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# UK trade in goods statistics by business characteristics 2017

HMRC has linked the Overseas Trade Statistics (OTS) trade in goods data with the Office for National Statistics (ONS) business statistics sourced from the Inter-Departmental Business Register (IDBR).

The linked data provides additional information about the types of business carrying out international trade in goods, such as their industry group, age and size.

#### Summary

- In 2017, there were 151,000 businesses in the UK exporting goods, with a total employee count of 9.7 million. There were 231,000 importing businesses in the UK with a total employee count of 12.3 million.
- In 2017, 35% of exporting businesses were over 20 years old; these businesses contributed 72% of export trade. Businesses under 2 years old made up 7% of the exporter population but contributed only 1% of export trade.
- In 2017, the average number of employees per trading business decreased by 2% for exporting businesses and by 4% for importing businesses, compared with 2016.

## Introduction

HMRC has linked the Overseas Trade Statistics (OTS) trade in goods data with the Office for National Statistics (ONS) business statistics sourced from the Inter-Departmental Business Register (IDBR). Whereas the OTS shows the values and volumes of goods being traded by product and country, this release provides information about the types of businesses that are trading those goods. This report focuses on trade by industry group, age of business and size of business (number of employees). In addition, you can download Microsoft Excel spreadsheets with more detailed information.

This publication is for 2017 data. Data relating to 2016 and 2015 is included for comparison in the tables, and data from 2013-2017 is included on relevant graphs. All data presented in this release has been compiled on a <u>Special Trade</u> basis. For further information on the differences between General and Special Trade, please see the <u>Methodology Paper for Overseas Trade</u> <u>Statistics</u>. This change is in line with the compilation of the OTS, which have been published on a Special Trade basis since May 2016. Previous releases of UK trade in goods statistics by business characteristics have not been updated.

Currently these statistics are labelled as experimental. The reasons for this are:

- to allow this new publication to incorporate new methodology which is subject to change;
- to allow external users to provide feedback on the publication so that enhancements can be made to future releases.

For more information and guidance on the use of experimental statistics, please visit the <u>Guide to Experimental Statistics</u> on the ONS website.

We welcome feedback on the content and presentation of these statistics. If you have any comments, please send them to:

uktradeinfo@hmrc.gsi.gov.uk

## Analysis

### What's in this release?

All data and charts in this release are based on international trade in goods carried out by businesses based in the UK. Trade in services is not included. For the data presented on the 'Services' industry, this refers to trade in goods carried out by businesses classified as 'Services' in the Standard Industrial Classification (SIC) 2007.

The analysis is presented in four sections:

### 1. Total trade

**Timelines of total trade 2013-2017:** Value of UK imports and exports Number of UK importers and exporters

## 2. Trade by industry group

**Timelines of trade for non-Services industries 2013-2017:** Value of UK imports and exports Number of UK importers and exporters

**Timelines of trade for the Services industry 2013-2017:** Value of UK imports and exports Number of UK importers and exporters

Analysis of trade by industry group (for 10 industry groups): Value UK imports and exports Number of UK importers and exporters Number of employees for UK importers and exporters

### 3. Trade by size of business

**Timelines of trade for large businesses 2013-2017:** Value of UK imports and exports Number of UK importers and exporters

Timelines of trade for small and medium-sized businesses 2013-2017:

Value of UK imports and exports Number of UK importers and exporters

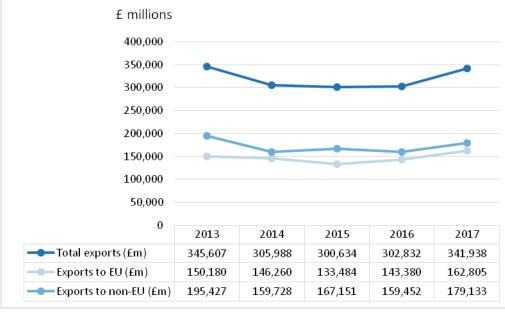
Analysis of trade by business size (for 5 size categories): Value of UK imports and exports Number of UK importers and exporters Number of employees for UK importers and exporters

### 4. Trade by age of business

Analysis of trade by business age (for 6 age categories): Value of UK imports and exports

# 1. Total trade

## Timelines of total trade 2013-2017<sup>1</sup> Figure 1.1: Value of UK exports 2013-2017



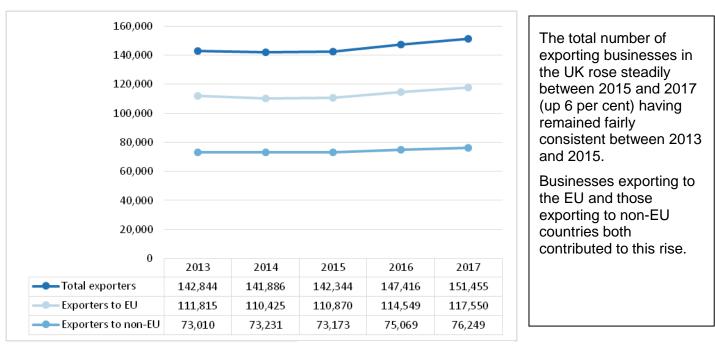
The total value of UK exports increased by 13 per cent between 2016 and 2017, following a decrease of 13 per cent between 2013 and 2015.

Exports to the EU rose by 14 per cent between 2016 and 2017, following a decrease between 2013 and 2015.

Exports to non-EU countries increased by 12 per cent between 2016 and 2017.

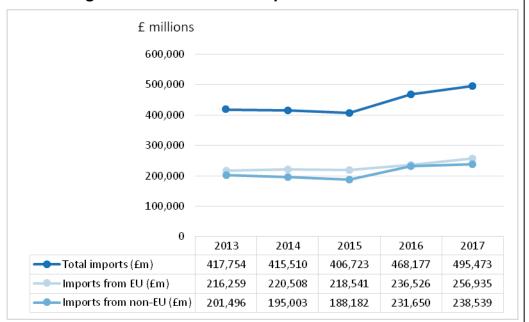
Source: HMRC OTS and ONS IDBR data

#### Figure 1.2: Count of UK exporters 2013-2017



Source: HMRC OTS and ONS IDBR data

<sup>&</sup>lt;sup>1</sup> Values will not match annual OTS values, which are compiled on a **General** trade basis up to April 2016. Counts will not match those in the UK VAT Registered Importer and Exporter Population release, which gives a **combined** count for importers/exporters. See Annex for further information.



#### Figure 1.3: Value of UK imports 2013-2017

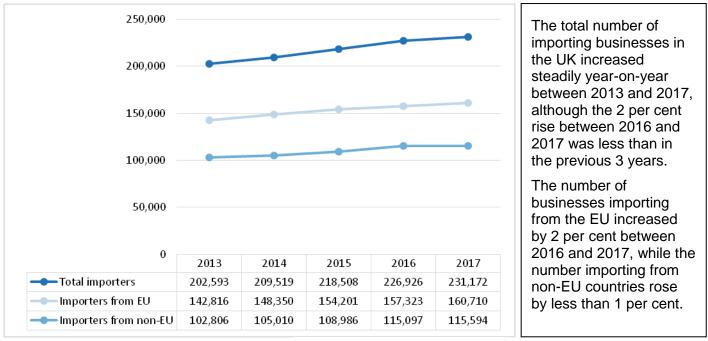
The total value of UK imports rose sharply between 2015 and 2017 (up 22 per cent) having decreased by 3 per cent between 2013 and 2015.

