



Department for
International Trade

Trade and Investment Core Statistics Book Technical Annex



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TECHNICAL ANNEX

These statistics are designated as Official Statistics under the Statistics and Registration Service Act 2007. From August 2018 these statistics have been produced to fully comply with the Code of Practice for Official Statistics. The United Kingdom Statistics Authority has not assessed these statistics for compliance against the code and as such these statistics are not National Statistics.

Data sources used within the Trade and Investment Core Statistics Book (herein 'Core Statistics Book') are listed throughout, with links to their original publication. See the [summary of all sources](#) used in the Statistics Summary Sheet for further information.

For terms and definitions please see the [glossary](#) at the end of this book.

Reporting methodology

All figures are correct as of the date of release (on the front page of the Core Statistics Book), and as reported by their data producer. The publication will be updated in line with the [update schedule](#).

1. Unless otherwise stated, all data are nominal (current prices), not adjusted for inflation. Real estimates (constant prices) take account of inflation.
2. All data are in the public domain, unless otherwise stated.
3. New or revised figures since the last publication will be highlighted in the statistics summary sheet in **dark blue** and with a red star (★) in the main text.
4. All figures are independently rounded, and therefore some percentages may not add up to the totals due to rounding.

5. Missing values are excluded from all calculations of percentages. Underlying percentage figures are rounded to one decimal place or to the nearest whole integer (e.g. all trailing decimals are removed).
6. Some tables may include 'unknown' or 'unallocated' figures; in which case these will be stated in a footnote.
7. Please see footnotes for each statistic, chart and table presented; this includes important information about each data source.
8. In some cases, such as the number and percent of registered GB businesses exporting, goods and services may not add up to the total for goods and services combined. This is because some businesses will trade in both goods and services. In the same way the number of exporters and importers may not add up to the total number involved in international trade because some businesses will both export and import.
9. In some instances figures in the main commentary may differ to those in the Trade and investment statistics summary sheet. This is because more up-to-date figures on goods and services by partner country, consistent with the aggregate figures in the statistics summary sheet, are not available. This means that some tables and charts within the commentary, such as country ranking tables, use older data (from the Office for National Statistic's Pink Book) to provide these breakdowns.
10. All data are seasonally adjusted unless otherwise specified.

Users and uses of this publication

The Core Statistics Book has been developed by the Department for International Trade (DIT) to contain the latest statistics on trade, investment and the economy. It brings together and summarises the wide range of statistics produced by the Office for National Statistics (ONS), HM Revenue

and Customs (HMRC), DIT, the Organisation for Economic Co-operation and Development (OECD) and others into a single product. It provides a useful reference product for both experts and new users of trade statistics and will hopefully be a useful resource for the public, business and the media.

No new data is first released in the Core Statistics Book. All the statistics included are derived from publicly available data published by ONS, HMRC, DIT, OECD and other organisations. Although some basic calculations (e.g. percentage changes) have been carried out by DIT.

This will be regularly published as an official statistic in accordance with the Code of Practice for official statistics. The compendium contains a wide range of trade statistics in a user-friendly publication with the aim of helping users to quickly find the most relevant and up to date trade and investment statistics. It provides the latest available statistics from a number of UK and international sources on a consistent basis and where inconsistencies exist explains the differences between the sources. The publication of the Core Statistics Book will help to improve the accessibility of trade and investment statistics by helping both the professional and newcomers to trade and investment statistics navigate the various sources to identify the most relevant statistics and to present them in a consistent manner.

METHODOLOGY

For full details of the methodology used for each data source, please refer to the original data publication (for example, ONS Pink Book, detailed [methodological note](#)). Some of the key points to note are summarised here:

Fastest-growing markets for UK exports of goods and services

Source: [ONS Pink Book or ONS UK Trade and ONS Trade in services by partner country](#).

- These figures only include those with more than £1 billion in value in latest year.

Fastest-growing UK exports of goods

Source: [HMRC Overseas Trade Statistics](#)

- These figures only include those with more than £5 billion in value in latest year.
- HMRC data are on a physical movement basis i.e. not directly comparable with the ONS (Balance of Payments) data.
- Goods data use 2-digit commodity (HS) code definitions.

