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UK Trade in goods by Business Characteristics 2013

(Experimental Statistics)

Summary

- In 2013, there were a total of 144,000 active exporting businesses in the UK, with a total employee count of 9.6 million. This is compared with 203,000 importing businesses in the UK with a total employee count of 12.2 million.
- The majority of businesses (a little under 60 per cent) for both imports and exports have been trading for at least ten years. These businesses contribute the majority of UK international trade.

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). This release expands the analyses to show overseas trade by business characteristics. Whereas the OTS shows the values and volumes of goods being traded by product and country, this analysis 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 Excel spreadsheets with more detailed information.

This publication is for 2013 data, 2012 data is included for ease of comparison. The 2012 data has not been recalculated to account for revisions to the OTS and is identical to that published last year on 22 November 2013¹. This means care should be taken when making direct comparisons between 2012 and 2013. This is due to the experimental nature of these statistics and resource constraints.

If you have any views or comments on these statistics, please send them to:

uktradeinfo@hmrc.gsi.gov.uk

Methodology Update

Due to recent changes in the OTS methodology, non-monetary gold is now included in the 2013 data, but not in the 2012 data. We have drawn comparisons between 2012 and 2013, users should be cautious when conducting their own analysis due to these changes.

The UK exported £6.5bn of non-monetary gold in 2012, but £50.5bn in 2013, so the change in gold exports dominates the year on year change. Similarly for imports, the UK imported £37.7bn in 2012 and £7.6bn in 2013. This gold trade is almost entirely by businesses in the Services² industry group, over 20 years old and with over 250 employees. The impact on the 2012 to 2013 change in other groupings is minor.

For more information on this methodology change, see Inclusion of non monetary gold in the OTS publication available <u>here</u>.

¹ <u>https://www.uktradeinfo.com/Statistics/NonEUOverseasTrade/AboutOverseastradeStatistics</u> /Documents/IDBR_OTS_2012.pdf

² These are businesses that are registered within the Service industry group. This is not data relating to trade in services.

Analysis

Industry Group

Table 1: Total value of UK trade by Industry G		£ millions		
	Expo	orts	Imports	
Industry Group	2012	2013	2012	2013
Group 1 Agriculture and Food	15,725	16.419	19.318	19.291
Group 2 Mining, Petroleum products and Waste	32,962	31,639	46,713	35,887
Group 3 Chemicals	15,143	13,667	13,101	10,359
Group 4 Pharmaceuticals	8,230	8,490	5,984	3,993
Group 5 Electronic and Electrical equipment	16,930	18,008	12,260	13,431
Group 6 Machinery and equipment n.e.s	17,071	16,678	9,892	9,573
Group 7 Motor vehicles, transport equipment				
(excluding aerospace)	21,287	22,010	21,275	22,922
Group 8 Aerospace and related machinery	16,623	18,803	7,735	8,602
Group 9 Other manufacturing	16,358	15,582	13,637	13,498
Group 10 Services	124,529	174,052	248,083	273,681
Unknown	11,471	14,484	5,736	6,483
Total	296,328	349,831	403,735	417,721
Note: 2012 data as published 22 Nov 2013, excludes non-				

Note: 2012 data as published 22 Nov 2013, excludes nonmonetary gold. 2013 data published 28 Nov 2014.

Source: HMRC OTS and ONS IDBR data

Table 1 shows that by industry group the value of trade between 2012 and 2013 is mixed, excluding services² and unknown. In particular:

- Exports:
 - ↑ Five groups show growth (agriculture, pharmaceuticals, electrical machinery, motor vehicles and aerospace).
 - ↓ Four groups show a fall (mining & petroleum, chemicals, nonelectrical machinery and other manufacturing).
- Imports:
 - ↑ Three groups show growth (electrical machinery, motor vehicles and aerospace).
 - Six groups a fall (agriculture, mining & petroleum, chemicals, pharmaceuticals, non-electrical machinery and other manufacturing).
- Other:
 - \uparrow Those groups showing a rise in imports all showed a rise in exports.
 - ↑ Notable rise: The aerospace industry saw a 13 per cent rise in exports and a similar 11 per cent rise in imports.
 - Notable fall: Imports by the pharmaceutical industry fell 33 per cent from £6.0bn to £4.0bn.

