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# HM Revenue and Customs

## Regional Trade Statistics Second Quarter 2014

### Summary

- In the year to June 2014, there was a fall in annual export value for all UK regions except Wales, Northern Ireland, the South West, the West Midlands and Yorkshire and the Humber. There was a fall in annual import value during the year for two of the UK countries, England and Wales, and four of the English regions (the North East, the North West, the South East and London) with a rise in all remaining regional areas. Of the four UK countries, Wales had the highest rate of increase for exports, while Scotland had the highest growth rate for imports.
- The value of UK exports and imports both decreased in Quarter 2 2014 compared with Quarter 2 2013. The value of both imports and exports fell for England, Wales and Northern Ireland but Scotland experienced a fall in exports but a rise in imports in Quarter 2 2014 compared to Quarter 2 2013. Exports rose in the North East, the West Midlands and the South West but decreased in all other English regions. Imports increased in the East Midlands, West Midlands and Yorkshire and the Humber but decreased in all other English regions.
- The number of importers fell between Quarter 2 2013 and Quarter 2 2014 in all UK regions except Scotland, which remained unchanged. The number of exporters fell for all UK regions.
- For England, the value of exports to China increased most in the year ending June 2014; for Wales exports to the United Arab Emirates increased the most; for Scotland exports to Sweden increased the most, while for Northern Ireland exports to the Irish Republic increased most. For imports, the largest increases were in goods from Germany (England), Norway (Scotland), China (Wales) and the Irish Republic (Northern Ireland).
- For exports, the commodity groups with the largest annual value increases were 'Road vehicles' (England) 'Petroleum, petroleum products & related materials' (Scotland), 'Power generating machinery & equipment' (Wales) and 'Other transport equipment' (Northern Ireland).
- For imports, the commodity groups with the largest annual value increases were 'Road vehicles' (England), 'Other transport equipment' (Scotland), 'Electrical machinery, apparatus & appliances' (Wales) and 'Meat & meat preparations' (Northern Ireland).

HM Revenue & Customs (HMRC) are responsible for collecting the UK's international trade in goods data, which are published as two National Statistics series - the 'Overseas Trade Statistics (OTS)' and the 'Regional Trade Statistics (RTS)'. The RTS are published quarterly showing trade at summary product and country level, split by UK regions and devolved administrations. The OTS and RTS data series are published in HMRC's trade data website [www.uktradeinfo.com](http://www.uktradeinfo.com). Detailed data is available within an [interactive database](#) and '[The Customer Story](#)' explains how users utilise it to analyse import and export markets.

RTS data is compiled by linking trade data collected by HMRC with Office for National Statistics postcode data to obtain the region in which the VAT registered business (importer or exporter) is based. Because the trade is regionalised according to the location of the VAT registered business some of the trade may be allocated to the region where the head office of the business is located<sup>1</sup>.

RTS data is categorised by partner country and [Standard International Trade Classification, Rev.4](#) (SITC) at division level (2-digit). The SITC is a relatively broad classification of goods and is not as detailed as the commodity classification available in the OTS. In this release RTS data is analysed mainly at partner country and SITC section (1-digit) level, with references to specific SITC divisions where appropriate.

**This release includes historic revisions to RTS data relating to the years 2008-2012, in line with the historic revisions which have already been applied to published OTS data for [Non-EU trade](#) and [EU trade](#).**

**Although trade in non-monetary gold (NMG) is now included in OTS data (see [News Item](#) published on [www.uktradeinfo.com](http://www.uktradeinfo.com) on 12 February 2014), this trade will continue to be excluded from RTS data. This is because the majority of NMG trade would be assigned to the London region and this would distort the RTS figures. The following reconciliation table shows the differences at total trade level between OTS and RTS by quantifying the elements of OTS that are excluded from RTS: NMG, estimates for late response and Missing Trader Intra-Community fraud (MTIC):**

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<sup>1</sup> See note 3

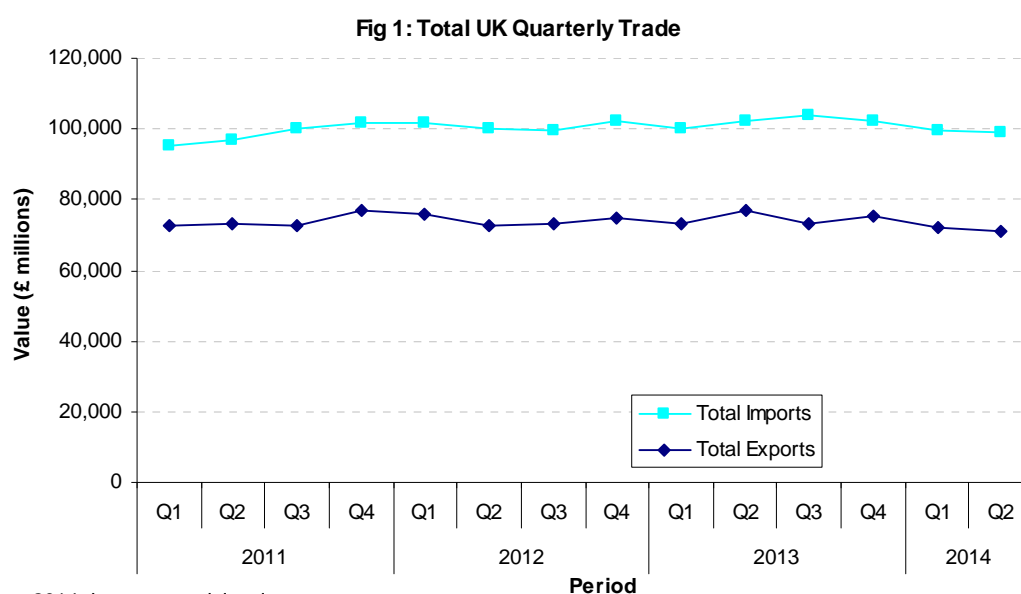
## RTS/OTS Reconciliation Table Quarter 2, 2014

	Non-EU Imports £ millions	EU Imports £ millions	Non-EU Exports £ millions	EU Exports £ millions
<b>OTS total value</b>	<b>48,466.0</b>	<b>54,104.1</b>	<b>37,723.5</b>	<b>37,350.5</b>
<b>RTS total value</b>	45,853.9	53,005.0	34,013.4	36,835.1
Allocated to a region	42,184.3	47,020.6	30,971.9	30,361.1
Unknown region	3,669.6	5,984.4	3,041.6	6,474.0
<b>MTIC estimate</b>	-	204.3	-	-
<b>Late response estimate</b>	-	740.6	-	497.1
<b>Non-monetary gold</b>	2,612.0	154.2	3,710.1	18.2
<b>RTS total plus exclusions<sup>1</sup></b>	<b>48,466.0</b>	<b>54,104.1</b>	<b>37,723.5</b>	<b>37,350.5</b>

Note 1: There may be rounding differences between the total shown and the sum of its components  
Source: Regional Trade Statistics and Overseas Trade Statistics, HM Revenue & Customs

## Overview of UK trade

Figure 1 shows the quarterly values of imports to and exports from the UK since 2011. The value of imports decreased by 0.5 per cent during the second quarter of 2014, and the value of exports decreased by 1.6 per cent. This increased the trade deficit to £28.0 billion, 2.5 per cent higher than it was at the end of the previous quarter.



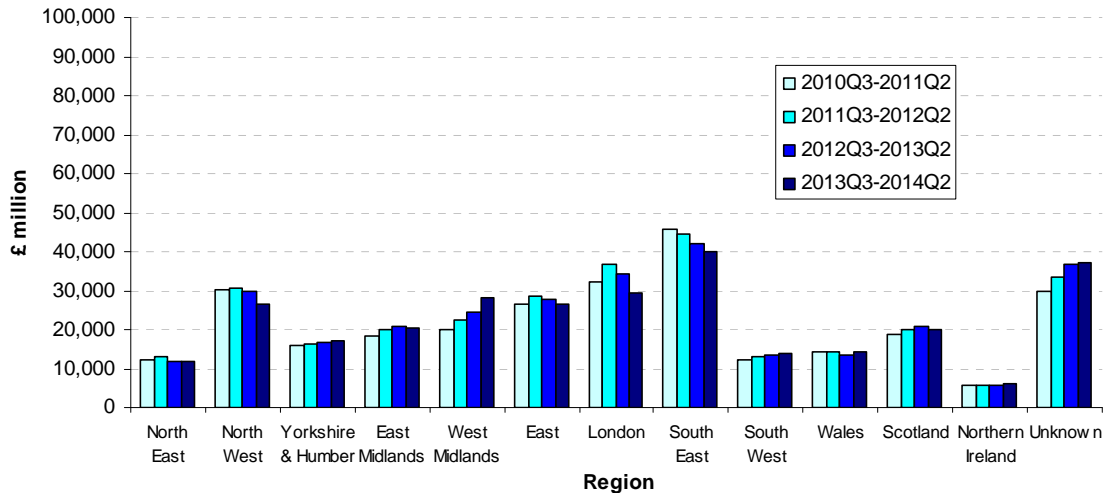
Note: 2014 data are provisional

Source: Regional Trade Statistics, HM Revenue & Customs

## Overview - Exports

Figure 2a shows the total value of UK exports by region for the four annual periods ending June 2011, June 2012, June 2013 and June 2014.