Fastest-growing UK exports of services

Source: [ONS Balance of Payments](#)

- These figures only include those with more than £10 billion in value in latest year
- Methodological changes mean services categories (based on EBOPS classifications) are not directly comparable between years.

Number and % of registered GB businesses exporting and importing

(Source: [ONS ABS Exporters and Importers 2016](#) - Experimental statistics):

- Due to methodological improvements introduced by the ONS (including sample re-optimisation of the ABS survey and inclusion of an additional 92,000 PAYE businesses), the 2016 results covering all registered businesses (SMEs and large combined) are not comparable with previous years' results.

- The methodological improvements also introduce discontinuities between the 2015 data and previous years' data. The only comparable data are for 2011-14.
- The only comparisons that can be made for 2015-16 relate to the larger businesses (>250 employees) as re-optimisation only affects the small and medium size businesses (<250 employees).
- These estimates do not cover all businesses. They only cover registered businesses (for VAT and/or PAYE) in the GB non-financial business economy which accounts for around two-thirds of the economy in terms of gross value added. The data exclude much of finance, agriculture and government.
- Other sources also estimate the number or proportion of businesses which export (e.g. HMRC Regional Trade Statistics) but they differ in their methodology and coverage so are not directly comparable with the ABS.
- 2010 data are based on a methodology that extrapolates from the average growth in the proportion of exporters between 2011-2013.

Number of goods exporters/importers and export/import value by region

Source: [HMRC Regional Trade Statistics](#)

- Values differ from those reported by the ONS due to differences in methodology.
- 'Unallocated' refers to trade that cannot be allocated to UK regions
- Data on number of importers are compiled on a 'proportion' basis; i.e. a business is counted as a fraction in each region they trade based on the proportion of their employees in each region. The sum of businesses (whole and fractions) gives the total business count for a region.

Foreign Direct Investment Involving UK Companies

Source: [ONS FDI Involving UK Companies](#)

- Data are on a directional basis
- Data are on a net basis i.e. investments minus disinvestments
- Rankings are affected by the fact that FDI statistics are currently compiled on the basis of immediate, rather than ultimate, partner country. This often leads to an overstatement of investments in or from big financial centres (such as Luxembourg and the Netherlands) or countries offering favourable tax terms to investors.

Disclaimer

Figures used throughout the Core Statistics Book are based on previously published Official and National Statistics. As such all figures are accurate based on the data made available, and all liability for the accuracy of these statistics is with the data owners. The Core Statistics Book will update and revise figures as and when data owners release new/revised data. DIT takes no responsibility for the data sources used.

Statistics summary sheet – Table of sources

#	Statistic	Source	Update Frequency	Comments			
Gross Domestic Product (GDP)							
1	Annual real GDP growth	ONS GDP releases	Monthly	This is the headline (real) GDP growth rate. All other data below are in nominal terms (current prices)			
Trade in Goods and Services							
2	Exports	ONS UK Trade, Balance of Payments and GDP releases	Monthly	Covers both goods and services – Current prices			
3	Imports						
4	Total trade						
5	Trade deficit						
10	Exports to the EU						
11	Exports to the Non-EU						
12	Imports from the EU						
13	Imports from the Non-EU						
14	Total trade with the EU						
15	Total trade with the non-EU						
16	Trade deficit with the EU						
17	Trade deficit with the Non-EU						
6	Exports as % of GDP				ONS UK Trade, Balance of Payments and GDP releases	Monthly	Covers both goods and services – Trade and GDP in current prices
7	Imports as % of GDP						
8	Total trade as % of GDP						
9	Trade deficit as % of GDP						
18	Global Ranking: Total exports				UNCTAD	When data available from National Statistical Offices	2017 data have been used but data for many countries are estimated/modelled Current prices
19	European Ranking: Total exports						
Trade in Goods							
20	Goods exports	ONS UK Trade, Balance of Payments and GDP releases	Monthly	Covers both goods and Services – Current prices			
21	Goods imports						
22	Goods total trade						
23	Trade in Goods surplus						
24	Goods exports to EU						
25	Goods exports to Non-EU						
26	Goods imports from EU						
27	Goods imports from Non-EU						
28	Goods total trade with EU						
29	Goods total trade with Non-EU						
30	Goods trade surplus with EU						
31	Good trade surplus with Non-EU						
32	Global Ranking: Goods Exports				UNCTAD	When data available from National Statistical Offices	2017 data have been used but data for many countries are estimated/modelled Current prices
Trade in Services							
33	Services exports				ONS UK Trade, Balance of Payments and GDP releases	Monthly	Covers both goods and Services – Current prices
34	Services imports						
35	Services total trade						
36	Trade in services surplus						
37	Services exports to EU						