Table 2. Busiliess could by industry Group				number
	Exports		Imports	
Industry Group	2012	2013	2012	2013
Group 1 Agriculture and Food Group 2 Mining, Petroleum products and	6,952	6,841	10,464	10,536
Waste	1,637	1,674	1,759	1,818
Group 3 Chemicals	1,438	1,461	1,386	1,380
Group 4 Pharmaceuticals	205	204	221	230
Group 5 Electronic and Electrical equipment	4,211	4,165	4,237	4,231
Group 6 Machinery and equipment n.e.s Group 7 Motor vehicles, transport equipment	3,533	3,509	3,327	3,272
(excluding aerospace)	1,342	1,329	1,321	1,319
Group 8 Aerospace and related machinery	171	177	175	183
Group 9 Other manufacturing	13,377	13,258	13,288	13,258
Group 10 Services	106,366	105,991	151,497	153,384
Unknown	6,476	5,337	12,510	13,683
Total	145,708	143,946	200,185	203,294

Note: 2012 data as published 22 Nov 2013, excludes nonmonetary gold. 2013 data published 28 Nov 2014.

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Source: HMRC OTS and ONS IDBR data

number

Table 2 shows that the number of exporting businesses was largely steady between 2012 and 2013. In particular:

- Biggest percentage change: increase by five per cent in aerospace and related machinery exporting which rose from 171 to 177 in number (also the sector with the lowest number of business).
- Similar increase in aerospace businesses actively importing, up from 175 to 183 in number, up by four per cent.
- Four per cent rise in the number of importing pharmaceutical businesses, despite fall in the value of imports by this industry group.

Table 3: Employee count for Businesses by Industry Group number				
	Exp	orts	Imports	
Industry Group	2012	2013	2012	2013
Group 1 Agriculture and Food	461,709	463,501	528,737	540,776
Group 2 Mining, Petroleum products and Waste	307,486	304,436	349,627	346,104
Group 3 Chemicals	91,352	89,624	91,902	89,152
Group 4 Pharmaceuticals	48,212	49,998	48,283	50,434
Group 5 Electronic and Electrical equipment	183,610	181,594	184,818	182,798
Group 6 Machinery and equipment n.e.s	165,844	164,207	164,442	161,570
Group 7 Motor vehicles, transport equipment				
(excluding aerospace)	135,301	142,550	136,841	144,213
Group 8 Aerospace and related machinery	98,362	97,941	98,192	97,732
Group 9 Other manufacturing	483,095	483,859	491,844	496,265
Group 10 Services	7,738,187	7,644,639	10,208,315	10,127,345
Unknown	•	•		•
Total	9,713,158	9,622,349	12,303,001	12,236,389

Note: 2012 data as published 22 Nov 2013, excludes nonmonetary gold. 2013 data published 28 Nov 2014.

Source: HMRC OTS and ONS IDBR data

Table 3 shows a slight fall in the number of people employed by businesses importing and exporting. However there was a notable five per cent rise in those employed in the motor vehicles sector (both importers and exporters).

This was approximately inline with the value rise of imports and exports by this group, even though the number of individual businesses slightly fell.

Age Group

Table 4: Total value of UK trade by Age of Business				£ millions
	Exports		Imports	
Age (years)	2012	2013	2012	2013
0 to 1	9,505	7,105	13,977	9,483
2 to 3	9,790	15,818	15,652	17,618
4 to 5	21,006	17,557	22,221	19,294
6 to 9	28,758	34,118	42,684	42,002
10 to 20	80,076	74,142	105,705	108,634
20 +	130,821	179,013	190,791	207,111
Unknown	16,372	22,077	12,706	13,579
Total	296,328	349,831	403,735	417,721

non-monetary gold. 2013 data published 28 Nov 2013, excludes Source: HMRC OTS and ONS IDBR data

Table 4 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. However the 62 per cent increase in exports by companies 2 to 3 years old is notable, whereas imports only grew by 13 per cent for this group.

Employee Size

Table 5: Total value of UK trade by Employee Size				£ millions
	Expo	Exports		rts
Employee Size	2012	2013	2012	2013
0	27,252	27,545	42,086	43,649
1 to 9	15,244	16,485	22,571	23,601
10 to 49	25,329	26,531	46,870	45,692
50 to 249	41,031	44,563	63,651	62,317
250 +	171,376	212,932	216,255	229,596
Unknown	16,096	21,775	12,302	12,867
Total	296,328	349,831	403,735	417,721

Note: 2012 data as published 22 Nov 2013, excludes non-monetary gold. 2013 data published 28 Nov 2014. S

2014. Source: HMRC OTS and ONS IDBR data

Table 5 shows that, excluding unknown and those businesses with over 250 employees (for non-monetary gold reasons), most employee size groups experienced fairly steady imports and exports between 2012 and 2013. The most notable changes are:

- ↑ Nine per cent rise in exports but a two per cent fall in exports by businesses with 50–249 employees.
- ↓ Eight per cent rise for export and a 5 per cent rise in imports for 1 to 9 employees.