**Fig 2a: UK Exports by Region, 2010/11 - 2013/14**



Note: 2014 data are provisional  
Source: Regional Trade Statistics, HM Revenue & Customs

- The total annual value of UK exports decreased by 2.2 per cent to £291.4 billion in the year ending June 2014; this is in contrast to the marginal increase to that reported at the end of the previous quarter. While exports from England and Scotland decreased during the year, Wales, and Northern Ireland both saw increases. Six of the nine English regions experienced decreases in exports with just the South West, the West Midlands and Yorkshire and the Humber seeing increases. The total annual value of exports from England fell by 3.2 per cent to £214.1 billion during the year, the largest value decrease coming from the 'Manufactured goods classified chiefly by material' sector. Exports from Scotland fell by 4.2 per cent to £19.8 billion; the largest decrease during the year was in Scotland's exports from the 'Beverages & tobacco' sector. In contrast, exports from Wales rose by 5.4 per cent to £14.3 billion, the largest increase being in the 'Machinery & transport equipment' sector. Exports from Northern Ireland rose by 4.7 per cent to £6.0 billion, with the 'Food & live animals' sector contributing the largest portion of the value increase. Exports allocated to the 'Unknown region'<sup>2</sup>

<sup>2</sup> See note 4

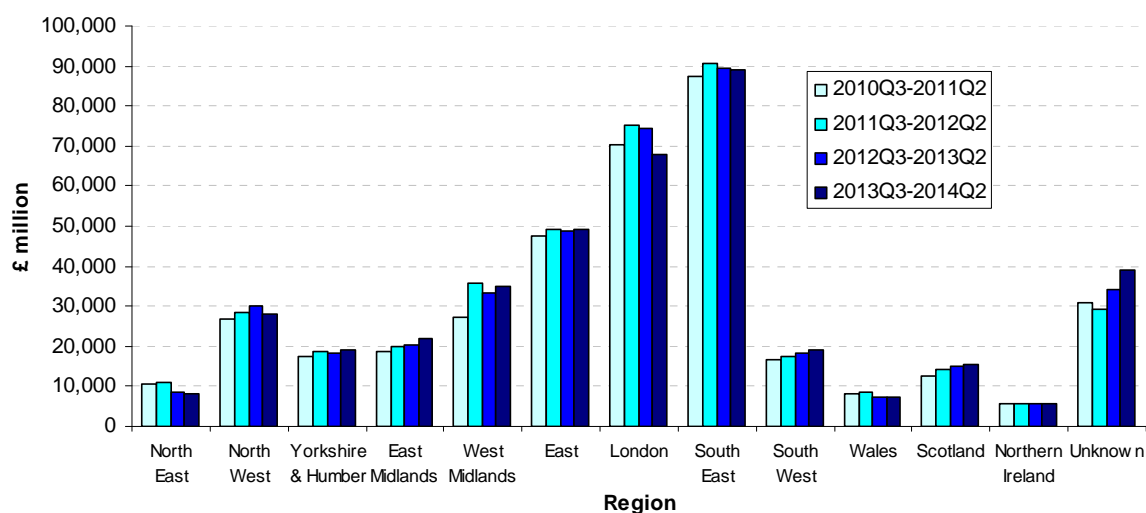
amounted to £37.2 billion in the year ending June 2014, accounting for 12.8 per cent of UK exports by value.

- The South East continues to have the largest total export value of all the English regions. For the year ending June 2014 this was £39.8 billion, 18.6 per cent of England's total. The South East experienced a percentage decrease of 5.5 per cent in export value over the annual period, while London's exports fell by 14.5 per cent.
- The North East had the smallest total value of exports, totalling £12.0 billion for the year ending June 2014; this was 5.6 per cent of England's total. This region saw a marginal decrease of 0.3 per cent in exports during the year.
- Year on year, the largest percentage increase in the English regions was for the West Midlands, whose exports increased by 16.1 per cent to £28.3 billion. This now makes the West Midlands the third largest exporting region in England after the South East and London, which experienced the largest value decrease among the English regions following a fall of 14.5 per cent in exports during the year.

## Overview - Imports

Figure 2b shows the total value of UK imports by region for the four annual periods ending June 2011, June 2012, June 2013 and June 2014.

**Fig 2b: UK Imports by Region, 2010/11 - 2013/14**



Note: 2014 data are provisional

Source: Regional Trade Statistics, HM Revenue & Customs

- The total annual value of UK imports for the year ending June 2014 marginally increased by 0.1 per cent to £404.4 billion compared with the year ending June 2013. There was a rise in import value during the year for Scotland and Northern Ireland, while England and Wales experienced a decrease. Among the English regions there were decreases in imports for London, the South East, the North East and the North West during the year. The total value of imports to England fell by 1.4 per cent to £336.8 billion during the year, the largest value decrease coming from the 'Mineral fuels, lubricants & related materials' sector. The total value of imports to Wales fell by 0.4 per cent to £7.4 billion; this was driven by decreases within the 'Crude materials, inedible, except fuels' sector. The total value of imports to Scotland rose by 2.8 per cent to £15.3 billion; this was driven by an increase in imports from the 'Machinery & transport equipment' sector. Total imports to Northern Ireland rose by 2.4 per cent to £5.8 billion; this growth was led by increases in the 'Manufactured goods classified chiefly by material'.

<sup>3</sup> amounted to £39.0 billion in the year to April 2014, accounting for 9.7 per cent of UK imports by value.

- Within England, the South East continues to have the largest total value of imports. For the year ending June 2014 this was £89.1 billion, 26.5 per cent of England's total. The South East experienced a marginal decline of 0.2 per cent in imports during the year.
- The largest year-on-year percentage increase among the English regions was for the East Midlands, where imports increased by 6.3 per cent to £21.8 billion. Much of this growth came in imports from the 'Machinery & transport equipment' sector.
- The largest year-on-year percentage decrease among the English regions was for London, where imports declined by 9.1 per cent. This fall was led by a substantial decline in the imports in the 'Machinery & transport equipment' sector.
- The North East continues to have the smallest total value of imports of all the English regions, making up just 2.4 per cent of England's total. The North East is the only English region with a positive trade balance (exports exceeding imports) for the year ending June 2014.

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<sup>3</sup> See note 4

## Rolling 12 Month Overview - Exports

The following analysis of a rolling 12 month period smoothes the seasonal quarterly variation of trade. This serves to better illustrate the longer term trend in the value of exports within the regions.

### *Partner country analysis - England*

Table 1a: England - Top five export partners, year ending June 2014

	Country	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
Top 5	USA	29,237.6	29,534.1	-1.0	13.7
	Germany	22,637.5	24,032.6	-5.8	10.6
	France	15,298.7	16,859.3	-9.3	7.1
	Netherlands	14,090.8	14,237.8	-1.0	6.6
	Irish Republic	11,517.2	11,148.4	3.3	5.4
	Others	121,318.3	125,395.0	-3.3	56.7
	Total EU	105,650.4	108,590.7	-2.7	49.3
	Total Non-EU	108,449.7	112,616.5	-3.7	50.7
	Grand Total	214,100.1	221,207.2	-3.2	100.0

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 1a shows that the total value of exports from England has declined by 3.2 per cent during the year ending June 2014. This is the fourth quarter in succession in which exports from England have been lower than in the same quarter of the previous year. England's top five export partners for the year were the same as in the previous annual period. Of the top five export partners, the Irish Republic was the only partner country to experience an increase in value over the last 12 months (up 3.3 per cent); this was primarily due to growth within SITC division 78 'Road vehicles' (up 20.0 per cent). The USA continues to be England's top export partner country despite experiencing a minor decrease of 1.0 per cent although its share of the export market increased 13.4 to 13.7 per cent. The causes of minor change in exports to the USA were large SITC division decreases being counterbalanced by increases of a similar magnitude; the largest decreases were for SITC divisions 51 'Organic chemicals' (down 29.5 per cent) and 89 'Miscellaneous manufactured articles' (down 15.5 per cent), which were offset by the largest increase, which was for division 54 'Medicinal & pharmaceutical products' (up 54.7 per cent).