#	Statistic	Source	Update Frequency	Comments
38	Services exports to Non-EU			
39	Services imports from EU			
40	Services imports from Non-EU			
41	Services total trade with EU			
42	Services total trade with Non-EU			
43	Services trade surplus with EU			
44	Service trade surplus with Non-EU			
45	Global Ranking: Services Exports	UNCTAD	When data available from National Statistical Offices	2017 data have been used but data for many countries are estimated/modelled Current prices
Current Account				
46	Current Account deficit	ONS Balance of Payments release	Quarterly	Current Account data on an asset asset/liability basis – Current Account and GDP in current prices
47	Current Account deficit as % of GDP			
Foreign Direct Investment				
48	Outward FDI stock	ONS FDI Involving UK Companies 2016	Annually	FDI data on a 'directional' basis (≠ asset/liability basis) Current prices
49	Inward FDI Stock			
50	Global Ranking: Outward FDI stock	UNCTAD	When data available from National Statistical Offices	FDI data on a directional basis – Current prices
51	Global Ranking: Inward FDI stock			
52	European Ranking: Outward FDI stock			
53	European Ranking: Inward FDI stock			
Number and proportion of UK businesses exporting				
54	Proportion of VAT-registered Businesses in the GB Non-Financial Economy exporting goods and/or services	ONS Annual Business Survey: Exporters and Importers in Great Britain	Annually	Experimental statistics. Only covers registered businesses (for VAT and/or PAYE) in the Great Britain non-financial Business Economy (two thirds of the economy). Largely excludes financial, agricultural and government activities. 2010 data based on a methodology that extrapolates from the average growth in the proportion of exporters between 2011 and 2013 Current prices
55	Number of VAT-registered Businesses in the GB Non-Financial Economy exporting goods and/or services			
Ease of doing business				
56	Ease of doing business ranking (2017)	World Bank Ease of Doing Business 2018 report	Annually	Looks at small and medium-size companies and measures the regulations applying to them through their life cycle. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm. The link below explains what the report covers in more detail: http://www.doingbusiness.org/about-us

Update schedule

The Core Statistics Book will be updated shortly after the publication of the following regular releases.

The publication dates for these releases are available from the Update Schedule in the Core Statistics Book.

Publication	Source	Regularity
World Economic Outlook	IMF	Annually normally in April
UK trade	ONS	Monthly
UK regional trade statistics	HMRC	Quarterly
European Commission economic forecast	EC	Annually normally in Spring
Global Economic Outlook	OECD	Annually normally in Spring
Balance of Payments	ONS	Quarterly
Trade in services by partner country	ONS	Quarterly
DIT Inward Investment results	DIT	Annually normally in Summer
United Kingdom Balance of Payments, The Pink Book	ONS	Annually normally in Summer
Economic and Fiscal Outlook	OBR	Bi annual
Ease of Doing Business Annual Report	World Bank	Annually normally in October
Annual Business Survey Great Britain non-financial business economy	ONS	Annually normally in November
Foreign direct investment involving UK companies	ONS	Annually normally in December
World Investment Report	UNCTAD	Annually normally in Summer

As some of the international sources used in the Core Statistics Book are not pre-announced on occasion the Core Statistics Book may be updated at short notice.

Revisions Policy

On occasions, previously published data will need to be revised due to changes to source data or correcting of errors. Major revisions will be made as soon as possible while smaller revisions will be made at the time of the next scheduled release (see the [statistics release calendar](#)). Additionally, some data will be provisional and subject to future revisions. Where a large revision has taken place reasons will be provided.

