

Article

The impact of sanctions on UK trade with Russia: November 2022

An analysis of the impact of economic sanctions on UK trade with Russia.

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1 . Main Points

- Following the Russian invasion of Ukraine in February 2022 and the subsequent economic sanctions on trade, UK trade with Russia has decreased substantially.
- Imports of goods from Russia have fallen to £18 million in November 2022, a decrease of 98.2% compared with the monthly average from the 12 months to February 2022, and exports of goods to Russia have decreased to £57 million, a fall of 77.4%.
- Imports of fuels from Russia fell rapidly at the start of 2022 and remain at historically low levels; fuel imports have fallen by 98.1%, with only £9.2 million imported in November 2022.
- Medicinal and pharmaceutical products, which are exempt from export bans, made up 50.9% of total exports to Russia in November 2022, up from 9.5% in the 12 months to February 2022.
- Trade in services has been affected by sanctions to a lesser extent, especially imports which have had fewer sanctions applied.
- Imports of services from Russia are estimated to have fallen to £177 million in Quarter 3 (July to Sept) 2022, a decrease of 17.5% compared with the quarterly average for the four quarters to March 2022, while exports of services to Russia decreased by 49.0% to £233 million.
- The economic sanctions applied by the UK Government are likely to have influenced the decreases in trade with Russia; however, the effect of self-sanctioning, whereby traders voluntarily seek alternatives to trading with Russian enterprises, is also a likely factor.

Because of the low value of trade with Russia in recent months, values are reported in £ million rather than £ billion. Users should be aware of this when comparing values from this article with other UK trade releases.

Office for National Statistics (ONS) country-level UK trade figures are produced on a country of dispatch basis. Trade figures can also be produced on a country of origin basis and users should be aware of the different accounting methods when comparing with other sources.

In response to the Russian invasion of Ukraine, [the UK Government announced a range of economic sanctions on Russia](#) from late February 2022, including sanctions on trade. These sanctions came into force in early March 2022 and are reflected in our [monthly UK trade data](#).

This article provides an update on the extent to which these economic sanctions have affected UK trade with Russia, following on from our previous article on [the impact of sanctions on UK trade with Russia](#), which was published in August 2022.

Trade in goods data used in this article are at country and commodity level and are available on a monthly basis up to November 2022. It should be noted that monthly data can be erratic and therefore monthly movements should be treated with caution. Trade in services estimates used in this article are at a country and service type level and are available on a quarterly basis up to Quarter 3 (July to Sept) 2022.

2 . Trade in goods with Russia

Trade in goods with Russia has fallen to historically low levels following the Russian invasion of Ukraine in February 2022 and the subsequent introduction of [economic sanctions on trade with Russia](#) from March 2022.

Goods imports

Imports of goods from Russia totalled £18 million in November 2022, a decrease of 98.2% compared with the average monthly imports in the 12 months to February 2022 (Figure 1).

Figure 1: Imports of goods from Russia have decreased substantially following the Russian invasion of Ukraine and the introduction of trade sanctions

Imports of goods from Russia, January 2021 to November 2022

Notes:

1. The UK Government has applied a [series of sanctions on imports of goods from Russia](#), with the first import sanctions implemented on 25 March 2022.

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Imports of all commodities from Russia had decreased substantially by November 2022, with the largest decreases by value seen in imports of fuels and unspecified goods (Figure 2).

The UK Government has applied a series of sanctions, first banning the imports of iron, steel, silver and wood products along with high-end goods in April 2022. Imports of gold were banned in July and bans on fuel imports were phased throughout 2022 and into early 2023. As well as implementing import bans, [the UK Government has applied additional duties to a range of goods](#).

Figure 2: Imports of all commodities from Russia have substantially decreased

Imports of goods from Russia by commodity type, value (£ million) and percentage change, November 2022 compared with the monthly average in the 12 months to February 2022

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Fuel imports from Russia have remained at historically low levels, with only £9.2 million of fuels imported from Russia in November 2022. This is a decrease of £478.2 million (98.1%) compared with the average from the 12 months to February 2022.