England's exports to the EU have decreased by 2.7 per cent during the last year, and exports to non-EU countries have decreased by 3.7 per cent. Therefore, the proportion of exports to non-EU countries has fallen slightly to 50.7 per cent compared with 50.9 per cent a year ago. The EU partner countries where exports from England have decreased most are France (down 9.3 per cent), Germany (down 5.8 per cent) and Belgium (down 9.3 per cent); the largest decreases were in SITC division 33 'Petroleum, petroleum products & related materials' (France), division 54 'Medicinal & pharmaceutical products' (Germany) and division 66 'Non-metallic mineral manufactures' (Belgium). The EU partner countries where exports from England have increased most during the year are the Irish Republic (up 3.3 per cent) and Denmark (up 13.6 per cent).

The non-EU partner countries where exports from England decreased in value the most over the last 12 months were Switzerland (down 24.1 per cent) and India (down 31.0 per cent). The non-EU partner countries with the largest increase in value of goods exported from England were China (up 23.9 per cent), South Korea (up 17.6 per cent) and Qatar (up 50.9 per cent). For China the largest rise was in exports from SITC division 78 'Road vehicles', while for South Korea the increase came mainly from SITC division 33 'Petroleum, petroleum products & related materials'. However, the increase for Qatar was in SITC divisions 89 'Miscellaneous manufactured articles'.

### ***Partner country analysis - English regions***

Table 2a: Top five export partners for the English regions, year ending June 2014

	<b>Top 5 partner countries</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
North East	Netherlands	USA	Spain	Russia	France
North West	USA	Germany	Netherlands	China	France
Yorkshire & the Humber	USA	France	Netherlands	Germany	Irish Republic
East Midlands	USA	Germany	Belgium	Singapore	Irish Republic
West Midlands	China	USA	Germany	France	Netherlands
East	Germany	USA	Netherlands	Irish Republic	France
London	USA	Germany	Irish Republic	Switzerland	France
South East	USA	Germany	France	Netherlands	Belgium
South West	Germany	France	USA	Irish Republic	Netherlands

Note 2014 data is provisional  
Source: HM Revenue & Customs Regional Trade Statistics

Table 2a shows the top five export trading partners for each of the English regions in the year ending June 2014. There have been a number of changes in the order of the top five partners over the last 12 months. For the North East, the USA has moved up from third to second largest export partner and Spain has moved up from fifth to third place, pushing France from second to fifth place, despite having decreased during the year. For the North West, the USA has overtaken Germany to become the top export partner, although exports to both these countries have declined. For Yorkshire and the Humber, the Netherlands has moved from fourth to third place ahead of Germany. For the East Midlands, Belgium has moved up from fourth to third largest export partner ahead of Singapore. For the West Midlands, China has overtaken the USA to become the top export partner. For the East, France has dropped from third to fifth largest export partner pushing the Netherlands and the Irish Republic up into third and fourth place respectively. For London, Switzerland has dropped down from second to fourth largest export partner below Germany and the Irish Republic; Germany is now London's second largest export partner. There were no changes in any of the top five export partner for both the South East and the South West.

Four of the English regions – the East, West Midlands, the North West and Yorkshire and the Humber – experienced a decrease in the proportion of exports going to EU countries during the year, while for the remaining five regions this proportion increased. The majority of the English regions continue to follow a similar pattern to England as a whole; the USA features as the top export partner for five of the nine regions and Germany is among the top three export partners for seven of the nine regions, the only exceptions being the North East and Yorkshire and the Humber. The North East is the only region to have the Netherlands as its top export partner; this is largely due to a high value of exports within SITC division 78 'Road vehicles', although exports from the North East to the Netherlands within this division did reduce slightly in value by 1.5 per cent during the year.

In the year ending June 2014, export value decreased for six of the nine English regions and increased for the remaining three, which were the West Midlands (up 16.1 per cent), Yorkshire & the Humber (up 3.2 per cent) and the South West (up 3.0 per cent). For the West Midlands the largest increases were in goods going to China (up 55.6 per cent) and the USA (up 22.4 per cent). For Yorkshire & the Humber the largest increase was for the USA (up 25.7 per cent), while for the South West the largest growth was in goods going to Germany (up 5.8 per cent) France (up 4.4 per cent) and Algeria which saw a four-fold increase. The largest percentage decreases

in exports were seen in London (down 14.5 per cent) and the North West (down 11.2 per cent). For London the biggest losses were in exports to Belgium (down 58.1 per cent) and Switzerland (down 39.6 per cent) while for the North West this was largely attributable to a sharp decrease in exports to Germany (down 34.9 per cent) and the USA (down 18.1 per cent). Two other regions that experienced substantial decreases in exports were the South East (down 5.5 per cent) and the East (down 4.3 per cent). For the South East the decline was driven by a reduction in goods going to Russia (down 26.9 per cent) and the USA (down 14.8 per cent) while for the East much of the decline was due to a fall in exports to France (down 27.0 per cent) and Belgium (down 22.1 per cent).

For England as a whole, exports to China had the largest rise of all the partner countries. Despite this, exports to China only increased for four of the nine English regions during the year. By far the largest increase was for the West Midlands, where exports of SITC division 78 'Road vehicles' to China rose by 69.7 per cent. Exports to Saudi Arabia have increased for seven of the nine regions. Exports to Qatar also rose for seven regions, with London and the South West experiencing the largest percentage increases.

For England as a whole, there was a large fall in exports to the UK's two major EU partners, Germany and France, over the past year with declines in four regions for Germany and six regions for France of the nine English regions. However, exports to the Irish Republic increased for seven regions. The biggest increase was in exports from Yorkshire and the Humber (up 25.1 per cent), led by a doubling of exports under SITC division 33 'Petroleum, petroleum products & related materials'.

## Partner country analysis - Wales

Table 3a: Wales - Top five export partners, year ending June 2014

	Country	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
Top 5	USA	2,966.8	2,920.8	1.6	20.8
	Irish Republic	1,764.7	1,546.9	14.1	12.3
	United Arab Emirates	1,178.7	846.6	39.2	8.2
	Germany	1,099.8	1,108.4	-0.8	7.7
	Netherlands	774.9	792.8	-2.3	5.4
	Others	6,511.8	6,344.1	2.6	45.5
	Total EU	6,352.7	5,991.7	6.0	44.4
	Total Non-EU	7,944.0	7,568.0	5.0	55.6
	Grand Total	14,296.7	13,559.7	5.4	100.0

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 3a shows that the total export value for Wales has increased by 5.4 per cent during the year ending June 2014; this was the largest increase of the four UK countries. Wales' top two partner countries remain the same as in the year ending June 2013, although the United Arab Emirates has moved up from fourth to third place over the last year, overtaking Germany. Exports have increased for three of the top five partners, with the largest increase both in terms of value and percentage coming from the United Arab Emirates (up 39.2 per cent). The Netherlands saw the largest percentage decrease during the year among the top five partners (down 2.3 per cent).

Non-EU partner countries continue to dominate the export market in Wales, receiving 55.6 per cent of goods exported; this percentage has decreased slightly from 55.8 per cent in the previous year. Exports to EU and non-EU partners have both increased over the year, although goods going to EU partners have risen at a slightly higher rate (6.0 per cent) compared with those going to non-EU partners (5.0 per cent). The USA's share of the export market in Wales fell from 21.5 per cent to 20.8 per cent over the past year; there were decreases in goods going to the USA in SITC divisions 71 'Power generating machinery & equipment' (down 9.6 per cent) and 78 'Road vehicles' (down 82.8 per cent), although this was offset by an increase in goods from SITC division 33 'Petroleum, petroleum products & related materials' (up 26.5 per cent). The Irish Republic remains Wales' second largest partner country,

taking a 12.3 per cent share of its exports. The increase of 14.1 per cent in exports to the Irish Republic during the last year was led by growth in SITC division 33.