Feedback

Please provide comments on this release to statistics@trade.gov.uk

The responsible statistician for this release is Jeremy Reuben.

BACKGROUND QUALITY REPORT

This section provides further information on the data sources, as well as covering important information on the trade and services subject area.

This section will also cover data quality issues, performance, cost and respondent burden as well as data confidentiality.

Background to the release

The DIT Core Statistics Book was first published on 21st August 2018.

It will be published on a monthly basis on the 5th working day following the ONS UK Trade release or five working days following the other major trade and FDI statistic releases mentioned above. Forthcoming dates for publication will be made available on the [statistics release calendar](#) on gov.uk. Release dates are aligned to other major trade and FDI statistic release dates, with a short time lag in order to update all statistics in the Core Statistics Book with the latest figures.

The report is currently in a pdf format; a MS word version can be made available on request. Data is available in html format and accompanying csv download files for ONS sources from the ONS website.

Further information of data sources

Some of the publications listed below give shorter term statistics; some provide further information on trade. The list is not exhaustive and the titles of publications and publishers may alter. All titles can be found on the gov.uk website.

Trade in goods

Trade in goods statistics compiled by ONS are derived from HMRC data.

HMRC and ONS data are on a different basis. HMRC data are based on 'Cross-border' or 'Physical movement' principle: Goods entering and leaving an economic territory are recorded as imports and exports, respectively.

ONS data are based on 'Change of Ownership' (Balance of Payments) principle: Goods entering and leaving an economic territory are not recorded as imports or exports unless they change hands (between UK residents and non-residents).

For trade in goods HMRC include Crown Dependencies in the UK boundary definition. For trade in services the ONS treat Crown Dependencies as separate trading entities. This means that no information is available for trade in goods for Crown Dependencies whereas information is available for trade in services.

For both trade in goods and trade in services trade from overseas territories are included with that country's figures. For example, United States' statistics include Puerto Rico and France's statistics include Monaco and the French overseas departments (Reunion, Guadeloupe, Martinique, Mayotte and French Guiana) and the French northern part of St Martin. For more information please refer to the methodological notes accompanying the original data publication.

Trade in services

International Trade in Services (ITIS)

Quarterly and annual International Trade in Services (ITIS), is the largest data source for trade in services estimates. This is the data source for the following industries:

- Personal, cultural & recreational
- Telecommunication, Computer & Information
- Construction
- Intellectual property
- Other Business
- Manufacturing on physical inputs owned by others
- Maintenance and repair
- Financial
- Insurance

Travel data comes from the International Passenger Survey (IPS) – the IPS questions around 250,000 passengers (non-resident visitors leaving the UK and UK residents returning from abroad) per year on reason for travel and expenditure (personal/business, health and education expenditure) and country of origin. The information collected is weighted up to known passenger traffic which is provided by Civil Aviation Authority, Department for Transport, Eurostar, Eurotunnel, Heathrow Airport Holdings and a number of airports.

Bank of England

The Bank of England provides ONS with information on banks: commissions and fees; spread earnings; commissions on securities and derivatives; banking charges.

Other sources

- Chamber of Shipping (sea transport services, leasing)
- Civil Aviation Authority (air transport services)
- Baltic Exchange (financial services)
- Financial Services Authority (insurance services)
- Lloyds of London (insurance services)
- Royal Mail (postal and courier services)

The ONS Pink Book

- The Pink Book contains detailed annual estimates of the UK Balance of Payments which records economic transactions between UK residents (households, businesses and the government) and the rest of the world.
 - Economic transactions include:
 - Trade in Goods (cars, food, oil, raw materials etc.)
 - Trade in Services (travel, transportation, banking etc.)
 - Income flows (profits, dividends, interest earned on investments)
 - Transfers (Government foreign aid, EU/UN membership dues etc.)
 - Financial flows (FDI, portfolio investment etc.)
- Also, contains data on the UK stock of foreign assets and liabilities ('International Investment Position')

- Geographical breakdown of current account in Chapter 9. For trade, see tables 9.3 (Goods and Services), 9.4 (Goods), 9.5 (Services).
- Pink Book guides:
 - Brief [introduction to the Balance of Payments](#) – overview of concepts and coverage
 - More [detailed methodological notes](#)
 - [ONS glossary](#) of terms

Trade in goods and services by partner country

- As of summer 2018 the ONS UK Trade release contains trade in goods data by partner country for all countries on a monthly, quarterly and annual basis.
- In October 2018 the ONS also started to release experimental trade in services data by partner country in a new quarterly trade in services release.
- Using the information from these two releases it is now possible to combine the data to derive the latest ONS position for trade in goods and services by partner country on a quarterly basis.
- Previously this information was only available on an annual basis for the Pink Book.