Imports from the EU rose by 18 per cent between 2015 and 2017 having remained fairly static between 2013 and 2015.

Imports from non-EU countries rose by 27 per cent between 2015 and 2017, after a decrease of 7 per cent between 2013 and 2015.

Source: HMRC OTS and ONS IDBR data

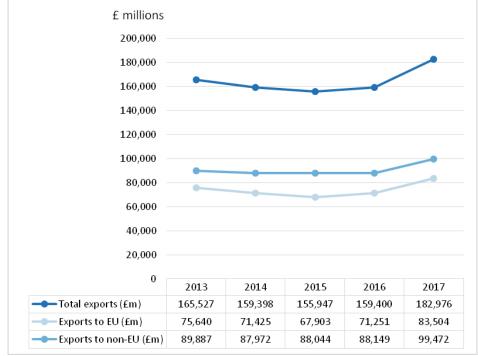
#### Figure 1.4: Count of UK importers 2013-2017



# 2. Trade by industry group

## Timelines of trade for non-Services<sup>2</sup> industries 2013-2017

Figure 2.1: Value of UK exports by non-Services industries, 2013-2017

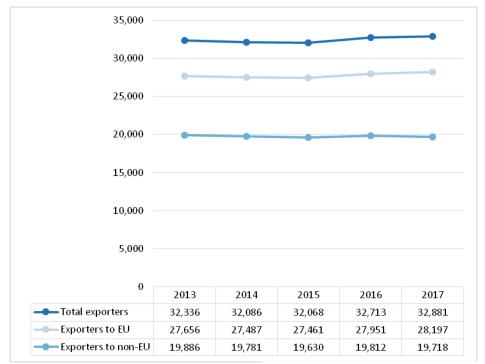


The total value of exports by businesses classified as non-Services rose sharply between 2015 and 2017 (up 17 per cent) following a steady decrease between 2013 and 2015.

Exports to the EU increased by 23 per cent between 2015 and 2017, while exports to non-EU countries rose by 13 per cent.

Source: HMRC OTS and ONS IDBR data





The total number of non-Services businesses exporting goods from the UK rose by 3 per cent between 2015 and 2017 following a decrease year-on-year between 2013 and 2015.

The number of non-Services businesses exporting to the EU increased by 3 per cent between 2015 and 2017, while the number exporting to countries outside the EU increased only marginally.

Source: HMRC OTS and ONS IDBR data

<sup>2</sup> Non-Services industries include industry groups 1-9 as described in the Annex.

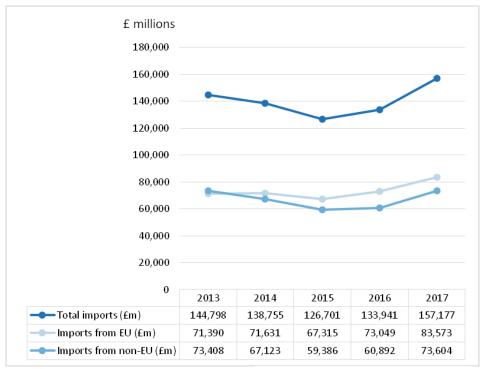


Figure 2.3: Value of UK imports by non-Services industries, 2013-2017

The total value of imports by businesses classified as non-Services rose by 24 per cent between 2015 and 2017, following a steady decrease between 2013 and 2015.

Imports from the EU increased in value by 2 per cent between 2015 and 2017, while imports from non-EU countries increased by 17 per cent.

Source: HMRC OTS and ONS IDBR data

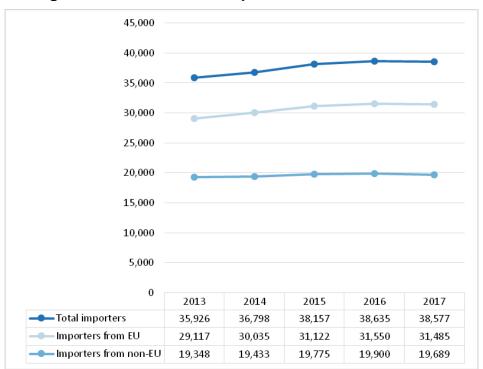


Figure 2.4: Count of UK importers within non-Services industries, 2013-2017

The total number of non-Services businesses importing goods decreased slightly between 2016 and 2017, despite a considerable increase in the value traded. This followed a steady rise between 2013 and 2016.

The above pattern was similar for non-Services businesses importing from the EU and for those importing from non-EU countries.

Source: HMRC OTS and ONS IDBR data

Timelines of trade for the Services<sup>3</sup> industry 2013-2017

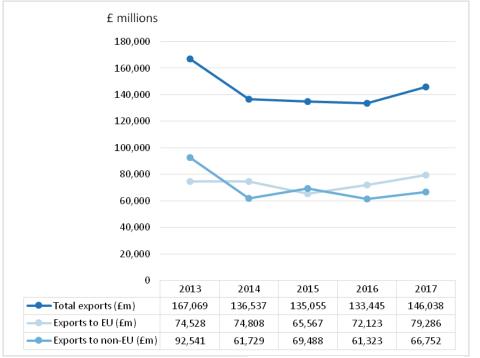


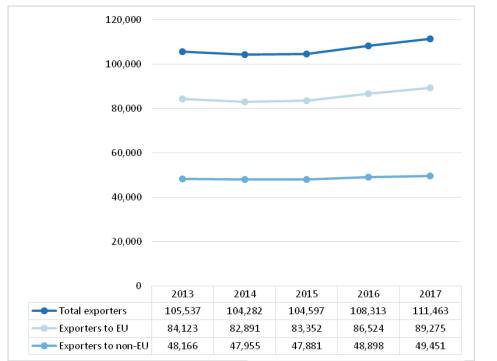
Figure 2.5: Value of UK exports in goods by the Services industry, 2013-2017

The total value of exports by businesses within the Services industry group increased by 9 per cent between 2016 and 2017, following a decrease of 20 per cent between 2013 and 2016.

Exports to the EU from this group rose by 10 per cent between 2016 and 2017 while exports to non-EU countries increased by 9 per cent.

Source: HMRC OTS and ONS IDBR data



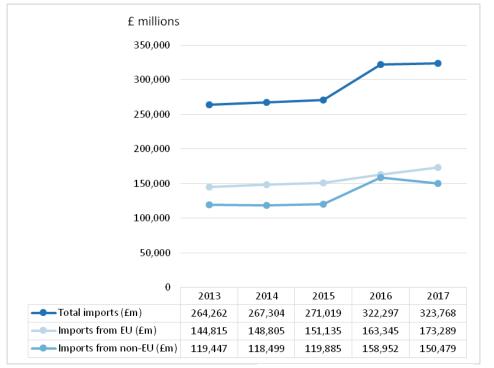


The total number of exporting businesses within the Services industry group increased steadily between 2014 and 2017, following a decrease between 2013 and 2014.

The number of Services businesses exporting to the EU increased by 8 per cent over the period 2014 to 2017, while the number exporting to non-EU countries rose by 3 per cent.

Source: HMRC OTS and ONS IDBR data

<sup>3</sup> Services industry is industry group 10, as described in Annex. Data includes only businesses within the Services industry that are trading in **goods**. See Annex for further information.

