3,716	11,590

0806 10	Grapes, fresh	175,922	11,256	245,080
0808 10	Apples, fresh	647	1,090	0
0808 30	Pears	4,673	571	0
0809 10	Apricots, fresh	17,336	212	827
0809 30	Peaches, including nectarines, fresh	28,560	1,887	16,297
0809 40	Plums and sloes, fresh	4,823	137	135
0810 10	Strawberries, fresh	19,959	2,717	75,484
2501 00	Salt (includg table salt&denaturd salt) pure sodium chloride&sea water	2,033	17	24,925
Total		1,065,545	244416	1,055,339

Russian Imports of sanctioned products from Turkey & Egypt (in USD thousands) source: trademap.org 2014

According to the table above, the Russian sanctions on Turkish products would cost Turkey **USD1.06 billion**, which also unlocks a considerable trade opportunity for Egyptian companies. The top agriculture products which will be demanded by Russia are tomatoes, citrus, oranges, onions, cucumbers, grapes, apples, apricots, peaches and strawberries.

For more information on how your business can capitalise on these opportunities, please contact us at [hassan.fayed@ngage-consulting.com](mailto:hassan.fayed@ngage-consulting.com).