

A tasty package

Source of editorial - [Manufacturing Blog](#), Source : TheManufacturer.com

Published : 11 Jun 2009 11:10

Food and Drinks Federation Director Julian Hunt blogs on exceptional export figures for UK food producers



At last – here’s a genuine good news story amid all the economic gloom!

Research conducted on our behalf shows that exports of food and non-alcoholic drinks have hit record levels – they were worth £9.23bn in 2008, up 20% on the year before, boosted by strong performances in all product categories and a growing taste for British products in Central European countries.

UK food and drink manufacturers have built a strong international reputation for quality and innovation over many years – and these figures confirm that our sector continues to perform strongly on the export stage, despite challenging global circumstances.

Star performers included biscuits (up 15.3%); breakfast cereals (up 12.5%); cakes (up 12%); cheese (up 16.7%); chocolate (up 10.9%); sauces and condiments (up 21%); soft drinks (up 30.7%); and tea (up 14.3%). Together, exports of these added value products were worth almost £1.9bn.

Unlike many industries, it is not just a small minority of food and drink companies that export. UK Trade and Investment believes that more than 30% of Britain’s 7,000+ food and drink manufacturing companies sell their products overseas.

United Biscuits is one of those tapping into the demand for quintessentially British products – exporting its McVitie’s biscuits to every continent, from Ghana to India to Saudi Arabia. Jordans is another company that has built a strong export business over 20 years; its wholegrain cereals are sold in over 20 countries and export sales account for almost 31% of its overall turnover, with current annual growth of 18% per annum.

Central Europe is one of the standout regions for exports, with growth fuelled by the demand for a wide range of UK food and drink products in the former Eastern Bloc countries. Exports to Hungary were up 74.3% to £40.2m; exports to Poland were up 53.6% to £116.4m; those to Latvia were up 51% to £8.6m; to Slovakia up 45.2% to £11.5m; and to Lithuania up 32.7% to £9.7m.

Typhoo is one of those tapping into that important trend. Its London Fruit and Herb and Typhoo Fruit Creations ranges have listings in all the major retailers in the Czech Republic, Hungary and Slovakia, for instance. And in Poland, the company has also been growing sales of its black tea – thanks to the fact that Poles travelling to the UK for work or pleasure return home with a taste for a proper British cuppa.

The overall performance of British exporters was also boosted by a buoyant red meat sector, recovering after the lifting of foot and mouth restrictions; strong exports of commodity cereals; and another strong year for fish and seafood companies who recorded overseas sales worth £1bn, despite tough market conditions.

Exchange rates have clearly swung in favour of UK exporters, but the dramatic weakening of global markets in 2008 means that competing on the international stage remains as tough as ever – but UK food and drink exporters have risen to that challenge.

We released these impressive figures in the same week as the Government launched World Trade Week to highlight the importance of global trade in creating jobs and growth in the current economic climate.

And I believe our figures are a timely reminder of the important economic contribution made by the food and drink industry – the UK's biggest manufacturing sector.

The food industry is a high value manufacturing sector offering world class capabilities in areas of production, logistics, sales, marketing and R&D – which combine to create annual Gross Value Added of almost £22bn. The 7,000 firms in our sector generate £72.6bn of annual turnover. Crucially, we also directly employ 440,000 people and indirectly support another 1.2 million jobs.

All of which reinforces our belief that it's high time Government made our sector a strategic priority alongside other, less successful, but equally important, manufacturing industries.

By Julian Hunt of the Food and Drink Federation