Data Quality issues

This covers specific issues related to trade and investment statistics. It covers relevance (content, completeness, geographical coverage and user needs), uncertainty and bias, timeliness and punctuality, accessibility and clarity, and coherence and comparability.

Trade

Unlike trade in goods statistics, which are essentially administrative data, much of the information on trade in services is obtained from sample surveys which are subject to sampling and non-sampling errors. This, together with the fact that trade in services are harder to measure (due to their intangible

nature), means that the quality of the trade in services data is weaker than that for goods. Services data are also much less timely and detailed (in terms of services categories and partner country breakdowns) than goods data.

Trade asymmetries

There are asymmetries in bilateral trade statistics reported by countries (e.g. the value of UK exports to France reported by the UK does not match the value of French imports from the UK reported by France). These asymmetries reflect a number of factors, including:

1. Differences in coverage and methodology – differences in survey methods and data sources; exclusions of particular types of goods or services; differences in disclosure control rules; differences in the recording of goods sent abroad for processing and repair.
2. Valuation differences – differences in methods of estimating value of exports (usually on a [free on board prices](#)) and imports (usually on a [cost insurance freight](#) basis); differences in declaration thresholds; and exchange rate conversions. Other factors that impact on data quality are:
 - Differences in the classification of goods/services in Balance of Payments statistics compiled in different countries.
 - Under-reporting or misallocation of trade to a partner country.
 - Differences in the timing of recording transactions.
 - Various other factors, including processing errors, fraudulent declarations etc.

For more information see the ONS [article on asymmetries in trade data](#).

The Rotterdam Effect

Bilateral trade in goods statistics can be affected by transit trade. For example, it is argued that UK trade with the Netherlands, and therefore with the EU, is overstated because:

- many UK exports of goods sent to the port of Rotterdam are for onward supply to countries outside the EU
- goods imported from the Netherlands may simply be goods that arrived in Rotterdam from other non-EU countries on their way to the UK.

This effect, also known as the ‘Rotterdam Effect’, is difficult to quantify precisely. Any estimates must be based on certain assumptions. Recent DIT analysis, based on ONS data published in March 2017, and the assumption that 50% of UK goods exported to the Netherlands are ultimately destined for Non-EU countries, suggests that the Rotterdam effect is relatively small, partly because it applies to trade in goods only: the share of total UK exports going to the EU in 2016 would fall from 43.9% to 42.2%.

Foreign Direct Investment (FDI)

FDI statistics can be presented in two different ways: the directional principle and the asset/liability principle. The two compilation methods cover the same flows and positions but differ in how they classify and combine these flows and positions.

Under the asset/liability principle, the data are organised according to whether the investment relates to an asset or a liability, whereas under the directional principle, the data are compiled according to the direction of the investment for the reporting economy, either outward or inward. The different presentation of the data can result in different estimates for outward and inward FDI – more detail on the [differences between the two principles](#) have been published by the OECD.

The ONS FDI statistics presented in this brief use the directional principle. They are sourced from the ONS’s FDI Involving UK companies release, the most detailed and reliable source for UK FDI statistics.

More timely FDI statistics are published in the quarterly ONS Balance of Payments release (on an asset/liability basis). These estimates are more frequent (quarterly) and more timely but are not used here because: a) they do not include detailed breakdowns by country and industry and b) the estimates are less reliable than those published in the ‘FDI Involving UK Companies’ release (as they are derived from quarterly surveys of FDI which have considerably smaller sample sizes than the annual surveys that feed into the FDI Involving UK Companies publication).