The United Arab Emirates is now Wales' third largest export partner. Much of the large increase in exports in the last year was attributable to SITC division 71 'Power generating machinery & equipment' (up 41.4 per cent).

The partner countries with the largest value decrease in exports from Wales over the year were Ecuador (down 79.0 per cent) and Mexico (down 61.3 per cent). For Ecuador the decline was driven by SITC division 33 'Petroleum, petroleum products & related materials' (down 76.7 per cent), while for Mexico the largest reduction was in goods from SITC division 71 'Power generating machinery & equipment' (down 72.7 per cent).

The partner countries where export values increased most during the year were the United Arab Emirates and the Irish Republic (see above), followed by Qatar (up 46.9 per cent). For Qatar much of the growth was in goods from SITC division 71 'Power generating machinery & equipment'.

### ***Partner country analysis – Scotland***

Table 4a: Scotland - Top five export partners, year ending June 2014

	<b>Country</b>	<b>Year ending June 2014 Total £ millions</b>	<b>Year ending June 2013 Total £ millions</b>	<b>% Change from June 2013</b>	<b>% Total Exports in year ending June 2014</b>
Top 5	USA	2,855.7	3,184.2	-10.3	14.4
	France	1,303.1	1,373.8	-5.1	6.6
	Germany	1,231.7	1,267.2	-2.8	6.2
	Belgium	1,225.1	1,246.0	-1.7	6.2
	Netherlands	1,138.5	1,368.4	-16.8	5.7
	Others	12,092.5	12,276.9	-1.5	60.9
	Total EU	8,439.4	8,548.8	-1.3	42.5
	Total Non-EU	11,407.1	12,167.7	-6.3	57.5
	Grand Total	19,846.5	20,716.4	-4.2	100.0

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 4a shows that exports from Scotland decreased in value by 4.2 per cent during the year ending June 2014. This is the largest decrease of all four UK countries. Non-EU partner countries continue to dominate exports from Scotland, although the

percentage of goods by value going to the EU has increased during the year from 41.3 per cent to 42.5 per cent. This was mainly due to large decreases in goods going to the USA (down 10.3 per cent) offset by a much less sizeable fall in exports to the Netherlands (down 16.8 per cent). This fall in exports to the Netherlands has led to this country falling to fifth place from third place a year ago, enabling Germany and Belgium to move up to third and fourth place respectively.

Exports to all of the top five partners for Scotland decreased in value during the year. The fall in exports to Scotland's top partner, the USA, was mainly due to sizeable reductions in goods from two SITC divisions: 11 'Beverages' (down 13.6 per cent) and 71 'Power generating machinery & equipment' (down 26.7 per cent). Scotland's exports to France decreased by 5.1 per cent, with the largest decline in SITC division 33 'Petroleum, petroleum products & related materials' (down 98.9 per cent). The decrease for the Netherlands was led by a fall in SITC division 77 'Electrical machinery, apparatus & appliances' (down 74.8 per cent), while the 2.8 per cent decrease in goods going to Germany was driven by reductions in SITC division 51 'Organic chemicals' (down 35.5 per cent). The decrease for Belgium was due to a large fall in goods from SITC division 33 'petroleum, petroleum products & related materials' (down 17.5 per cent).

The largest value increases among Scotland's exports were in goods going to Sweden (up 59.8 per cent), the Irish Republic (up 18.1 per cent), and the United Arab Emirates (up 17.0 per cent).

After the Netherlands and the USA, the largest value decreases among Scotland's exports were in goods going to Singapore (down 23.2 per cent), followed by Norway (down 11.2 per cent) and then Venezuela (down 67.5 per cent). For Singapore and Venezuela, the decline was primarily in SITC division 11 'Beverages', while for Norway much of the reduction was contributed by SITC division 79 'Other transport equipment' and division 67 'Iron & steel'.

**Partner country analysis – Northern Ireland**

Table 5a: Northern Ireland - Top five export partners, year ending June 2014

	Country	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
Top 5	Irish Republic	2,267.7	2,092.9	8.4	37.9
	USA	588.3	526.8	11.7	9.8
	Canada	360.3	369.8	-2.6	6.0
	France	306.3	280.8	9.1	5.1
	Germany	300.1	217.1	38.2	5.0
	Others	2,154.7	2,222.5	-3.1	36.0
	Total EU	3,578.3	3,251.6	10.0	59.9
	Total Non-EU	2,399.0	2,458.3	-2.4	40.1
	Grand Total	5,977.3	5,709.9	4.7	100.0

Note: 2014 data is provisional  
Source: HM Revenue & Customs Regional Trade Statistics

Table 5a shows that exports from Northern Ireland have increased in value by 4.7 per cent during the year ending June 2014. The top five export partners have remained the same as in the previous annual period. The Irish Republic continues to dominate Northern Ireland's export market; its share of Northern Ireland's exports increased from 36.7 per cent to 37.9 per cent during the year. In contrast with other UK countries, the majority of Northern Ireland's exports go to the EU; the value of exports to EU partners rose by 10.0 per cent over the year, while exports to non-EU partners decreased by 2.4 per cent. Although the growth in exports to the EU was mainly in goods going to the Irish Republic there were also considerable rises in exports to Germany (up 38.2 per cent) and France (up 9.1 per cent).

There were increases in exports to four of the top five partner countries during the year and these increases were the largest increases for all partner countries. Canada was the only partner country to experience a decrease in exports. The largest value increase was for the Irish Republic, where the rise was driven by SITC division 02 'Dairy products & birds' eggs' (up 23.7 per cent) and SITC division 01 'Meat & meat preparations' (up 26.8 per cent) and. The second largest value increase was for Germany; this was led by a three-fold rise in SITC division 79 'Other transport equipment'. The third largest increase was for the USA, where the growth was led by a rise in SITC division 54 'Medicinal & pharmaceutical products', followed by France

where the increase was primarily in SITC division 79 'Other transport equipment'. Outside of the top five, the partner countries with the biggest increases in exports from Northern Ireland were Spain (up 27.6 per cent) and Brazil (up 80.8 per cent).

The partner countries with the largest value decrease in exports from Northern Ireland were Australia (down 26.7 per cent), Kuwait (down 61.3 per cent) and Saudi Arabia (down 21.9 per cent. For Australia, this fall was led by three SITC divisions: 72 'Machinery specialized for particular industries', 71 'Power generating machinery & equipment' and 78 'Road vehicles', whereas for Kuwait and Saudi Arabia, the majority of the decline came from SITC division 71 'Power generating machinery & equipment'.

### **Commodity analysis - England**

Table 6a: Top five commodities for export from England - year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
7	Machinery & transport equipment	90,353.5	88,127.9	2.5	42.2
5	Chemicals & related products	34,571.9	36,389.4	-5.0	16.1
8	Miscellaneous manufactured articles	31,516.5	31,473.1	0.1	14.7
6	Manufactured goods classified chiefly by material	23,013.8	26,662.9	-13.7	10.7
3	Mineral fuels, lubricants & related materials	18,758.4	21,513.9	-12.8	8.8
	Other SITCs	15,885.9	17,040.1	-6.8	7.4
	All SITCs	214,100.1	221,207.2	-3.2	100.0

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 6a shows that SITC section 7 'Machinery & transport equipment' continues to dominate exports from England; its share of England's exports has risen from 39.8 per cent to 42.2 per cent over the last year, with an increase of 2.5 per cent by value over the 12 month period. This is the largest increase for all ten SITC sections. Most of the increase in section 7 during the year came from exports of goods within SITC division 78 'Road vehicles' (up 11.8 per cent, with exports to China up 49.5 per cent).



Exports decreased for three of the top five export commodity groups during the year. The largest percentage decrease was for section 6 'Manufactured goods classified chiefly by material', where most of the decrease was within SITC division 66 'Non-metallic mineral manufactures not elsewhere specified' (down 43.5 per cent, with exports to Belgium down 70.7 per cent) and SITC division 68 'Non-ferrous metals' (down 16.0 percent with exports to Switzerland down 93.9 per cent). For section 3 'Mineral fuels, lubricants & related materials', the largest decline was in division 33 'Petroleum, petroleum products & related materials' (down 13.3 per cent), mainly in goods going to France, Germany and the Netherlands. For section 5 'Chemicals & related products', the largest decreases were in division 54 'Medicinal & pharmaceutical products' (down 9.3 per cent), division 52 'Inorganic chemicals' (down 22.2 per cent) and division 51 'Organic chemicals' (down 7.5 per cent); for these divisions the largest value decreases were in exports to Germany (division 54) and the USA (divisions 51 and 52).