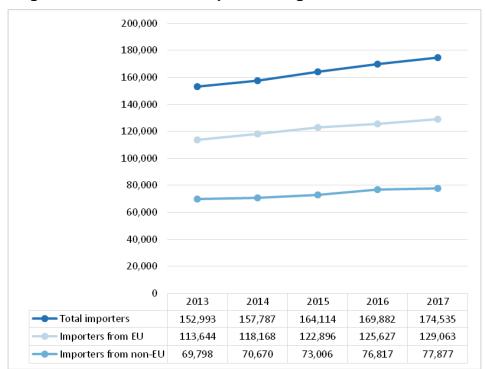


#### Figure 2.7: Value of UK imports in goods by the Services industry, 2013-2017

The total value of imports by businesses within the Services industry increased only marginally between 2016 and 2017, following a sharp rise between 2015 and 2016. The slower growth in

The slower growth in 2017 was due to a decrease in imports from non-EU countries by the Services industry, while imports from the EU continued to increase steadily.

Source: HMRC OTS and ONS IDBR data



### Figure 2.8: Count of UK importers in goods within the Services industry, 2013-2017

The total number of importing businesses within the Services industry group increased steadily yearon-year between 2013 and 2017, with a net increase of 14 per cent over the 4 years.

The number of Services businesses importing from the EU increased by 14 per cent between 2013 and 2017 and the number importing from outside the EU rose by 12 per cent, despite a drop in the value of goods imported.

Source: HMRC OTS and ONS IDBR data

### Analysis of trade by industry group

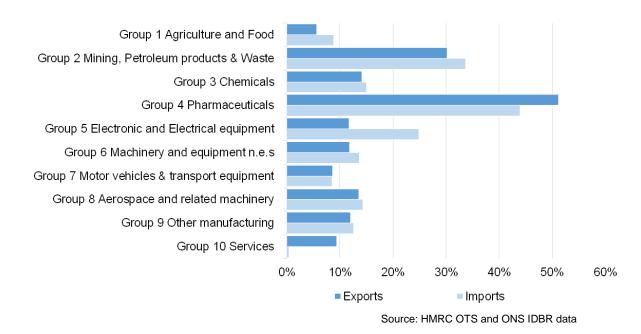
							£millions
			Exports			Imports	
Industry (	Group	2015	2016	2017	2015	2016	2017
Group 1	Agriculture and Food	17,947	18,025	19,034	19,646	20,301	22,094
Group 2	Mining, Petroleum products & Waste	19,943	18,591	24,208	26,360	23,790	31,793
Group 3	Chemicals	13,449	9,686	11,057	9,387	7,132	8,200
Group 4	Pharmaceuticals	9,917	6,790	10,262	3,110	5,152	7,415
Group 5	Electronic and Electrical equipment	18,342	13,476	15,059	13,657	8,273	10,332
Group 6	Machinery and equipment n.e.s	15,997	18,909	21,145	8,358	11,443	13,011
Group 7	Motor vehicles & transport equipment <sup>1</sup>	26,060	30,797	33,463	25,016	27,581	29,943
Group 8	Aerospace and related machinery	19,670	28,464	32,319	8,504	17,273	19,750
Group 9	Other manufacturing	14,621	14,661	16,428	12,663	12,997	14,639
Group 10	Services <sup>2</sup>	135,055	133,445	146,038	271,019	322,297	323,768
Unknown		9,632	9,987	12,925	9,003	11,938	14,529
Total		300,634	302,832	341,938	406,723	468,177	495,473
					Source: HMRC	OTS and ON:	SIDBR data

#### Table 2.1: Total value of UK trade by industry group

1. Group 7 excludes aerospace.

2. Industry Group 10 Services includes only trade in goods carried out by businesses in the Services Industry.

# Figure 2.9: Percentage change in UK trade value between 2016 and 2017, by industry group



Between 2016 and 2017, the value of both exports and imports increased for all industry groups. For most groups, the growth in imports exceeded the growth in exports, although the 'Pharmaceuticals', 'Motor vehicles & transport equipment' and 'Services' groups all saw greater growth in exports. Between 2016 and 2017:

- ↑ The largest percentage increases in export value were in Group 4 'Pharmaceuticals' (up 51 per cent) and Group 2 'Mining, petroleum products & waste' (up 30 per cent).
- ↑ The largest percentage increases in import value were in Group 4 'Pharmaceuticals' (up 44 per cent) and Group 2 'Mining, petroleum products & waste' (up 34 per cent).

For the period 2015-2017:

- ↑ There was sustained increase in export value for Group 1 'Agriculture and food', Group 6 'Machinery & equipment', Group 7 'Motor vehicles & transport equipment', Group 8 'Aerospace and related machinery' and Group 9 'Other manufacturing'.
- The only groups where 2017 export value was lower than in 2015 were Group 3 'Chemicals' and Group 5 'Electronic and electrical equipment'. This was despite an increase in exports for these groups between 2016 and 2017.
- ↑ There was a sustained increase in import value for the majority of groups. The only groups where 2017 import value was lower than in 2015 were Group 3 'Chemicals' and Group 5 'Electronic and electrical equipment'.

Market Share 2015-2017:

- ↑ For Group 8 'Aerospace and related machinery', the market share of exports increased from 6.5 per cent to 9.5 per cent, while the market share of imports increased from 2.1 per cent to 4.0 per cent.
- ↓ For Group 3 'Chemicals', the market share of exports decreased from 4.5 per cent to 3.2 per cent between 2015 and 2017, while the market share of imports fell from 2.3 per cent to 1.7 per cent.
- ↓ For Group 5 'Electronic and electrical equipment', the market share of exports decreased from 6.1 per cent to 4.4 per cent, while the market share of imports decreased from 3.4 per cent to 2.1 per cent.

#### Table 2.2: Business count by industry group

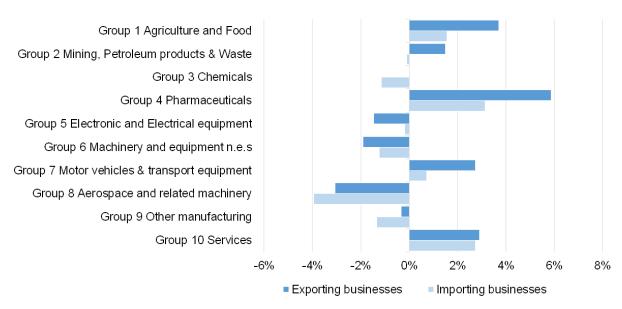
Numberofbusinesses

		Exports				Imports	
Industry Group		2015	2016	2017	2015	2016	2017
Group 1	Agriculture and Food	6,815	7,146	7,411	11,576	11,828	12,013
Group 2	Mining, Petroleum products & Waste	1,674	1,739	1,765	2,039	2,089	2,087
Group 3	Chemicals	1,466	1,490	1,490	1,442	1,482	1,465
Group 4	Pharmaceuticals	218	221	234	265	255	263
Group 5	Electronic and Electrical equipment	4,072	4,113	4,053	4,266	4,301	4,293
Group 6	Machinery and equipmentn.e.s	3,354	3,347	3,283	3,280	3,249	3,209
Group 7	Motor vehicles & transport equipment <sup>1</sup>	1,279	1,312	1,348	1,356	1,372	1,382
Group 8	Aerospace and related machinery	181	196	190	191	203	195
Group 9	Other manufacturing	13,009	13,149	13,107	13,742	13,856	13,670
Group 10	Services <sup>2</sup>	104,597	108,313	111,463	164,114	169,882	174,535
Unknown		5,679	6,390	7,111	16,237	18,409	18,060
Total		142,344	147,416	151,455	218,508	226,926	231,172
					Source: HMRC	OTSandON	SIDBR data

1. Industry Group 7 excludes aero space.

2. Industry Group 10 Services includes only businesses in the Services industry that carried out trade in goods.

# Figure 2.10: Percentage change in business count between 2016 and 2017, by industry group



Source: HMRC OTS and ONS IDBR data

Between 2016 and 2017, the number of exporting businesses increased for 5 of the 10 industry groups. The number of businesses importing goods increased for 4 of the 10 groups over the same period.