FDI statistics suffer from a number of limitations:

- ONS statistics on FDI are dominated by mergers and acquisitions and therefore can be very volatile and cyclical. FDI data are prone to revisions

due to the inclusion of updated information from surveys and revaluations in the value of acquired assets.

- The geographical and sectoral distribution of FDI can be distorted by trans-shipment or 'pass-through investment'. FDI statistics internationally (including those compiled by the ONS) are currently compiled on the basis of the immediate investing country, rather than the ultimate investing country. This often leads to an overstatement of investments in or from financial centres, or countries offering favourable tax terms to investors (e.g. Offshore islands) and therefore may mask the true picture of FDI activity. [Experimental estimates of FDI on an ultimate investment basis](#) were published by the ONS in July 2018.
- As with trade, there are asymmetries in FDI statistics reported by different countries. Asymmetries are discrepancies between the outward and inward data of two countries (e.g. the value of UK FDI in France reported by the UK does not match the value of UK FDI into France reported by France). Asymmetries reflect a number of factors including:

Differences in coverage and methodology:

- Differences in geographic and sectoral definitions applied by national compilers
- Differences in survey methods and data sources
- Inconsistencies in approach in the valuation of companies' opening and closing balances (book value vs market value)
- Differences in disclosure control methods
- Differences in coverage of fellow enterprises in different countries
- Inherent inconsistencies in the measurement of FDI
- Failure to correctly capture transactions related to Special Purpose Entities (SPEs) and inconsistent treatment of SPEs across reporting countries
- Exchange rate movements and revaluations of assets
- Differences in the timing of recording FDI statistics.

Similar to trade in goods and services data FDI from overseas territories are included with that countries figures. For example, United States' statistics include Puerto Rico. For more information please refer to the methodological notes accompanying the original data publication.

Performance, cost and respondent burden

The data used is all derived from other primary data sources; therefore no extra resource is required to collect the data. The Core Statistics Book is compiled and checked by a small statistics team in the analytical directorate of DIT.

The performance and summary sheets are used by the executive board, and can be used to measure success and performance of the department against its main aims.

Confidentiality, transparency and security

Confidentiality, transparency and security – e.g. All data released is published in aggregate tables, no record level data is released. Record level data relating to the aggregate tables is compliant with the General Data Protection Regulation and held in line with a number of data sharing agreements between the department and the data suppliers.

Glossary

Exports – sales of goods and services by residents of the reporting country to non-residents. See also '**Physical movement (or customs) basis** and '**Change of ownership (or Balance of Payments) basis**' below.

Imports – purchases of goods and services by residents of the reporting country from non-residents. See also '**Physical movement (or customs) basis** and '**Change of ownership (or Balance of Payments) basis**' below.

Trade balance – the difference between exports and imports.

Trade surplus – occurs when the value of a country's exports exceeds that of its imports.

Trade deficit – occurs when the value of a country's imports exceeds that of its exports.

Bilateral or 'total' trade – the value of total trade between two countries (i.e. exports plus imports combined).

Physical movement (or customs) basis – a good is recorded as an export (import) if it physically leaves (enters) the economic territory of a country. The HMRC trade in goods data in this document are reported on this basis.

Change of ownership (or Balance of Payments) basis – a good leaving (entering) the economic territory of a country is recorded as an export (import) only if it has changed ownership between the resident of the reporting country and non-residents. The ONS goods data in this document are reported on this basis – hence they are not directly comparable with the HMRC data which are based on the 'physical movement' principle. Trade in services involves no physical movement (services are intangible) so services data are always reported on a 'change of ownership' (Balance of Payments) basis

Current prices – prices at which goods and services are currently being sold in the market i.e. as they were at the time of measurement and not adjusted for inflation

Constant prices – adjusted prices so that changes over time exclude the effect of price inflation.

Inflation – the rate at which prices for goods and services increase or decrease over a period of time.

Gross Domestic Product (GDP) – the total value of all goods and services produced within a country.

Balance of Payments (BoP) – a set of accounts summarising all the transactions of an economy with the rest of the world.