After section 7 the biggest value increase during the year was in section 0 'Food & live animals' (up 6.2 per cent); here, much of the increase was due to division 02 'Dairy products & birds' eggs (up 24.0 per cent, with exports to the Irish Republic up 26.5 per cent) and division 09 'Miscellaneous edible products & preparations' (up 11.5 per cent, with exports to Germany gaining the most value).

After sections 3, 5 and 6 the largest decrease was in exports from section 2 'Crude materials, inedible, except fuels' (down 18.6 per cent). Here, most of the reduction came from division 28 'Metalliferous ores & metal scrap' (down 21.1 per cent).

Thirty-five of the sixty-five SITC divisions decreased in export value during the year. After divisions 33, 66, 54 and 68 (see above), the largest reduction was in division 89 'Miscellaneous manufactured articles' (down 6.0 per cent). After division 78 the largest increase at division level was in division 84 'Articles of apparel & clothing accessories' (up 10.2 per cent).

## Commodity analysis – English regions

Table 7a - Top five commodities for export from English regions, year ending June 2014

Region	Top 5 SITC Sections				
	1	2	3	4	5
North East	7 - Machinery & transport equipment	5 - Chemicals & related products	6 - Manufactured goods classified chiefly by material	8 - Miscellaneous manufactured articles	0 - Food & live animals
North West	5 - Chemicals & related products	7 - Machinery & transport equipment	3 - Mineral fuels, lubricants & related materials	6 - Manufactured goods classified chiefly by material	8 - Miscellaneous manufactured articles
Yorkshire & the Humber	5 - Chemicals & related products	7 - Machinery & transport equipment	3 - Mineral fuels, lubricants & related materials	6 - Manufactured goods classified chiefly by material	8 - Miscellaneous manufactured articles
East Midlands	7 - Machinery & transport equipment	8 - Miscellaneous manufactured articles	6 - Manufactured goods classified chiefly by material	5 - Chemicals & related products	0 - Food & live animals
West Midlands	7 - Machinery & transport equipment	6 - Manufactured goods classified chiefly by material	8 - Miscellaneous manufactured articles	5 - Chemicals & related products	2 - Crude materials, inedible, except fuels
East	7 - Machinery & transport equipment	3 - Mineral fuels, lubricants & related materials	5 - Chemicals & related products	8 - Miscellaneous manufactured articles	6 - Manufactured goods classified chiefly by material
London	8 - Miscellaneous manufactured articles	6 - Manufactured goods classified chiefly by material	7 - Machinery & transport equipment	3 - Mineral fuels, lubricants & related materials	5 - Chemicals & related products
South East	7 - Machinery & transport equipment	5 - Chemicals & related products	8 - Miscellaneous manufactured articles	3 - Mineral fuels, lubricants & related materials	6 - Manufactured goods classified chiefly by material
South West	7 - Machinery & transport equipment	8 - Miscellaneous manufactured articles	6 - Manufactured goods classified chiefly by material	5 - Chemicals & related products	0 - Food & live animals

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 7a shows the top five export SITC section commodity groups by value for the English regions. There has been very little change in the order of the top five commodity groups in the last 12 months. The only significant exception is for Yorkshire & the Humber, section 5 has become the highest valued commodity group for exports, moving up from third position a year ago, pushing sections 7 and 3 into second and third place respectively. For the North East, section 0 has become the fifth largest export commodity group by value, overtaking section 9. The top five commodity groups have remained the same for the other seven regions.

SITC section 7 'Machinery & transport equipment' is the top export section by value for six of the nine English regions, the exceptions being the North West, Yorkshire & the Humber and London. In the West Midlands, East Midlands and South West, this section continues to dominate the market, accounting for 72.9 per cent, 67.7 per cent and 62.9 per cent of exports respectively; the market share for this section has increased during the year for the South West and the West Midlands but there was a

marginal decrease for the East Midlands. In the East Midlands and West Midlands, exports from division 78 'Road vehicles' increased the most within section 7 (up 24.0 per cent and 40.0 per cent respectively); for the East Midlands this was primarily due to a rise in goods going to Belgium, while for the West Midlands the increase was driven by goods going to China. For the South West exports from division 79 'Other transport equipment' increased the most (up 3.9 per cent) with substantial rises in goods going to Germany and France.

The North West remains the top English region for exports within section 5 'Chemicals and related products', accounting for 24.9 per cent of England's exports from this section. However, this share has reduced over the past year, with a 24.8 per cent decrease in the value of section 5 exports from the North West. Most of this decrease was attributable to division 54 'Medicinal & pharmaceutical products' (down 37.6 per cent), with much of the reduction in goods going to Germany. In contrast, the South East has seen a 2.6 per cent increase in exports from section 5 during the year, increasing its share of England's exports from this section to 24.5 per cent. However, both the largest percentage and value increase in section 5 exports was for Yorkshire & the Humber (up 31.3 per cent), which has led this commodity group taking top position for this region. Most of the growth came from division 54 'medicinal & pharmaceutical products' where exports more than doubled during the year.

The East, London, the North West, the South East and Yorkshire & the Humber are the dominant regions for exports within section 3 'Mineral fuels, lubricants & related materials'. However, none of these regions experienced an increase in section 3 exports during the year but instead saw substantial decreases. The largest value decrease was for the East (down 16.1 per cent), where much of the decline was in exports from division 33 going to France and Belgium.

For SITC section 6 'Manufactured goods classified chiefly by material' and section 8 'Miscellaneous manufactured articles' London continues to be the dominant exporting region, accounting for 21.5 per cent and 36.3 per cent of England's total exports in these two sections respectively. However, London saw a 42.6 per cent decrease in exports from section 6 during the year; this was mainly due to a 56.1 per cent fall in exports from division 66 'Non-metallic mineral manufactures', with a large decline in goods going to Belgium. Four of the regions saw increases in section 6 exports; the most substantial rises were for the East (up 8.8 per cent), where much of the growth

came from division 68 'Non-ferrous metals' in goods going to Macedonia and Germany and the East Midlands (up 8.0 per cent) led by a rise in division 69 'Manufactures of metal not elsewhere specified' in goods going to the USA. Exports from section 8 increased for seven of the nine English regions during the year. The largest value increase was for the South East (up 2.8 per cent), which was driven by division 87 'Professional, scientific & controlling instruments & apparatus' (up 2.5 per cent), with increased exports to the United Arab Emirates. In contrast, the largest value decrease was for the region with the largest share of the trade, London (down 4.9 per cent), led by an decrease in SITC division 89 'Miscellaneous manufactured articles' (down 12.3 per cent), mainly in goods going to Switzerland, the USA and Azerbaijan.

The North East, South West and East Midlands are the only regions with SITC section 0 'Food & live animals' in their top five. For the North East there has been a 28.9 per cent increase in exports from this section during the year; the largest value increase was in division 04 'Cereals & cereal preparations' (up 29.2 per cent). For the East Midlands there was a 7.8 per cent increase in section 0 exports, led by a rise in division 04 'Cereals & cereal preparations' exports going to Belgium. In contrast, the South West's exports in section 0 exports remained virtually static with an increase of less than 0.1 per cent.

The North West remains the most dominant region for exports of section 2 'Crude materials' despite a decrease of 15.7 per cent over the 12 months; this was primarily due to a decline in exports from division 28 'Metalliferous ores & metal scrap' (down 18.6 per cent), mainly in goods going to China and Germany..

All English regions saw an increase in export value for the majority of the sixty-five SITC divisions. Six of the nine English regions had their largest increases in section 7 'Machinery & transport equipment'. For the East Midlands, the North West and the West Midlands, it was in division 78 'Road vehicles'. For the North East, it was in division 72 'Machinery specialized for particular industries', the South East in 77 'Electrical machinery and appliances' and the South West in 79 'Other transport equipment'. For the remaining three regions, the East, London and Yorkshire and the Humber, the biggest increases at division level were in division 68 'Non-ferrous metals', division 84 'Articles of apparel & clothing accessories' and division 54 'Medicinal & pharmaceutical products'.