Table 6: Business count by Employee Size			number
Expo	orts	Imports	
2012	2013	2012	2013
10,837	10,174	15,467	14,886
77,491	77,305	106,888	108,181
32,988	33,159	41,652	42,696
10,195	10,396	12,476	12,780
3,413	3,467	4,209	4,316
10,784	9,445	19,493	20,435
145,708	143,946	200,185	203,294
	Expo 2012 10,837 77,491 32,988 10,195 3,413 10,784	Exports 2012 2013 10,837 10,174 77,491 77,305 32,988 33,159 10,195 10,396 3,413 3,467 10,784 9,445	Exports Impo 2012 2013 2012 10,837 10,174 15,467 77,491 77,305 106,888 32,988 33,159 41,652 10,195 10,396 12,476 3,413 3,467 4,209 10,784 9,445 19,493

Note: 2012 data as published 22 Nov 2013, excludes non-monetary gold. 2013 data published 28 Nov 2014. Source: HMRC OTS and ONS IDBR data

Table 6 shows that that there were minimal changes in the number of importers and exporters by employee count. Only businesses with zero employees on their pay roll have fewer both exporting and importing businesses, with six per cent less exporting and four per cent less importing.

Table 7: Employee count for Businesses by Employee Size number					
	Exp	orts	Imports		
Employee Size	2012	2013	2012	2013	
0	0	0	0	0	
1 to 9	258,220	260,305	356,689	366,446	
10 to 49	706,825	708,804	885,372	903,577	
50 to 249	1,048,584	1,069,794	1,280,805	1,312,216	
250 +	7,699,529	7,583,446	9,780,135	9,654,150	
Unknown	•	•	•	•	
Total	9,713,158	9,622,349	12,303,001	12,236,389	
Note: 2012 data as published 22 Nov 2013, excludes					

Note: 2012 data as published 22 Nov 2013, excludes non-monetary gold. 2013 data published 28 Nov 2014.

2014. Source: HMRC OTS and ONS IDBR data

Table 7 shows that there were more people employed importing and exporting SMEs (businesses with less then 250 employees) for all categories, while less were employed in 2013 compared to 2012 by large businesses (over 250 employees) for both importers and exporters.

Access to data

The detailed tables for 2013 data is available <u>here</u> in excel format. The 2012 data was previously published and available <u>here</u>.

These excel files contain tables for Industry Group, Age, and Employee Size individually and also 2 dimensional tables which show:

- Industry Group by Age.
- Industry Group by Employee Size.
- Employee Size by Age.

A breakdown of Industry, Age or Employee Size by country for 2013 is only available for a small number of countries. These countries are Germany, USA, France, China, Netherlands, Brazil, Italy, Russia, Spain, India, Portugal,

South Africa, Irish Republic, Japan, Cyprus, Australia, Greece, Canada, Norway, Switzerland, Hong Kong, EU (all EU countries combined), NEU (all Non EU countries combined).

This is available <u>here</u> in Excel format.

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 employee size of UK businesses.

Why is this release "experimental statistics"?

Experimental statistics allows a new publication to incorporate new methodology which is subject to change. It also allows external users to 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 about the OTS can be found <u>here</u>. Since 1994 the IDBR has been the comprehensive list of UK businesses that is used by government for statistical purposes. More information about the IDBR can be found <u>here</u>.

How has the data matching been done?

By matching the businesses reference on the IDBR data with its corresponding VAT number on the trade statistics data. If a match was not found, then a fuzzy matching on the name was attempted. Any remaining unmatched VAT numbers were treated as businesses, with industry group obtained from departmental VAT records where possible. For more detailed information or to comment on this methodology, contact the uktradeinfo helpdesk (email: uktradeinfo@hmrc.gsi.gov.uk).

Which variables are being published?

Age (0-1, 2-3, 4-5, 6-9, 10-20, 20+, unknown) Employee size (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 SIC 2007 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

http://www.ons.gov.uk/ons/guide-method/classifications/current-standardclassifications/standard-industrial-classification/sic-2007-summary-of-structure.xls

What partner countries or geographical areas are available?

Only a selection of partner countries are available, which are Germany, USA, France, China, Netherlands, Brazil, Italy, Russia, Spain, India, Portugal, South Africa, Irish Republic, Japan, Cyprus, Australia, Greece, Canada, Norway, Switzerland, Hong Kong, EU (all EU countries combined), NEU (all Non EU countries combined).

This is <u>available</u> in excel format 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.

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 GSS guidance on disclosure control.

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

A 3-way cross-tabulation between Age, Employee size and Industry group was not possible due to the number of suppressions and masks needed to the data.