Between 2015 and 2017 there was a sustained increase in the number of businesses exporting for 5 of the 10 industry groups. During this period there was a sustained increase in the number of businesses importing for 3 of the industry groups.

The most notable changes were:

- ↑ For Group 4 'Pharmaceuticals', the number of exporting businesses rose by 6 per cent between 2016 and 2017, while the number of importing businesses rose by 3 per cent.
- ↑ For Group 1 'Agriculture and food' the number of exporting businesses rose by 4 per cent between 2016 and 2017, while the number of importing businesses rose by 2 per cent.
- ↑ For Group 10 'Services' the number of businesses exporting goods increased by 3 per cent between 2016 and 2017, as did the number importing goods.
- ↓ Group 8 'Aerospace' saw a 3 per cent fall in the number of exporters and a 3 per cent fall in the number of importers between 2016 and 2017.
- ↓ Group 6 'Machinery and equipment' was the only industry group to see a sustained decrease in the number of exporters over the period 2015-2017. This group was also the only one to see a sustained decrease in importers over the same period.
- The only industry groups where the number of exporters was lower in 2017 than in 2015 were Group 5 'Electronic and electrical equipment' and Group 6 'Machinery & equipment'.

						Number	ofemployees
			Exports			Imports	
Industry G	Group	2015	2016	2017	2015	2016	2017
Group 1	Agriculture and Food	476,910	487,217	498,369	552,335	568,409	577,345
Group 2	Mining, Petroleum products & Waste	295,325	259,803	281,214	335,747	330,721	334,896
Group 3	Chemicals	86,295	81,368	84,886	86,931	81,923	84,669
Group 4	Pharmaceuticals	45,973	29,779	37,418	45,872	30,229	36,689
Group 5	Electronic and Electrical equipment	181,923	175,238	173,038	183,529	175,730	174,165
Group 6	Machinery and equipment n.e.s	164,290	167,596	160,990	163,596	166,005	162,602
Group 7	Motor vehicles & transport equipment <sup>1</sup>	153,778	148,668	166,108	157,389	153,583	170,178
Group 8	Aerospace and related machinery	87,699	90,848	92,919	87,684	90,696	92,743
Group 9	Other manufacturing	489,593	488,377	496,185	510,271	512,014	515,930
Group 10	Services <sup>2</sup>	7,351,274	7,756,892	7,720,632	10,010,297	10,483,819	10,195,341
Unknown <sup>3</sup>							
Total <sup>4</sup>		9,333,060	9,685,786	9,711,759	12,133,651	12,593,129	12,344,558
					Source: HMR(	COTSandON	NSIDBR data

#### Table 2.3: Employee count by industry group

1. Industry Group 7 excludes aero space.

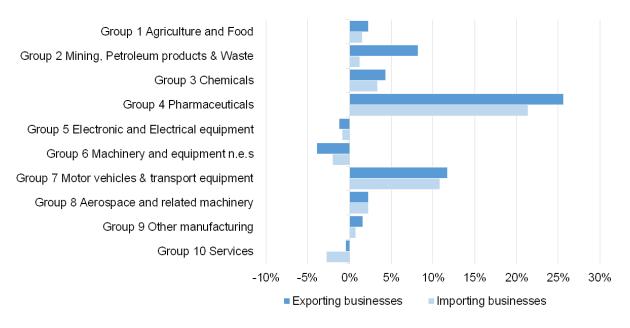
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Industry Group 10 Services includes only businesses in the Services industry that carried out trade in goods.
Unknown category excludes employees of foreign-owned businesses that are required to register for UK VAT

due to distance sellingregulations.

4. Totals exclude the Unknown category.

# Figure 2.11: Percentage change in employee count between 2016 and 2017, by industry group



Source: HMRC OTS and ONS IDBR data

Between 2016 and 2017, the majority of exporting industries saw an increase in the number of people they employed. This was in contrast to the decrease in the number of employees seen in the majority of industries between 2015 and 2016. There was a marginal net increase in the total number of employees across all exporting industries, despite a decrease in employees within the dominant Services industry.

Between 2016 and 2017 the majority of importing industry groups saw an increase in the number of people they employed, with an overall net increase of 2 per cent. This figure was dominated by the Services industry, which accounted for around 80 per cent of all employees for businesses engaged in international trade in goods.

The most notable changes were:

- ↑ The largest percentage increase between 2016 and 2017 was in employees within Group 4 'Pharmaceuticals' (up 26 per cent for exporting businesses and 21 per cent for importing businesses). This rise followed a large decrease of around 35 per cent in employees within 'Pharmaceuticals' between 2015 and 2016 for both imports and exports.
- Among exporting businesses, the largest percentage decrease between 2016 and 2017 was in employees within Group 6 'Machinery and equipment' (down 4 per cent).
- Among importing businesses, the largest percentage decrease between 2016 and 2017 was in employees within Group 10 'Services' (down 3 per cent).
- ↑ For exports during the period 2015-2017, Group 1 'Agriculture and food' and Group 8 'Aerospace' were the only industries to see a sustained increase in number of employees over the two years.
- For imports during the period 2015-2017, Group 1 'Agriculture and food', Group 8 'Aerospace' and Group 9 'Other manufacturing' were the only industries to see a sustained increase in number of employees over the two years.
- ↓ For the period 2015-2017, the only industry to see a sustained decrease in number of employees was Group 5 'Electronic and electrical equipment'; this was true for both importing and exporting businesses.

#### Summary of trade by industry group 2015-2017:

#### Trade value, number of businesses and employee count

Between 2015 and 2017 the number of importing and exporting businesses increased for the majority of industry groups. This was coupled with a decrease in the average number of employees per business across half of the industry groups. However, some industries such as **Motor vehicles & transport equipment** saw a rise in the number of employees per business. The average value of goods imported and exported per business varied widely between industry groups: per business, there were large decreases in average import and export value for **Chemicals** and **Electronic and electrical equipment**, while **Aerospace** saw very large increases in the average values imported and exported per business.