Current account – part of the BoP. It measures the difference between what a country earns and spends with the rest of the world. It comprises: a) the trade account (e.g. UK

exports and imports of goods and services), b) the primary income account (e.g. income earned by UK residents as a result of their investment abroad net of income earned by foreign residents from their investments in the UK), and c) secondary income (e.g. net transfers of money between the UK and other countries (for example, foreign aid and official payments to and receipts from EU institutions and other international bodies).

Foreign Direct Investment (FDI) – investment made by an entity resident in one economy ('direct investor') to acquire a 'lasting interest' in an enterprise operating in another economy. The 'lasting interest' is deemed to exist if the direct investor acquires at least 10% of equity, or equivalently 10% of the voting rights, of the company.

FDI stock – the accumulated value of all previous investments at the end of a reference period. For example, UK **outward FDI stock** refers to the total value of UK residents' FDI abroad and UK **inward FDI stock** refers to the total value of FDI by non-UK resident investors in the UK.

Special Purpose Entities – refers to entities such as financing subsidiaries, shell companies and conduits, which typically do not conduct any notable operations in the country in which they are resident other than to pass through investments from their parent company to an affiliate in another country.

Greenfield capital investment – the creation of a firm from scratch by one or more non-resident investors; an expansion of the capital stock, directly generating new economic activity and jobs.

Trade in Value Added (TiVA) – A new statistical approach for measuring trade. Unlike traditional ('gross') trade statistics, TiVA decomposes gross exports into **domestic** and **foreign value added**. Taking the UK as an example, the domestic value added in gross exports measures the value added that is generated domestically (i.e. in the UK) by the UK exporting industry, UK upstream suppliers and re-imports. The foreign value added measures the contribution that foreign suppliers make to the total value of UK exports. A high share of foreign (imported) value added suggests that a country is highly integrated into global supply chains i.e. it relies on imported inputs for the production of its exports.

Backward linkages in exports – measure how dependent domestic exporters are on foreign inputs (raw materials, machinery etc.) for the production of their exports.

Trade asymmetries – Discrepancies in bilateral trade statistics reported by countries. For example, the value of UK exports to the United States (reported by the UK) does not match the value of US imports from the UK (reported by the United States).

FDI asymmetries – Discrepancies in bilateral FDI statistics reported by countries. For example, the value of UK outward FDI stock in the United States (reported by the UK) does not match the value of inward FDI stock from the UK (reported by the United States).

Sampling error – sampling allows estimation for the whole population without having to survey the whole population. A sampling error is the difference between the sampled and whole population.

Non-sampling error – a catch-all term for the deviations from the true value that are not a function of the sample chosen, including coverage errors (error in accurately representing the whole population from the sample), response errors (inaccurate answers from respondents), recording errors (where data are coded incorrectly during collection).

CIF (Cost, Insurance and Freight) – Imports are typically valued by customs authorities on a CIF basis (i.e. include freight and insurance costs of transporting the goods to a country) while exports are valued on a FOB basis (exclude freight and insurance costs). This can cause an asymmetry in bilateral trade in goods statistics as the value of imports is higher than the value of mirror exports. The value required for Balance of Payments purposes is the value of goods at the point of export (that is, the customs border of the exporting country) rather than the value of goods as they arrive in the country. Therefore, the ONS makes adjustments (deducts freight and insurance costs from the values recorded by HMRC) to convert trade in goods statistics to the basis required for Balance of Payments.

FOB (Free On Board) – see CIF above.

EBOPS (Extended Balance of Payments Services classification) – the classification system for trade in services used in Balance of Payments statistics.

Seasonal adjustment The purpose of seasonal adjustment is to remove systematic calendar-related variation associated with the time of the year, that is, seasonal effects. This facilitates comparisons between consecutive time periods. Further detail can be found on the [ONS website](#).

DIT

The UK's Department for International Trade (DIT) has overall responsibility for promoting UK trade across the world and attracting foreign investment to our economy. We are a specialised government body with responsibility for negotiating international trade policy, supporting business, as well as delivering an outward-looking trade diplomacy strategy.

Disclaimer

Whereas every effort has been made to ensure that the information in this document is accurate the Department for International Trade does not accept liability for any errors, omissions or misleading statements, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organisation mentioned.

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