For the East and Yorkshire & the Humber the largest decrease at division level during the year was in division 33 'Petroleum, petroleum products & related materials' while for London the biggest fall was in division 66 'Non-metallic mineral manufactures'. The North East and North West experienced their largest decrease in division 54 'Medicinal & pharmaceutical products' while for the South West and the West Midlands the biggest falls were in division 28 'Metalliferous ores & metal scrap'. For the remaining two regions the biggest reductions were both in divisions of section 7 'Machinery & transport equipment' – the East Midlands in division 71 'Power generating machinery & equipment' and the South East in division 78 'Road vehicles' .

### **Commodity analysis - Wales**

Table 8a: Top five commodities for export from Wales, year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
7	Machinery & transport equipment	6,046.6	5,562.0	8.7	42.3
3	Mineral fuels, lubricants & related materials	3,492.4	3,340.9	4.5	24.4
6	Manufactured goods classified chiefly by material	2,067.2	2,016.9	2.5	14.5
5	Chemicals & related products	1,392.8	1,425.3	-2.3	9.7
8	Miscellaneous manufactured articles	885.7	837.8	5.7	6.2
	Other SITCs	412.0	376.8	9.3	2.9
	All SITCs	14,296.7	13,559.7	5.4	100.0

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 8a shows that exports from Wales continue to be dominated by goods from sections 7 and 3. Annual exports from Wales have increased for four of the top five SITC sections during the past year. The largest increase in export value was for section 7 (up 8.7 per cent); most of this growth was contributed by division 71 'Power generating machinery & equipment' (up 14.9 per cent), with exports to the United Arab Emirates increasing by 41.3 per cent over the year.

For Wales' second highest export commodity group, section 3, there was a 4.5 per cent per cent increase in export value during the year, with much of the increase coming from division 33 'Petroleum, petroleum products & related materials' (up 4.1

per cent); division 33 exports to the USA and the Irish Republic rose substantially over the year, although there was a considerable decrease in division 33 exports to Ecuador.

There was also substantial increase in exports from sections 6 led by division 69 'Manufactures of metal' (up 17.2 per cent). The only other increase in the top five commodity groups was for section 8. The biggest value increases were in exports from division 89 'Miscellaneous manufactured articles' (up 6.5 per cent) and division 82 'Furniture & parts thereof' (up 16.4 per cent).

The only commodity group in the top five to experience a decrease was section 5 (down 2.3 per cent). This fall was also the largest decrease and was led by division 54 'Medicinal & pharmaceutical products' (down 19.9 per cent) and division 51 'Organic chemicals' (down 7.5 per cent).

Thirty-nine of the sixty-five SITC divisions increased in export value over the year. By far the largest annual decrease at division level was in division 78 'Road vehicles' (down 25.3 per cent) with exports to the USA down 82.8 per cent. This decrease was followed by divisions 54 and 51 (see previous paragraph) and the fourth largest decrease was in division 74 'General industrial machinery'.

The commodity groups with the biggest increases at division level were SITC divisions 71 'Power generating machinery & equipment' (see above) and 33 'Petroleum, petroleum products & related materials' (see above). The next largest increase was for division 77 'Electrical machinery, apparatus & equipment' (up 8.9 per cent) where exports to the USA increased most during the year.

## Commodity analysis - Scotland

Table 9a: Top five commodities for export from Scotland, year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
7	Machinery & transport equipment	6,116.1	6,305.9	-3.0	30.8
1	Beverages & tobacco	4,781.6	5,379.3	-11.1	24.1
6	Manufactured goods classified chiefly by material	2,428.9	2,388.8	1.7	12.2
3	Mineral fuels, lubricants & related materials	1,831.1	1,653.6	10.7	9.2
5	Chemicals & related products	1,768.6	1,969.3	-10.2	8.9
	Other SITCs	2,920.2	3,019.6	-3.3	14.7
	All SITCs	19,846.5	20,716.4	-4.2	100.0

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 9a shows that overall the annual exports from Scotland decreased by 4.2 per cent during the year and this is reflected in the fact that three of the top five SITC sections experienced decreases. Scotland's exports continue to be dominated by goods from section 7 'Machinery & transport equipment' and section 1 'Beverages & tobacco' but exports under both of these commodity groups fell by 3.0 per cent and 11.1 per cent respectively. There has been a change in the top five commodity groups over the last year with section 3 having moved up into fourth position, overtaking section 5.

The decline in exports from section 1 'Beverages & tobacco' was also the largest decrease overall. This trend has been evident since the third quarter of 2013; for each of the last four quarters, exports from this section have been lower than in the same quarter of the previous year. However, Scotland remains the most important country in the UK for exports of section 1, taking a 69.8 per cent share of the UK export market in the year ending June 2014. Much of the decrease for Scotland was due to reduced exports of division 11 'Beverages' (down 11.1 per cent with exports to the USA and Singapore down substantially).

The second largest decrease and also among the top five sections was for section 5 (down 10.2 per cent). Here, the largest reduction came from division 51 'organic chemicals' (down 19.9 per cent), where exports to Germany decreased by 35.5 per cent during the year. The decrease in exports in the top commodity group, section 7 'Machinery & transport equipment' was the third largest decrease and was driven by a fall in exports in division 77 'Electrical machinery, apparatus & appliances' with exports to the Netherlands down by 74.8 per cent.

The largest annual value increase was in the exports of section 3 'Mineral fuels & related materials' (up 10.7 per cent), which was mainly contributed by division 33 'Petroleum, petroleum products & related materials' (up 13.0 per cent). Exports to Sweden and, the USA from this division accounted for a sizeable portion of the increase.

The second largest annual value increase was in the exports of Section 0 'Food & live animals', which saw a 5.7 per cent rise over the year. The largest contributors were division 03 'Fish, crustaceans and molluscs' (up 6.8 per cent) and division 08 'Feeding stuff for animals' (up 42.2 per cent).

Twenty-nine of the sixty-five SITC divisions decreased in export value during the year. The largest division-level decreases were for SITC division 11 'Beverages' and division 77 'Electrical machinery, apparatus & appliances' (see above), followed by division 67 'Iron and steel' (down 19.6 per cent). The largest increases at division level were for division 33 'Petroleum, petroleum products & related materials' (see above), division 75 'Office machines & automatic data processing machines' (down 43.6 per cent) and division 66 'Non-metallic mineral manufactures' (down 18.4 per cent).



## Commodity analysis – Northern Ireland

Table 10a: Top five commodities for export from Northern Ireland, year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
7	Machinery & transport equipment	2,306.2	2,305.7	0.0	38.6
0	Food & live animals	1,152.8	1,021.1	12.9	19.3
5	Chemicals & related products	796.5	710.0	12.2	13.3
8	Miscellaneous manufactured articles	660.0	645.3	2.3	11.0
6	Manufactured goods classified chiefly by material	541.2	506.3	6.9	9.1
	Other SITCs	520.6	521.5	-0.2	8.7
	All SITCs	5,977.3	5,709.9	4.7	100.0

Note: 2014 data is provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 10a shows that Northern Ireland's exports continue to be dominated by goods from section 7 'Machinery & transport equipment'. Exports of this section have remained virtually static over the last year, which is reflected by the fact that there was a large rise for SITC division 79 'Other transport equipment' (up 16.5 per cent, with a substantial increase in goods going to Germany and France) but offset by a fall in exports from division 71 'Power generating machinery & equipment' (down 16.5 per cent, with a large decrease in goods going to Saudi Arabia and Kuwait).

Section 0 'Food & live animals' experienced the largest section-level increase in exports during the year (up 12.9 per cent), the largest contributors being division 01 'Meat & meat preparations' (up 23.9 per cent) and division 02 'Dairy products & birds' eggs' (up 13.4 per cent). In both cases the increases were driven by large increases in exports to the Irish Republic.

After section 0, the largest section-level annual value increase was for section 5 'Chemicals & related products' (up 12.2 per cent). This was primarily due to growth in exports from division 54 'Medicinal & pharmaceutical products' (up 14.5 per cent), where goods going to the USA increased in value by 35.0 per cent. The 6.9 per cent annual increase in exports of section 6 'Manufactured goods classified chiefly by

material' was led by division 69 'Manufactures of metal' (up 18.6 per cent) and division 63 'Cork & wood manufactures' (up 30.6 per cent).