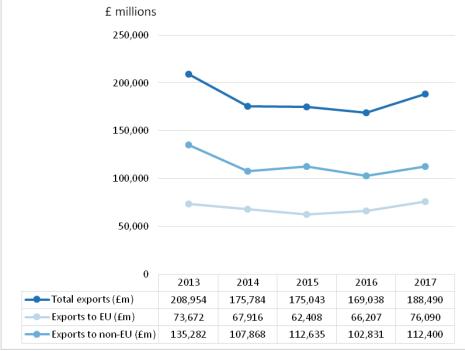
Between 2015 and 2017:

- The number of businesses importing and exporting within the **Agriculture and Food** industry increased (exporters up 9 per cent and importers up 4 per cent), but the average number of employees per exporting business decreased. The average export value per business decreased (down 2 per cent) but the average import value per business increased (up 8 per cent).
- The number of businesses exporting and importing within the **Machinery and equipment** group decreased (exporters and importers both down 2 per cent), although the average number of employees per business increased. The average export value and average import value per business also both increased (up 35 per cent and 59 per cent respectively).
- The number of exporting businesses within the **Electronic and** electrical equipment group decreased slightly, and there was also a reduction in the average number of employees per business (down 4 per cent for exporters and 6 per cent for importers). The average export value and average import value per business both decreased (down 18 per cent for exporters and 25 per cent for importers), as did the market share (down 28 per cent for exports and 38 per cent for imports).
- The number of **Pharmaceuticals** businesses exporting goods increased, although these businesses employed fewer people on average and had a lower average export value per business. In contrast, the number of importing Pharmaceuticals businesses decreased; these businesses employed fewer people on average but saw an increase in the average value of imports per business.

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# 3. Trade by size of business Timelines of trade for large businesses<sup>4</sup> 2013-2017

### Figure 3.1: Value of UK exports by large businesses 2013-2017

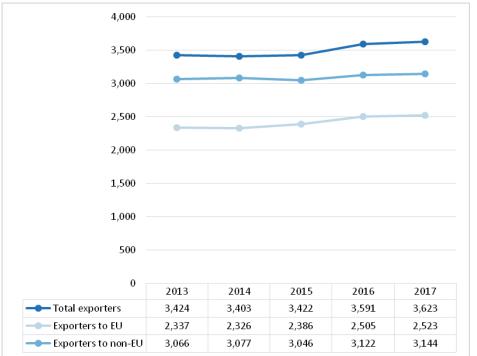


The total value of exports by large businesses increased by 12 per cent between 2016 and 2017. This followed a decrease of 19 per cent between 2013 and 2016

Exports to the EU increased by 15 per cent between 2016 and 2017, while exports to non-EU countries increased by 9 per cent.

#### Source: HMRC OTS and ONS IDBR data

#### Figure 3.2: Count of UK exporters – large businesses 2013-2017



The total number of large businesses exporting goods from the UK has increased year-on-year between 2014 and 2017 (up 6 per cent), following a decrease between 2013 and 2014.

The number of large businesses exporting to the EU increased by 8 per cent between 2014 and 2017, while the number exporting to non-EU countries rose by only 2 per cent.

<sup>&</sup>lt;sup>4</sup> Large businesses are defined as those with 250 or more employees.

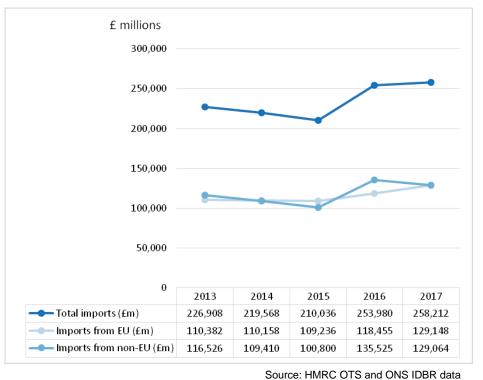
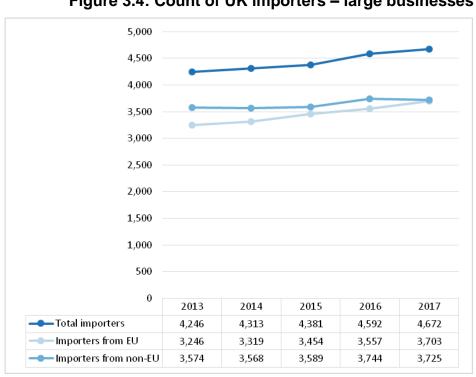


Figure 3.3: Value of UK imports by large businesses 2013-2017

The total value of goods imported by large businesses increased by just 2 per cent between 2016 and 2017, following a sharp increase of 21 per cent between 2015 and 2016. Goods imported from the EU by large businesses increased steadily in value between 2015 and

increased steadily in value between 2015 and 2017 (up 18 per cent). Goods imported from non-EU countries decreased between 2016 and 2017 after a sharp increase between 2015 and 2016.



## Figure 3.4: Count of UK importers – large businesses 2013-2017

The total number of large businesses importing goods increased year-onyear between 2013 and 2017, with a 2 per cent rise between 2016 and 2017.

The number of large businesses importing from the EU increased by 14 per cent between 2013 and 2017, while those importing from non-EU countries increased by 4 per cent after a decrease between 2016 and 2017.

## Timelines of trade for SMEs<sup>5</sup> 2013-2017

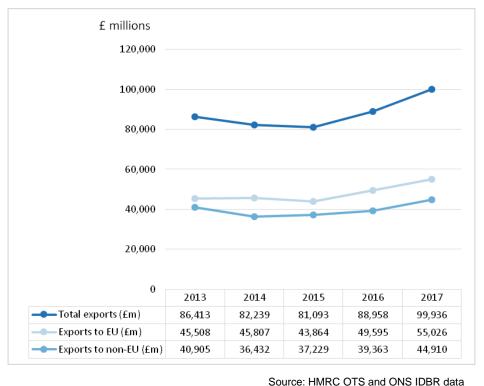


Figure 3.5: Value of UK exports by SMEs 2013-2017

The total value of goods exported by small and medium-sized businesses (SMEs) rose by 23 per cent between 2015 and 2017, after a decrease between 2013 and 2015.

Exports to the EU by SMEs increased in value by 26 per cent between 2015 and 2017, while SME exports to non-EU countries rose by 21 per cent.

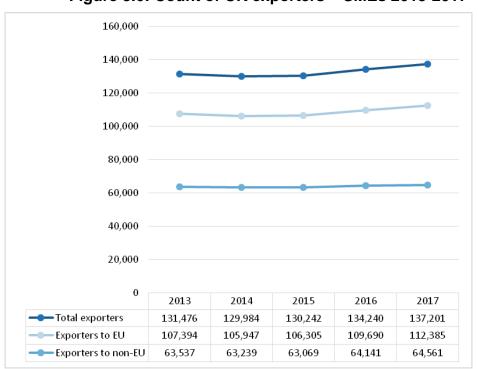
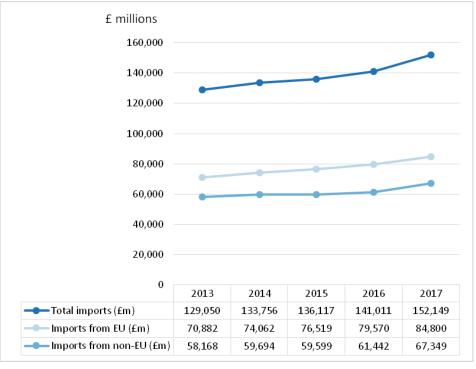


Figure 3.6: Count of UK exporters – SMEs 2013-2017

The total number of SMEs exporting goods increased steadily between 2014 and 2017 (up 6 per cent), following a decrease between 2013 and 2014.

The number of SMEs exporting to the EU increased by 6 per cent between 2014 and 2017, with the number exporting to non-EU countries up 2 per cent.

<sup>&</sup>lt;sup>5</sup> SMEs (Small and medium sized enterprises) are defined as businesses with less than 250 employees.