In March 2022, the UK Government announced that the UK would [phase out Russian oil imports by the end of the year](#) and businesses were encouraged to secure oil from alternative sources. This has resulted in a sharp and continued decrease of fuel imports since March 2022 (Figure 3). Bans on fuel imports have been phased, with [imports of coal banned in August](#), [oil from December](#) and [liquefied natural gas from January 2023](#). The decline in fuel imports started before many of the bans were implemented, likely influenced by traders seeking alternatives to Russian supply in preparation for the upcoming sanctions.

Since August 2022, the only fuel type being imported from Russia has been refined oil. Our article demonstrates that before the invasion of Ukraine, Russia was the UK's [largest supplier of refined oil in 2021](#). By November 2022, only £9.2 million of refined oil was imported; £255.3 million (96.5%) less than the average for the 12 months to February 2022.

Figure 3: Imports of fuels have fallen by 98.1% in November 2022 when compared with the monthly average in the 12 months to February 2022

Fuel imports from Russia, January 2021 to November 2022

Notes:

1. Office of National Statistics (ONS) country-level UK trade figures are produced on a country of dispatch basis. Trade figures can also be produced on a country of origin basis and users should be aware of the different accounting methods when comparing with other sources.

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Imports of unspecified goods totalled £0.5 million in November 2022, a decrease of £269.1 million (99.8%) compared with the average for the 12 months to February 2022. Unspecified goods include a range of commodities, of which the most significant are precious metals and non-monetary gold (NMG). Gold is often used as a safe store of wealth during periods of economic uncertainty, which caused monthly imports of unspecified goods to reach £1077.1 million in February 2022.

Imports of unspecified goods decreased by 99.9% in March 2022, after the London Bullion Market Association (LBMA) [suspended six important Russian refineries of gold and silver](#) from supplying to the London market. The UK Government [implemented a ban on imports of Russian gold in July 2022](#) and the value of imports of unspecified goods have remained at extremely low levels.

Goods exports

Exports of goods to Russia totalled £57 million in November 2022, a 77.4% decrease when compared with the average monthly exports in the 12 months to February 2022 (Figure 4).

Figure 4: Exports of goods to Russia have decreased following the Russian invasion of Ukraine and the introduction of trade sanctions

Exports of goods to Russia, January 2021 to November 2022

Notes:

1. The UK Government has applied a [series of sanctions on exports of goods from Russia](#), with the first export sanctions implemented on 1 March 2022.

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Exports of most commodities to Russia had decreased notably by November 2022. The largest decrease by value was seen in exports of machinery and transport equipment, which fell by £127.7 million (98.5%) when compared with the 12 months to February 2022 (Figure 5). Bans were placed by the UK government on various goods in this commodity group, including export bans on dual-use goods and aviation- and space-related goods in March 2022. Exports of luxury goods were banned from April and a ban on exports of chemicals, plastics, rubber and machinery was announced in May.

Figure 5: Exports of all commodities from Russia have substantially decreased

Exports of goods to Russia by commodity type, value (£ million) and percentage change, November 2022 compared with the monthly average in the 12 months to February 2022

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When compared with exports of most other commodities in November 2022, chemical exports have seen a noticeably smaller percentage decrease when compared with the 12 months to February 2022. Exports of chemicals to Russia totalled £38.8 million in November 2022, £21.0 million (35.2%) lower than the monthly average in the 12 months to February 2022. The value of chemical exports has, however, fluctuated in the months following the Russian invasion of Ukraine. In September 2022, chemical exports were £5.8 million (9.6%) higher than in the 12 months to February 2022.