Only three out of the ten SITC sections decreased over the year and the scale of the decreases were much smaller than those for the increase. The largest section decrease was for section 3 'Mineral fuels, lubricants & related materials' (down 14.9 per cent), which was led by a decrease in division 32 'Coal, coke & briquettes' (down 20.4 per cent) with much of this decrease coming from the Irish Republic (down 23.0 per cent).

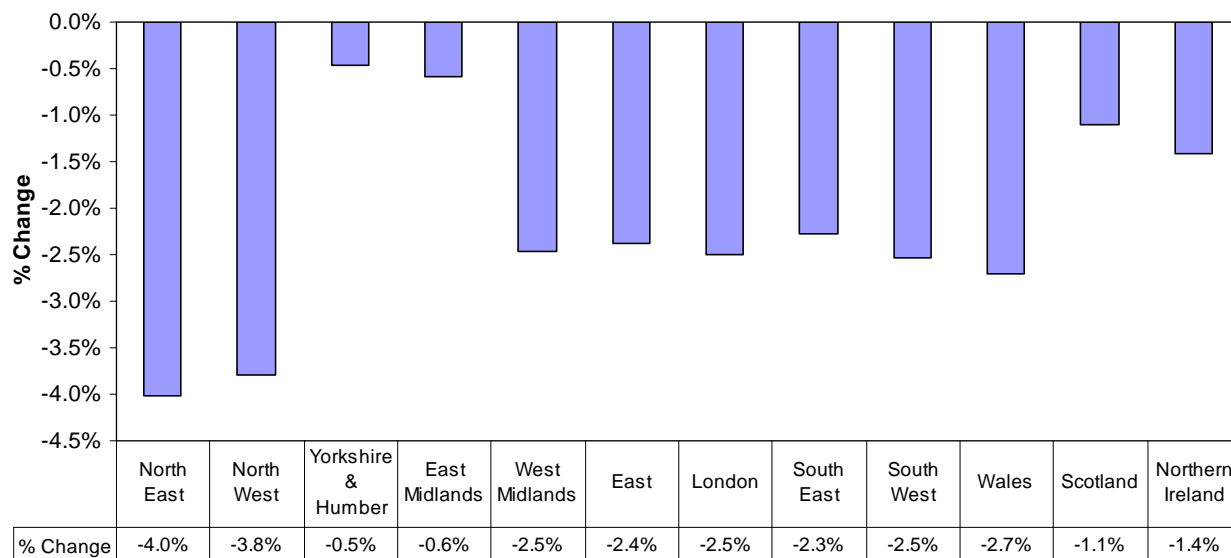
Only twenty-three of the sixty-five SITC divisions decreased in export value during the year. The largest value increases at division level were for division 79 'Other transport equipment', division 01 'Meat & meat preparations' and division 54 'Medicinal & pharmaceutical products' (see above). After division 71, the biggest value decreases at division level were for division 08 'Feeding stuff for animals' (down 16.7 per cent) and division 77 'Electrical machinery, apparatus & appliances' (down 7.5 per cent).

### **Number of Businesses - Exports**

The following analysis compares the number of active exporters in quarter 2 2014 with the number in quarter 2 2013. A quarterly analysis is more appropriate here than an annual analysis, as summing the number of active businesses over a year could produce ambiguous results. A quarter-on-quarter comparison enables us to measure seasonal movement of businesses, such as the increase/decrease in number of active businesses over the Christmas season (quarter 4). The number of businesses counted excludes those who trade only with the EU and whose trade is below the Intrastat Exemption Threshold (see note 6).

Figure 3a shows the percentage change in number of exporters per region between quarter 2 2013 and quarter 2 2014.

**Fig 3a: Percentage Change in Number of Exporters between Q2 2013 and Q2 2014**



Source: Regional Trade Statistics, HM Revenue & Customs

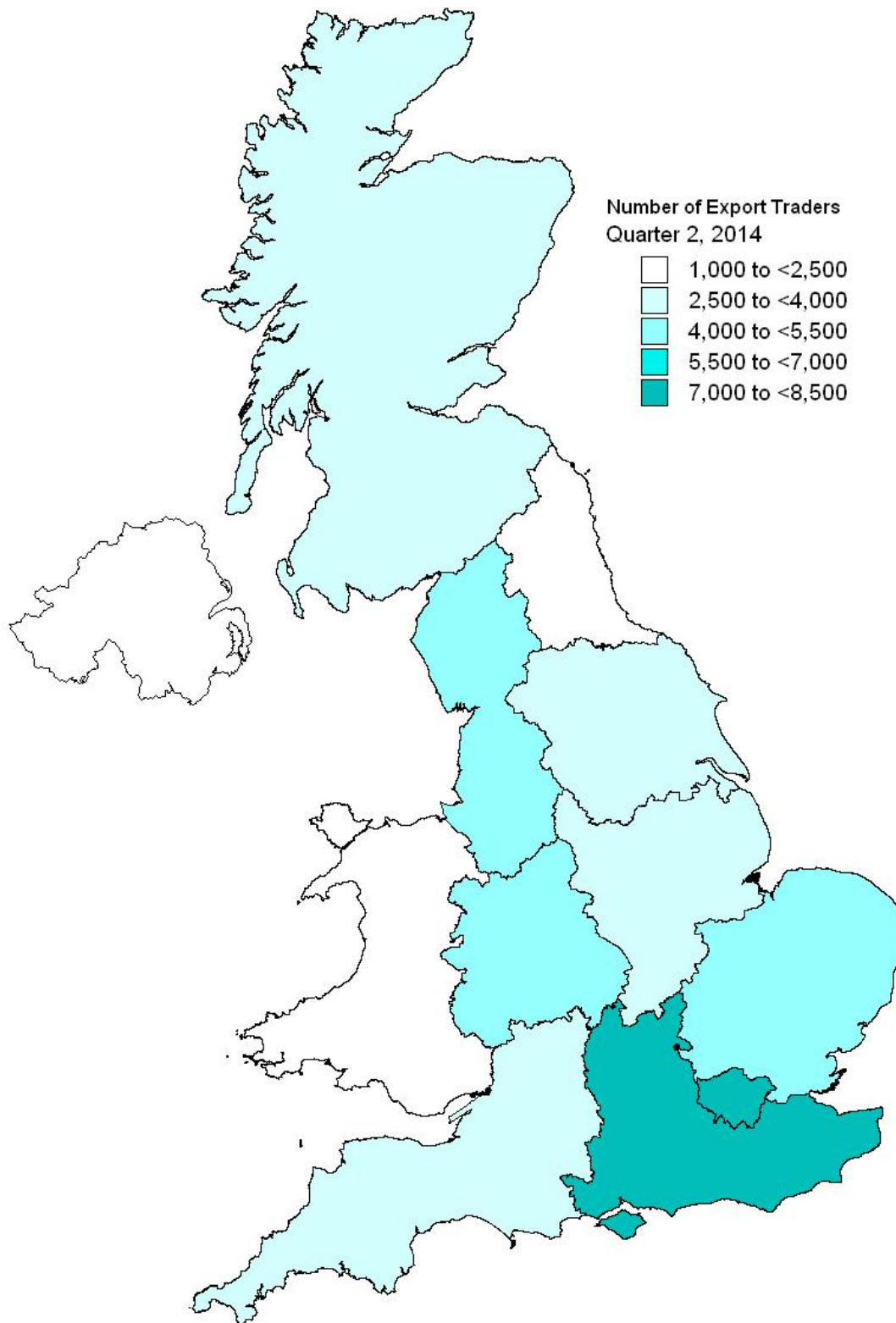
For the UK as a whole, the number of exporting businesses decreased by 2.2 per cent between quarter 2 2013 and quarter 2 2014, from 49,943 to 48,838. This is the fourth quarter in succession in which the number of active exporters has been lower than in the corresponding quarter of the previous year.

Figure 3a shows that the number of active exporters decreased in all regions of the UK between quarter 2 2013 and quarter 2 2014. The North East experienced the largest percentage fall in exporting businesses, 4.0 per cent, while Yorkshire and the Humber saw the smallest percentage decline, 0.5 per cent.

For the South East and the South West this is the fourth successive quarter in which the number of active exporters has been lower than in the same quarter of the previous year. For the West Midlands it is the fifth. A similar quarter-on-quarter comparison for Scotland shows a decrease in exporters for the last eight quarters in succession.