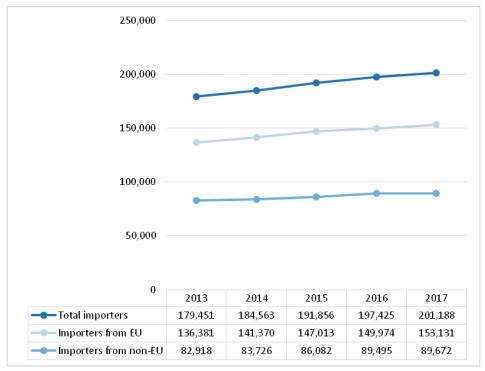
#### Figure 3.7: Value of UK imports by SMEs 2013-2017

The total value of goods imported by SMEs rose by 18 per cent between 2013 and 2017, with an increase of 8 per cent between 2016 and 2017.

Goods imported from the EU by SMEs rose in value by 20 per cent between 2013 and 2017, and imports from non-EU countries rose by 16 per cent.

Source: HMRC OTS and ONS IDBR data

### Figure 3.8: Count of UK importers – SMEs 2013-2017



The total number of SMEs importing goods increased steadily yearon-year between 2013 and 2017 (up 12 per cent).

The number of SMEs importing from the EU increased by 12 per cent between 2013 and 2017, while the number importing from non-EU countries rose by 8 per cent.

### Analysis of trade by business size

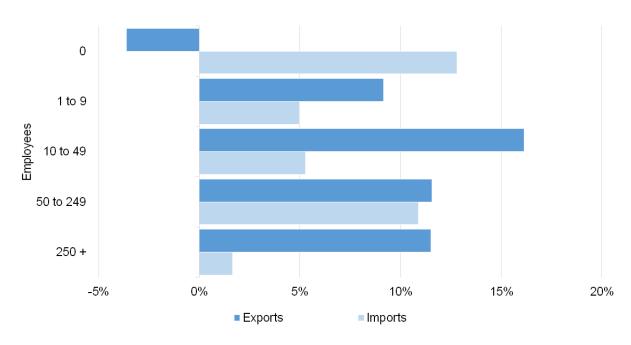
		-				£millions
Business size		Exports			Imports	
(no. of employees)	2015	2016	2017	2015	2016	2017
0	242	248	239	376	375	423
1 to 9	15,722	18,518	20,211	25,334	25,517	26,786
10 to 49	23,936	25,739	29,895	47,561	48,290	50,841
50 to 249	41,193	44,453	49,591	61,227	66,829	74,099
250 +	175,043	169,038	188,490	210,036	253,980	258,212
Unknown <sup>1</sup>	44,499	44,835	53,513	60,570	73,185	85,113
Total	300,634	302,832	341,938	406,723	468,177	495,473

#### Table 3.1: Total value of UK trade by business size

Source: HMRC OTS and ONSIDBR data

1. Unknown category includes trade by foreign-owned businesses required to register for UK VAT due to distance selling regulations.

# Figure 3.9: Percentage change in UK trade value between 2016 and 2017, by business size



Between 2016 and 2017 the value of imports increased for all business size categories. The value of exports increased for all business size categories apart from the Zero employees category, where there was a 4 per cent decrease.

The most notable changes were:

- ↑ Between 2016 and 2017, for businesses classified as SMEs (covering the categories 0, 1-9, 10-49 and 50-249) the percentage increase in the value of exports exceeded that for imports in all size categories apart from the Zero employees category.
- ↓ The largest percentage increase in import value between 2016 and 2017 was in the Zero employees category (up 13 per cent). This category was the only one for which the value of imports decreased between 2015 and 2016, although this decrease was marginal.
- ↓ The Zero employees size category was the only one to see a decrease in the value of exports between 2015 and 2017.
- ↑ The Large business category (250+ employees) saw a 12 per cent increase in export value between 2016 and 2017, following a decrease between 2015 and 2016.
- ↑ The largest increase in export value between 2016 and 2017 was in the 10-49 employees category (up 16 per cent).

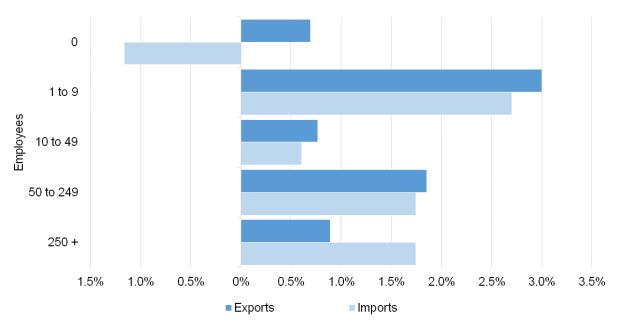
	-				Numberof	businesses
Business size		Exports			Imports	
(no. of employees)	2015	2016	2017	2015	2016	2017
0	7,559	7,511	7,563	12,061	11,600	11,465
1 to 9	78,634	81,449	83,893	120,566	124,606	127,972
10 to 49	33,422	34,377	34,640	45,568	47,188	47,475
50 to 249	10,627	10,903	11,105	13,661	14,031	14,276
250 +	3,422	3,591	3,623	4,381	4,592	4,672
Unknown <sup>1</sup>	8,680	9,585	10,631	22,271	24,909	25,312
Total	142,344	147,416	151,455	218,508	226,926	231,172

#### Table 3.2: Business count by business size

Source: HMRC OTS and ONSIDBR data

 Unknown category includes foreign-owned businesses required to register for UK VAT due to distance selling regulations.

# Figure 3.10: Percentage change in business count between 2016 and 2017, by business size



All business size groups experienced a rise in the number of businesses exporting between 2016 and 2017. There was a rise in the number of businesses importing for all business size groups apart from the Zero employees category between 2016 and 2017.

The most notable changes were:

- ↑ The largest percentage increase in number of businesses between 2016 and 2017 was in the 1-9 employees category (up 3 per cent for both importing and exporting businesses).
- ↓ The only decrease in number of businesses between 2016 and 2017 was in importers within the Zero employees category.
- ↑ For all size groups apart from the Zero employees category, there was a sustained increase in the number of businesses trading internationally over the period 2015-2017.
- ↓ The only category to see a decrease in importing businesses between 2015 and 2017 was the Zero employees category (down 10 per cent).

					Number	rofemployees
Business size		Exports			Imports	
(no. of employees)	2015	2016	2017	2015	2016	2017
0	0	0	0	0	0	0
1 to 9	258,998	267,510	273,844	397,056	410,765	417,356
10 to 49	720,834	744,516	752,669	968,951	1,007,777	1,018,160
50 to 249	1,099,928	1,124,830	1,144,343	1,401,656	1,436,319	1,458,588
250 +	7,253,300	7,548,930	7,540,903	9,365,988	9,738,268	9,450,454
Unknown <sup>1</sup>						
Total <sup>2</sup>	9,333,060	9,685,786	9,711,759	12,133,651	12,593,129	12,344,558

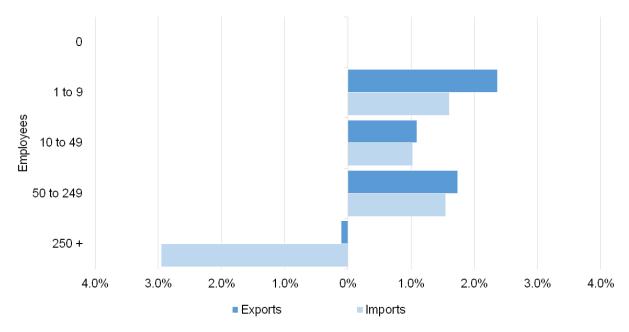
#### Table 3.3: Employee count by business size

Source: HMRC OTS and ONSIDBR data

1. Unknown category excludes employees of foreign-owned businesses that are required to register for UK VAT due to distance selling regulations

2. Totals exclude the Unknown category.

# Figure 3.11: Percentage change in employee count between 2016 and 2017, by business size



Between 2016 and 2017, there was an increase in the number of people employed by importing and exporting businesses for all business size groups except for Large businesses (250+ employees).