While exports of chemicals are restricted under the sanctions applied by the UK Government, there is an [exemption for medicinal and pharmaceutical products for humanitarian reasons](#). Medicinal and pharmaceutical products are one of the major components of the UK's chemical exports to Russia. As such, following the invasion and implementation of sanctions, these have made up a larger proportion of chemical exports to Russia than before the invasion. In November 2022, the UK exported £29.0 million of medicinal and pharmaceutical products to Russia. This accounted for 74.8% of all exports of chemicals to Russia in November 2022, and 50.9% of total exports to Russia.

Similarly, certain goods within food and live animals and beverages and tobacco have continued to be exported to Russia. They are categorised as being for the benefit of the civilian population and are therefore [exempt from the export bans](#). However, trade in these commodities is still at low levels in value terms, with £5.7 million of food and live animal exports, and £1.8 million of beverages and tobacco, in November 2022.

3 . Trade in services with Russia

As has been the case with trade in goods, trade in services with Russia has seen decreases following the Russian invasion of Ukraine in February 2022, and the subsequent [sanctions on services imports from Russia](#).

Service imports

Imports of services from Russia are estimated to have totalled £177 million in Quarter 3 (July to Sept) 2022, a decrease of £37.5 million (17.5%) compared with the average quarterly imports in the four quarters to March 2022. The relatively small decrease in imports is because fewer sanctions have been applied to imports of services than exports (Figure 6).

Figure 6: Imports of services from Russia have decreased by 17.5% following the Russian invasion of Ukraine

Imports of services from Russia, Quarter 1 (Jan to Mar) 2021 to Quarter 3 (July to Sept) 2022

Notes:

1. The UK Government has applied a [series of sanctions on imports of services from Russia](#), with the first import sanctions implemented on 22 February 2022

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Imports of most service types from Russia had decreased by Quarter 3 2022, with the largest value decrease seen in imports of financial services (Figure 7). Imports of manufacturing services and intellectual property decreased by 100%, with no imports of these service types in Quarter 3 2022.

While most service types had decreased by Quarter 3 2022, there were slight increases in imports of travel and government services when compared with the four quarters to March 2022.

Figure 7: Imports of most service types to Russia have decreased

Imports of services from Russia by account type, value (£ million) and percentage change, Quarter 3 (July to Sept) 2022 compared with the four quarters to March 2022

Notes:

1. The value of imports of insurance and pension services and other business services have been suppressed in Quarter 3 (July to Sept) 2022 to protect the confidentiality of individual traders and are therefore not included in this chart.

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Financial services imports were £9.0 million in Quarter 3 2022, a decrease of £21.5 million (70.5%) compared with average quarterly imports in the four quarters to March 2022, with explicitly charged and other financial services making up 100% of these imports. Explicit charges are levied in financial services, including those associated with deposit and lending services, such as application and commitment fees, early and late repayment fees. The decrease in this service type is likely linked to financial measures adopted by the UK Government in response to the conflict. These [include freezing assets to individuals and major banks, and a ban on major Russian banks from accessing Sterling and clearing payments](#) through the UK.

While imports of many service types decreased by Quarter 3 2022, imports of travel services totalled £21.0 million. This was an increase of £2.3 million (12.5%) compared with average quarterly imports in the four quarters to March 2022. When the conflict started in February 2022, the [UK Foreign Office advised against any travel to Russia](#). In March, the [UK Government banned Russian aircrafts from its airspace](#) and British airlines were banned from Russian airspace. However, the increase in imports travel services registered in Quarter 3 2022 is likely because of the impact of the coronavirus (COVID-19) pandemic on values of 2021 being historically low. When compared with Quarter 3 2019, imports of travel services have decreased by £17.0 million (44.7%).

The values of imports of insurance and pension services and other business services have been suppressed in Quarter 3 2022 to protect the confidentiality of individual traders. When looking at Quarter 2 (Apr to June) 2022 data, the latest available for this service type, imports of other business services totalled £116.0 million. This was an increase of £13.5 million (13.2%) when compared with average quarterly imports in the four quarters to March 2022. Professional and management consulting services was £53.0 million in Quarter 2 2022 making up 45.7% of the total service type. In May 2022, the UK Government announced the intention to adopt a [ban on accounting services, business and management consulting services or public relations service](#). The large increase seen in professional and management consulting is likely linked to this announcement and individuals getting their imports done before the ban came into force in July 2022.

