Export potential of the Russian chemical complex products

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Abstract. Nowadays, in modern conditions, the most important parameter for managing the development of complex economic systems (which is the chemical complex of the Russian Federation) is the assessment of the potential of the analyzed system. Being the part of this system structural elements, export potential plays an important role in the formation of the system viability, its provision with resources for development. The geopolitical situation of the modern period dramatically responds to the discussed structural element of the analyzed system: traditional logistics chains of goods distribution are interrupted and new logistics routes are formed as well. Problems arise with the legal accessibility of the supply of these products to target consumers of foreign countries and geographical regions contrary to international trade law and WTO institutional regulations with a significant amount of potential demand for the products of the system complex under discussion. Under these conditions, it is advisable to assess the export capabilities of the chemical complex of the Russian Federation, taking into account the negative effect of these environmental factors, giving preference to internationally friendly partnerships, logistics routes, terminals, types of transport systems, customs, cargo insurance systems, currencies, etc.

1 Introduction

The chemical industry exports a lot of materials and consumer goods. At this very moment, Russia exports chemical industry products to 200 countries [1].

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The main exported products of the chemical complex production are basic chemical products and raw materials: mineral fertilizers, including nitrogen and potash, account for half of the total export volume, potassium chloride, carbamide, benzene, synthetic rubber. The export of potassium chloride due to the lack of a raw material source in many countries of the world is the most profitable one. Unfortunately, currently the expert assessment of the share in the total volume of exports of high-processing products is not high enough [1-7].

At the international level, the export of chemical complex products is regulated by certain tariffs, norms and rules. At the same time, quotas and duties perform a restrictive action. The products subject to certification in the import markets are allocated as well. Products subject to quarantine, etc. are considered separately. This procedure is typical for many countries of the world. Many countries impose quarantine on the products of the Russian chemical industry.

Another tool limiting Russian exports of chemical products are anti-dumping duties. These factors significantly reduce the volume of Russian exports.

The aggravation of the level of competition increases significantly with the emergence of new protectionist measures, for example, from the countries of the collective West. Other factors limiting the volume of Russian exports of the analyzed products are the factors of the availability of a national raw material base in combination with the low cost of labor and the high armament of production with high-tech processes and efficient equipment. Such factors are typical for markets in the Near and Middle East region.

2 Materials and methods

The data was used on the customs database of the Federal Customs Service. All the calculations for the sub-sectors of the chemical complex were carried out in accordance with the OKVED-list. The authors also used the amount of the FEACN codes 4003-4010, 4012-4016 within the calculations [8, 9].

3 Results

Tariff barriers are considered as export restriction measures applied in the form of import customs duties and customs tariffs. On average, the size of the customs tariff for the products of the Russian chemical complex is 5.81% of the customs value of the goods. Some countries (about 7% of the total number of importing countries) have reset this tariff altogether. Approximately half of all the importers set the value of this tariff within the amount from 5.1% to 10% (Fig. 1).
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Non-tariff barriers are also found in agreements between the countries, which are considered as trade policy measures applied by States that have an economic impact on international trade through changes in trade volumes, either in the price level, or both. The largest number of non-tariff barriers relates to chemical industry products (717 units) – in comparison, food is in second place with an indicator of 387 units (Figure 2).

Technical barriers are also applied, especially those which are mandatory requirements for products and measures related to the procedure for assessing compliance with national standards and norms.

Price control measures are mostly represented by consumption taxes, excise duties, additional customs duties (registration, maintenance), etc. These measures are aimed at maintaining domestic prices for certain goods at lower import prices for the same goods.

Sanitary and phytosanitary measures are applied in order to protect the life or health of people or animals. These ones include: non-automatic licensing, quotas, prohibitions and quantitative control measures aimed at limiting the volume of imports of goods, regardless of whether they are supplied from various sources or by one specific supplier.

Pre-shipment inspection is a mandatory inspection of goods before they are shipped from the exporting country in terms of quality, quantity and price, carried out by an independent inspection agency.
Trade protection measures are applied in the form of anti-dumping, countervailing and protective measures in order to neutralize the negative impact of imports on the market of the importing country. Restrictions on public procurement provide for restrictions on the participation of foreign companies in public procurement.

Export-related measures are applied by the Government of the country in relation to exported goods.

Measures affecting competition represent exclusive or special preferences or privileges to one or a limited group of economic entities.

4 Discussion

Currently, a system of state export support is being developed and implemented at the state level. One of the most important goals of such support is to develop mechanisms to reorient exports from the traditional markets of Europe and North America to the markets of the BRICS countries, Africa and Asia. The Asian regions are fast-growing, with large volumes of consumption of both basic products of the chemical complex and chemical products of high processing [5, 10, 11].

One of the most important support measures in this case is the conclusion of foreign trade agreements implying the regime of the most favored export of chemical products not only at the level of regional associations (BRICS, APEC, EurAsEC), but also at the level of countries themselves.