The most notable changes were:

- ↓ For Large businesses (250+ employees) importing goods, there was a decrease of 3 per cent in the number of employees between 2016 and 2017. There was also a slight decrease in employees for Large businesses exporting goods.
- ↑ For both importing and exporting businesses, the largest percentage increase in number of employees between 2016 and 2017 was in the 1-9 employees category (up 2 per cent).
- ↑ When comparing employee counts in 2015 to those in 2017, there was an increase in number of employees across all size groups for both exporters and importers.

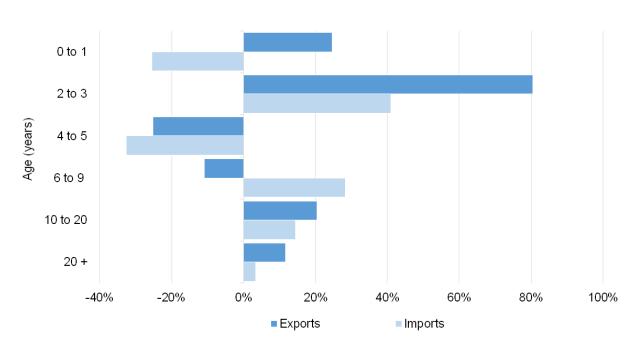
# 4. Trade by age of business

## Analysis of trade by business age

						£millions
Age Group		Exports			Imports	
(years)	2015	2016	2017	2015	2016	2017
0 to 1	2,101	3,727	4,644	6,318	8,567	6,389
2 to 3	4,465	4,110	7,416	8,646	9,929	13,997
4 to 5	9,794	7,485	5,600	16,628	17,631	11,890
6 to 9	13,134	15,136	13,477	20,129	22,777	29,226
10 to 20	35,390	37,526	45,185	55,532	56,984	65,208
20+	218,096	219,021	244,780	284,094	333,141	344,374
Unknown	17,654	15,826	20,838	15,375	19,147	24,389
Total	300,634	302,832	341,938	406,723	468,177	495,473

#### Table 4.1: Total value of UK trade by business age

Source: HMRC OTS and ONSIDBR data



# Figure 4.1: Percentage change in UK trade value between 2016 and 2017, by business age

Table 4.1 shows the value of trade by age of business. Interpretation of movements in age group categories should be treated with caution, since individual businesses naturally progress through the groups.

The most notable changes were:

- ↑ Between 2016 and 2017, there was a large increase in the value of exports for businesses 2-3 years old (up 80 per cent).
- ↑ Business aged 2-3 years also saw the largest percentage increase in the value of imports (up 41 per cent) between 2016 and 2017.
- ↓ The biggest percentage decrease in export value between 2016 and 2017 was for businesses aged 4-5 years (down 25 per cent); this continued the large decline between 2015 and 2016.
- ↑ Between 2015 and 2017 all age groups saw a rise in import and export value apart from the 4-5 year category, where both import and export values fell.
- ↑ For businesses aged under one year, the market share of exports doubled between 2015 and 2017 (up from 0.7 per cent to 1.4 per cent).

## Access to data

The detailed tables for 2017 data are available on the gov.uk website in <u>Microsoft Excel spreadsheet format</u>. Previously published data for 2013-2016 is also available on the same webpage<sup>6</sup>.

These files contain individual tables for Industry Group, Age, and Business Size and also 2 dimensional tables which show:

- Industry Group by Age;
- Industry Group by Business Size;
- Business Size by Age.

A breakdown of industry, age or business size by country for 2017 is available for selected partner countries. These countries are Algeria, Australia, Bangladesh, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Irish Republic, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, USA, Vietnam, EU (all EU partner countries combined), NEU (all Non EU partner countries combined), World (all partner countries combined).

<sup>&</sup>lt;sup>6</sup> Note that previously published data for 2015, 2014 and 2013 was compiled on a General Trade as opposed to a Special Trade basis. For more details on the difference between General and Special trade, see the <u>Methodology Paper for Overseas Trade Statistics</u>.

## Annex: Metadata FAQ

#### What is the purpose of these experimental statistics?

To produce trade statistics based on 10 predefined industry groups to show the total value of UK trade imported and exported, broken down by age and size of UK businesses.

#### Why is this release "Experimental Statistics"?

Experimental statistics allow a new publication to incorporate new methodology which is subject to change. It also allows external users to provide feedback on the publication and enhancements can be made to future releases.

#### What data has been used to produce this release?

This release combines data from the Overseas Trade Statistics (OTS) published by HM Revenue & Customs (HMRC) with the Inter-Departmental Business Register (IDBR) published by the Office for National Statistics (ONS). The OTS is a detailed dataset covering the UK's trade in goods with other nations by partner country and product. More information can be found in the <u>methodology paper</u> for the Overseas Trade Statistics. Since 1994 the IDBR has been the comprehensive list of UK businesses that is used by government for statistical purposes. More information about the <u>Inter-Departmental Business Register</u> can be found on the ONS website.

#### What is the definition of a "business"?

For the purpose of this release the term "business" is used to represent an enterprise. An enterprise can be defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.

Business characteristics such as employee count, age group and industry group are recorded at enterprise level on the IDBR. The business counts published here are therefore counts of enterprises, and the value of trade is derived from trade declared to HMRC by the underlying VAT-registered or EORI-registered<sup>7</sup> businesses.

<sup>&</sup>lt;sup>7</sup> EORI is an acronym for Economic Operator Registration and Identification. In the UK, an EORI number is assigned to importers and exporters by HMRC for the purposes of trading with countries outside the EU.

### How has the data matching been done?

Data is matched by linking the VAT number of each business within the trade statistics data with its corresponding reference on the IDBR data. If a match is not found, then a 'fuzzy matching' on the name is attempted. Any remaining unmatched VAT numbers are allocated to an industry group obtained from departmental VAT records where possible.

There are a number of reasons why a business may be classified within the 'Unknown' category for industry group, number of employees, business size or age group:

- 1. Businesses where the trading VAT/EORI number is invalid are classified as Unknown for industry group, number of employees, business size and age group.
- 2. Overseas-based businesses with a VAT presence in the UK are classified as Unknown for industry group, number of employees, business size and age group.
- 3. Businesses for which IDBR data on industry group, number of employees, business size or age group are unavailable are placed in the Unknown category for the respective group(s).
- 4. EU trade in oil and gas that cannot be attributed to a VAT number is placed in the Unknown category for employee count, business size and age group, while industry group is estimated from HMRC records on businesses trading similar goods.
- 5. Trade carried out by businesses in the Channel Islands and Isle of Man is placed in the Unknown category for industry group, number of employees, business size and age group.
- 6. Parcel post trade that is dealt with centrally (trade with Non-EU only) is placed in the Unknown category for industry group, number of employees, business size and age group.
- Although trade carried out by UK Government is placed in the Unknown category for employee count, it is categorised under the '250+' group for business size.