Service exports

Exports of services to Russia are estimated to have totalled £233 million in Quarter 3 2022, a decrease of £223.5 million (49.0%) compared with the average quarterly exports in the four quarters to March 2022 (Figure 8).

Figure 8: Exports of services to Russia have decreased by 49.0% following the Russian invasion of Ukraine

Exports of services from Russia, Quarter 1 (Jan to Mar) 2021 to Quarter 3 (July to Sept) 2022

Notes:

1. The UK Government has applied a [series of sanctions on exports of services to Russia](#), with the first export sanctions implemented on 22 February 2022.

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Compared with the sanctions on imports of services, the sanctions on exports to Russia were more extensive and have had a larger effect on trade. Export of all services to Russia decreased by Quarter 3 2022, with the largest decreases seen in exports of other business services and financial services (Figure 9).

Figure 9: Exports of all service types from Russia have decreased

Exports of services from Russia by account type, value (£ million) and percentage change, Quarter 3 (July to Sept) 2022 compared with the four quarters to March 2022

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Exports of other business services totalled £56.0 million in Quarter 3 2022, down by £77.0 million (57.9%) compared with the average quarterly exports in the four quarters to March 2022. In July 2022, the [UK Government introduced a ban](#) on the provision of services of accounting services, business and management consulting services or public relations services to any person connected with Russia. The measure taken by the Government targets exports of other business services, which accounted for 25.4% of the average quarterly exports in the four quarters to March 2022.

Further UK professional services were included in [the ban that came into force in December 2022](#). These include advertising, architectural, auditing, engineering and IT consultancy and design services.

Financial services exports were £28.0 million in Quarter 3 2022, a decrease of £53.5 million (65.6%) compared with the average quarterly exports in the four quarters to March 2022. As was the case with imports of this service type, exports were affected by the range of financial sanctions applied. These include asset freezes on Russian banks and individuals, a ban on Russian state-owned and private companies from raising finance on the UK financial markets. It also bans other financial operations operating from UK banks or firms on behalf of any Russian or person related to it.

4 . UK trade in goods with Russia interactive content

Use our interactive map to get a better understanding of what goods the UK traded with Russia in 2021, prior to sanctions on trade. You can explore the full data, which break down UK trade in goods with 234 countries by 125 commodities, using our interactive tools. Select a country by hovering over it or using the drop-down menu.

[Download the data](#)

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You can also explore the 2021 trade in goods data by commodity, such as refined oil imports from Russia and car exports to Russia.

Select a commodity from the drop-down menu or click through the levels to explore the data.

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5 . UK Trade Data

[Trade in goods: country-by-commodity exports](#)

Dataset | Released 13 January 2023

Monthly export country-by-commodity data on the UK's trade in goods, including trade by all countries and selected commodities, non-seasonally adjusted.

[Trade in goods: country-by-commodity imports](#)

Dataset | Released 13 January 2023

Monthly import country-by-commodity data on the UK's trade in goods, including trade by all countries and selected commodities, non-seasonally adjusted.

[UK trade in services: service type by partner country, non-seasonally adjusted](#)

Dataset | Released 26 January 2023

Quarterly estimates of service type by partner country, non-seasonally adjusted.

[Other related trade data](#)

Dataset web page | Released 13 January 2023

Other UK trade data related to this publication. These include trade in goods for all countries with the UK, monthly export and import country-by-commodity trade in goods data, and revisions triangles for monthly trade data.

6 . Glossary

Exports

Goods or services sold to other countries, the opposite of imports.

Imports

Purchases of foreign goods and services, the opposite of exports.

Total trade

The value of total trade between two trading partners (that is, exports plus imports).