In addition, an important task is to create a national system of support for the exporter at all stages of export – starting from information support in Russia, the assistance in passing formal export procedures (customs clearance and certification), ensuring national independent export infrastructure and ending with support for interaction with counterparties in target countries.

One of these tools is information support for exports at the initial stage. The AO “Russian Export Center” [8] together with the Ministry of Industry and Trade of the Russian Federation has created a tool with which exporters can familiarize themselves with the requirements of foreign markets, as well as predict possible costs associated with the supply of goods to a specific export market.

In addition to information support, national support centers (export hubs) are being created in Russia directly in the target markets. In modern conditions, such hubs make it possible to simplify the search for counterparties, the interaction of exporters and importers of products, to assist in resolving specific situations of exporters, to take into account national peculiarities of the functioning of the market. Nowadays these tasks are being solved at the level of trade missions and embassies, the creation of these support centers will speed up and simplify the solution of tasks in local markets [12].

An important goal of export support is to develop measures to support direct sales to target markets. These measures should include both interaction at the government level and a set of tax and credit measures to support direct sales.

One of the significant problems of exporters at the moment is the problem of certification of products for the requirements of target markets (technical requirements, safety requirements, certification in the field of sanitary and phytosanitary control, etc.) due to the fact that these requirements differ significantly in different markets. In this regard, it is advisable to ensure transparency and accessibility of such information for exporters, including through digital platforms, at the level of national governments, to ensure the interaction of the relevant supervisory authorities of Russia and target market countries to harmonize such requirements for exported products and develop certification mechanisms.

The development of logistics infrastructure is critically important for exports. At the same time, its independence is important for export supplies. At the same time it is possible
to talk not only about transport infrastructure, where the main task is to develop solutions that allow implementing logistics routes with minimal involvement of logistics facilities of third countries: rail transport, pipelines, transshipment ports, etc. The development of a national system of related services: insurers, container fleet, fleet, financial instruments of logistics, etc. is to be discussed as well. In the authors’ opinion, one of such solutions may be to attract an importer as an investor in the construction of logistics infrastructure facilities in target markets.

The export expansion will be facilitated by a balanced product and marketing strategy of exports at the state level. With the unconditional predominance of the market mechanism of export, an important condition for increasing the added value of exported goods is the allocation of strategically important product groups for export in each target market and the development of measures of state support for export contracts. Preference should be given to products of high processing. In addition, it is possible to increase export revenues by exporting complex intersectoral solutions, for example, to implement not just multicomponent fertilizers, but a complex of agro-industrial services: laboratory analyses, attracting qualified specialists for their training in agro-industrial technologies, creating a seed fund, plant protection products, technological equipment. As to the markets of partner countries, for example, the EurAsEC countries, it is advisable to export not products, but technologies or technological solutions. This approach has proven itself from the good side, for example, in the nuclear industry. This allows to ensure a long-term presence in the target markets.

However, it should be noted that in the current geopolitical situation, in our opinion, the priority task is not so much state support for export growth, as state control over the export of goods that are scarce on the domestic market, or are raw materials for other scarce products. In this regard, Resolutions of the Government of the Russian Federation No. 311 of 09.03.2022 and No. 1174 of 30.06.022 [13, 14] introduced a temporary ban on the export of certain categories of goods from the Russian Federation until December 31, 2023 inclusive (Table 1).

**Table 1.** Chemical industry products that have been temporarily banned until 31.12.2023 [13, 14].

<table>
<thead>
<tr>
<th>HS EAEU Code</th>
<th>Name of the product</th>
</tr>
</thead>
<tbody>
<tr>
<td>3926 90 970 1</td>
<td>Filter elements for the medical industry, including membranes for hemodialysis</td>
</tr>
<tr>
<td>3815 19 900 0</td>
<td>Catalysts on carriers</td>
</tr>
<tr>
<td>3822</td>
<td>Diagnostic or laboratory reagents on a substrate; ready-made diagnostic or laboratory reagents on or without a substrate, not packaged or packaged in kits (except for goods of heading 3006); certified reference materials</td>
</tr>
<tr>
<td>3701 10 000 0</td>
<td>Photographic plates and X-ray films: flat, sensitized, unexposed, made of any materials other than paper, cardboard or textile materials</td>
</tr>
</tbody>
</table>

The export of these goods is temporarily restricted to all the foreign countries, except for the countries of the Eurasian Economic Union (EAEU), Abkhazia and South Ossetia, for which a permissive export procedure has been introduced, approved by Government Decree No. 312 of 09.03.2022 [15].

**5 Conclusion**

In the current geopolitical situation, the Government of the Russian Federation is developing non-standard measures to support the export of products of the Russian chemical complex, which have the temporary nature of a food embargo to certain unfriendly countries, as well as in order to saturate the national industrial potential with raw
materials and increase the sovereignty of the state. In the future, these measures will be applied by the Governments of friendly countries to solve similar problems.

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