For more detailed information or to comment on this methodology, contact the uktradeinfo helpdesk (email: <u>uktradeinfo@hmrc.gsi.gov.uk</u>).

### Which variables are being published?

Age of business (0-1, 2-3, 4-5, 6-9, 10-20, 20+, unknown) Business size (no. of employees) (0, 1-9, 10-49, 50-249, 250+, unknown) Industry group (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, unknown) Statistical value of trade in goods Employee count Business count

### What are the industry groupings?

The industry group refers to the classification of the main activity of the business. A business may trade predominantly in commodities relating to its main activity, but may also trade in commodities outside of this group. For example, the 'Pharmaceuticals' group (group 4) contains all importing or exporting businesses classified as belonging to the 'Pharmaceuticals' sector. However, the 'trade in goods' value for this group contains **all** trade in goods carried out by these businesses - this may predominantly be trade in pharmaceutical goods, but could include trade in any type of commodity.

The Standard Industrial Classification 2007 (SIC) groupings within each Industry group are:

Group	Description	SIC 2007
Group 1	Agriculture and Food	A, 10 – 17
Group 2	Mining, Petroleum products and Waste	B, 19, 24, D, E
Group 3	Chemicals	20
Group 4	Pharmaceuticals	21
Group 5	Electronic and Electrical equipment	26, 27
Group 6	Machinery and equipment n.e.s	28
Group 7	Motor vehicles, transport equipment (excluding aerospace)	29, 30 (excluding 30.3)
Group 8	Aerospace and related machinery	30.3
Group 9	Other manufacturing	18, 22, 23, 25, 31, 32
Group 10	Services	33, F – U

For further details on SIC 2007 visit the ONS website.

#### What partner countries or geographical areas are available?

Only a selection of partner countries are available, which are: Algeria, Australia, Bangladesh, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Irish Republic, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, USA, Vietnam, EU (all EU countries combined), NEU (all Non EU countries combined), World (all countries combined). These are the top EU and non-EU partner countries for the UK in terms of trade value.

This data is available in <u>Microsoft Excel spreadsheet format</u> for expert users.

# How were the employee count and business count fields calculated?

The business count is the total number of businesses who imported or exported, with the specified characteristics. The employee count is the total number of employees for those businesses. It does *not* mean that all these employees are directly involved in the activity of international trade.

#### Does this data include trade in services?

This publication does **not** include any data on services traded by businesses. However, a breakdown is provided of industry type, which includes group 10: Services. The figures within this group include only the value of **goods** traded by those businesses who are classified as a Services industry, the number of businesses in the Services industry who are trading in goods and the employee counts for these businesses. The figures do **not** contain any data on the services these businesses provide or the values related to this.

# How have suppressions been applied to these experimental statistics?

While the OTS is subject to passive disclosure control, due to linking with the IDBR these experimental statistics are subject to active disclosure control. Disclosure control procedures applied are in line with those recommended by the appropriate GSS guidance.

Where the data has been suppressed, additional suppressions (masks) have been used making it impossible to calculate the contents of suppressed cells. All suppressed cells are shown with an "S".

#### Why do the trade totals not match the published <u>OTS</u> or the <u>UK</u> <u>VAT Registered Importer and Exporter Population</u> release?

The trade totals will not match the published OTS for two reasons, both related to EU trade. Firstly, the OTS totals for EU trade include an estimate for non-response which is not included in this publication. Secondly, the contribution of traders below the Intrastat threshold for EU trade has had to be recalculated on a per trader basis, and has not been allocated to individual EU countries. Although this closely replicates the methodology for the estimation of below threshold trade in the OTS, timing and other issues means there is not an exact match.

<u>Annual tables</u> published as part of the OTS release are currently calculated on a General Trade basis up to April 2016 and annual values are therefore not comparable with pre-2017 data presented in this release, which is calculated on a Special Trade basis.

The counts given in the UK VAT Registered Importer and Exporter Population release relate to the total number of UK businesses engaged in trade in goods (importers and exporters **combined**) and are therefore not comparable with data in this release, where importers and exporters are treated separately.

#### Why is this data different to that presented in the <u>HMRC Regional Trade</u> <u>Statistics</u> (RTS) releases?

Due to methodological differences, the data presented in this release will not match published RTS data. The main reasons for this are:

- The business counts in this release are calculated on a per enterprise basis, while RTS business counts are calculated at the level of the VAT-registered business.
- Different methods are used for estimating trade below the Intrastat reporting threshold, to enable trade values to be allocated per business in this release.
- This release includes all UK trade in goods, while RTS data excludes trade in non-monetary gold.

# Are there any similar statistics available on the characteristics of UK exporters and importers?

The ONS produce the Annual Business Survey (ABS) publication <u>Great</u> <u>Britain non-financial business economy exporters and importers</u> (latest release published 27 November 2018). This includes details of the number and proportion of non-financial GB enterprises (excluding Northern Ireland) engaged in international trade in goods and services, categorised by employment size group, broad industry group, ownership (UK/foreign owned), turnover and age of business. A regional breakdown is also supplied.

The aim of **Great Britain non-financial business economy exporters and importers** is to supply comprehensive information on business trading behaviour for both goods and services to provide answers to questions such as:

- What share of businesses export goods and/ or services?
- What share of businesses import goods and/ or services?
- Are importing businesses also those that export, or do some businesses only import or export?

The aim of the HMRC **UK Trade Statistics by Business Characteristics** is to add value to the UK trade in goods data by looking at the characteristics of businesses trading. This may provide answers to questions such as:

- How many people are employed by businesses engaged in international trade in goods?
- What share of exports/imports is carried out by particular industry groups?
- How many new businesses involved in international trade in goods are trading with specific partner countries?

Due to **methodological differences** between the ABS statistics and the HMRC statistics published in this release, the trade in goods data within each dataset are not directly comparable and may differ. Methodological differences between the two releases include differences in: data sources and coverage, measurement of employee count, disclosure control procedures and the handling of revisions.

The ONS also published a new annual experimental release <u>UK trade in</u> <u>goods by industry, country and commodity: 2008 to 2016</u> on 24 October 2018. This combines HM Revenue and Customs (HMRC) data on trade in goods with the IDBR to create an experimental dataset providing detail of UK trade in goods exports and imports by partner country, industry and commodity from 2008 to 2016, on an annual basis. This ONS dataset is published on a balance of payments (BoP) basis which measures change of economic ownership, whereas HMRC data is based on the physical movement of goods. The data published will therefore not match data in this release.

### Methodology notes

- 1. All data within the release is compiled on a Special Trade basis. This applies to both 2017 data and data from previous years which has been included for comparison. This change is in line with the compilation of the Overseas Trade Statistics (OTS), which have been published on a <u>Special Trade</u> basis since May 2016.
- 2. All revisions to OTS data from 2013 onwards have been applied.
- 3. Some businesses that were previously published within the 'Zero employees' category for business size (see <u>2013-2015 releases</u>) were subsequently identified as foreign-owned businesses that are required to register for UK VAT due to distance selling regulations. Although these businesses are recorded on the IDBR as having zero employees, within this release they have been placed in the 'Unknown' category for business size.
- 4. The age of a business is determined by the birth date and death date of the enterprise rather than that of the underlying VAT-registered business. This maintains consistency within the data in that each business will always have the same birth date and death date for all EU and non-EU imports and exports.
- 5. A unique industry group is assigned to each business for all EU and non-EU imports and exports.