Trade balance

The trade balance is the difference between exports and imports or exports minus imports. When the value of exports is greater than the value of imports, the trade balance is in surplus. When the value of imports is greater than the value of exports, the trade balance is in deficit.

Precious metals and non-monetary gold

Precious metals include precious metals, silver, platinum and palladium, and it forms part of the commodity group "unspecified goods." Non-monetary gold comprises the majority of this group and is the technical term for gold bullion not owned by central banks.

7 . Data Sources and Quality

Unless otherwise specified, data within this bulletin are in current prices. This means they have not been adjusted to remove the effects of inflation. Chained volume measures data, which have had the effect of inflation removed, can be found in our [UK trade publication tables](#) and our [UK trade time series](#).

The UK leaving the EU and the subsequent transition period, along with the impact of the coronavirus (COVID-19) pandemic, supply chain disruption and global recession, have caused higher levels of volatility in trade statistics in recent years.

We advise caution when interpreting short-term data movements for individual countries in trade in services data. Imputation methods, which are applied to compensate for any businesses that do not respond in the International Trade in Services (ITIS) survey, are calculated within service type at total world rather than country level. However, response patterns have been checked to ensure that this method has had limited impact. Where sources of country-level data are less frequent and so less reactive to changing trends, adjustments may have been applied using proxy sources where possible. This includes using quarterly, instead of annual, International Passenger Survey (IPS) data.

Data sources

Trade is measured through both exports and imports of goods and services. Data are supplied by over 30 sources including several administrative sources. Data from the quarterly ITIS survey make up over 50% of trade in services data. Data from the IPS are the main source for travel services, making up around 8% of total trade. Data from HM Revenue and Customs (HMRC) make up over 90% of trade in goods value and are the main source of data for this release. View our [UK trade Quality and Methodology Information \(QMI\) report](#) for more detail on data sources and methods.

Methods

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our [UK Trade QMI report](#).

For more information about our methods and how we compile these statistics, please see our [Trade in goods, country-by-commodity experimental data: 2011 to 2016 article](#). Users should note that the data published alongside this release are no longer experimental.

These data are our best estimate of these bilateral UK trade flows. Users should note that alternative estimates are available in some cases, via the statistical agencies for bilateral countries or through central databases such as [UN Comtrade](#).

The interactive charts in [Section 4](#) denote country boundaries in accordance with statistical classifications set out within Appendix 4 of the [Balance of Payments \(BoP\) Vademecum \(PDF, 1.1MB\)](#) and does not represent the UK policy on disputed territories.

Our figures in our country-level [UK trade: November 2022 bulletin](#) are produced on a country of dispatch basis, which records imports as coming from the country dispatching the shipments. However, trade figures can also be produced on a country of origin basis as is used by the Department for Business, Energy and Industrial Strategy (BEIS) in their [Energy trends publication](#). Users should be aware of the different accounting methods used, and the resulting differences across trade figures.

8 . Related links

[UK trade: November 2023](#)

Bulletin | Released 13 January 2023

Total value of UK exports and imports of goods and services in current prices, chained volume measures and implied deflators.

[Different ways of measuring trade: Where do our imports come from?](#)

Blog | Released 26 January 2023

A blog outlining the differences between country of origin and country of dispatch for import statistics.

[Focus on UK trade](#)

Article series | Latest release 26 January 2023

A series of articles taking a closer look at emerging themes in UK trade statistics.

[UK trade in goods, year in review: 2021](#)

Article | Released 1 March 2022

An analysis of UK trade in goods in 2021 in the context of the ongoing coronavirus (COVID-19) pandemic and the end of the EU transition period on 31 December 2020.

[World trade explorer](#)

Interactive | Updated 1 June 2022

Use our interactive to understand how the UK trades with the rest of the world.

9 . Cite this article

Office for National Statistics (ONS), released on 26 January 2023, ONS website, article, [The impact of sanctions on UK trade with Russia: November 2022](#)