Figure 4a shows the total number of active UK exporters in each region for quarter 1 2014. The South East, London and the East are the three regions with the largest count of businesses, accounting respectively for 17.4 per cent, 16.9 per cent and 11.1 per cent of all UK businesses. The North East has the smallest number of exporters, making up 2.2 per cent of the UK's total exporter count.

Fig 4a: Number of UK export businesses by region - Quarter 2, 2014



Note: 2014 data is provisional  
Source: Regional Trade Statistics, HM Revenue & Customs

## Rolling 12 Month Overview – Imports

The following analysis of a rolling 12 month period smoothes the seasonal quarterly variation of trade. This serves to better illustrate the longer term trend in the value of imports within the regions.

### Partner country analysis – England

Table 1b: England - Top five import partners, year ending June 2014

	Country	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
Top 5	Germany	50,149.7	46,030.7	8.9	14.9
	China	28,144.1	26,231.0	7.3	8.4
	Netherlands	25,378.2	25,749.5	-1.4	7.5
	USA	24,489.6	25,843.6	-5.2	7.3
	France	20,610.3	19,260.2	7.0	6.1
	Others	188,044.2	198,486.1	-5.3	55.8
	Total EU	180,391.9	173,099.4	4.2	53.6
	Total Non-EU	156,424.1	168,501.8	-7.2	46.4
	Grand Total	336,816.0	341,601.2	-1.4	100.0

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

With England receiving the vast majority of the UK's imports by value, the pattern of imports to England largely determines that for the UK as a whole. However, Table 1b shows that the total value of imports to England decreased by 1.4 per cent during the year ending June 2014, while trade to the UK as a whole increased marginally. There was some change in England's top five import partner group during the year: Imports from the USA decreased, moving the USA down to fourth position, while those from the Netherlands decreased by a smaller amount, moving the Netherlands up into third position.

Germany remains the top import partner for England by a wide margin. Imports from here have risen by 8.9 per cent during the year, the biggest value increase by far of all England's import partners. There was a large increase in goods from Germany within SITC division 78 'Road vehicles'. China remains the second highest import partner with a 7.3 per cent annual increase.

Non-EU partner countries accounted for 46.4 per cent of England's imports during the year; this percentage has fallen from 49.3 per cent in the previous annual period. The annual growth rate in imports from the EU since June 2013 was 4.2 per cent, compared with a decrease of 7.2 per cent for non-EU countries.

The second largest increase in import value over the year was for China (up 7.3 per cent), with increases of imports from SITC division 89 'Miscellaneous manufactured articles' and division 76 'Telecomms & sound recording equipment'. Imports from France also increased over the year; this growth was primarily attributable to SITC division 79 'Other transport equipment' (up 95.7 per cent).

The 5.2 per cent decrease in imports from the USA was driven by reductions in goods received from SITC division 89 'Miscellaneous manufactured articles' and division 54 'Medicinal & pharmaceutical products'; these decreases were offset by a large rise in division 79 'Other transport equipment'.

The partner country where the value of imports decreased the most during the year was Norway (down 15.1 per cent). This was predominantly due to a fall in imports from SITC division 33 'Petroleum, petroleum products & related material' (down 11.6 per cent) and division 34 'Gas, natural & manufactured' (down 33.9 per cent). After Norway, the largest decreases were in imports from Switzerland (down 24.6 per cent, with SITC division 68 'Non-ferrous metals' down 55.6 per cent) and Botswana (down 61.9 per cent, with SITC division 66 'Non-metallic mineral manufactures' down 61.8 per cent).

**Partner country analysis – English regions**

Table 2b: Top five import partners for the English regions, year ending June 2014

	Top 5 partner countries				
	1	2	3	4	5
<b>North East</b>	Germany	Japan	France	China	USA
<b>North West</b>	Germany	China	Netherlands	Belgium	Russia
<b>Yorkshire &amp; the Humber</b>	China	Germany	Netherlands	USA	Italy
<b>East Midlands</b>	Germany	China	USA	Japan	France
<b>West Midlands</b>	Germany	Norway	China	France	Netherlands
<b>East</b>	Germany	Netherlands	France	USA	China
<b>London</b>	China	USA	France	Germany	Netherlands
<b>South East</b>	Germany	Netherlands	Belgium	USA	China
<b>South West</b>	USA	China	Netherlands	Germany	France

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 2b shows the top partner countries for imports to the English regions for the year ending June 2014. Unlike the pattern for exports, where the English regions are broadly similar to England as a whole, the pattern for imports shows more differences between the regions. For exports the manufacture of goods is typically more regionally concentrated, whereas imports are based on the purchase of goods, which is more regionally dispersed. Nevertheless, there are a number of partner countries that appear consistently among the top five for most regions. Germany and China are among the top five import partners for every English region, and the USA is among the top five for all regions apart from the North West and the West Midlands. The Netherlands is in the top five for all regions except the North East and East Midlands. France is among the top five for six of the regions.

There have been a number of changes in the order and membership of the top five over the last year. For the North East, Germany has overtaken Japan to become the top import partner, and Belgium has moved out of the top five, while China has moved up into fourth position. For the North West, Germany and China have overtaken the Netherlands, and Russia has moved up into fifth position, while Sweden has moved out of the top five after a 28.8 per cent decrease in imports from here. For Yorkshire and the Humber, Italy has moved into fifth place ahead of France. For the East Midlands, Japan has moved up into fourth position, overtaking the Netherlands, France and Italy. For the West Midlands, Germany has become the

top import partner, overtaking Norway. For the East, France has become the third largest import partner ahead of the USA. For London, China has overtaken the USA to become the top import partner, while France has moved up from seventh to third position; Norway and Switzerland have both moved out of the top five after imports dropped in value by over one third during the year for both these partners. The South East and South West are unchanged from last year.

Imports from Germany have risen for eight of the nine regions, the exception being the South West; the highest growth rates were in the South East (up 13.9 per cent) and the West Midlands (up 12.1 per cent). Imports from China have risen for all regions apart from the South East; the largest annual percentage increase was for London (up 18.3 per cent). Imports from the Netherlands increased for five of the nine regions. Imports from France increased for four of the nine regions, while imports from the USA only increased for two regions.

Five of the nine English regions saw an increase in the value of imports during the year, the exceptions being London (down 9.1 per cent), the North East (down 8.5 per cent), the North West (down 6.6 per cent), and the South East, down 0.2 per cent. The largest percentage increases were in the East Midlands (up 6.3 per cent) and the West Midlands (up 5.0 per cent). For the East Midlands the growth was driven by imports from Japan (up 65.8 per cent, with large increases in SITC division 78 'Road vehicles' and division 71 'Power generating machinery & equipment') while for the West Midlands the increase was led by imports from Germany (up 12.1 per cent, with SITC division 78 'Road vehicles' up 32.9 per cent).

England's import trade continues to be dominated by the South East and London; the South East accounted for 26.5 per cent of England's imports by value during the year, while London accounted for 20.1 per cent. London's imports declined in value by 9.1 per cent, the largest value decreases occurring in imports from Norway (SITC division 34 'Gas, natural and manufactured' down 46.1 per cent, and division 33 'Petroleum, petroleum products & related materials' down 52.2 per cent) and Switzerland (SITC division 68 'Non-ferrous metals' down 56.4 per cent). For the South East there was a decrease of 0.2 per cent in the value of imports; a large rise in imports from Germany was offset by substantial decreases in the value of goods coming from Norway, the USA and Russia. The increase in imports to the South East from Germany was primarily due to a rise in SITC division 78 'Road vehicles'; the decreases in imports to the South East from Norway and Russia were both driven by



a decline in SITC division 33. The decrease from the USA was led by a fall in SITC 54 'Medicinal & pharmaceutical products'.

For the majority of regions most of the import value comes from goods received from within the EU; the only exceptions are London and the South West. The EU market share increased in all regions during the year, apart from the South West where it was unchanged. Although the South West experienced a 4.6 per cent increase in EU imports, this was coupled with a 4.4 per cent rise in imports from non-EU partners, the second largest non-EU import growth among the English regions. Six of the nine regions saw a decrease in non-EU imports over the year, the only exceptions being the East Midlands, the South West, and Yorkshire and the Humber.

### **Partner country analysis – Wales**

Table 3b: Wales - Top five import partners, year ending June 2014

	<b>Country</b>	<b>Year ending June 2014 Total £ millions</b>	<b>Year ending June 2013 Total £ millions</b>	<b>% Change from June 2013</b>	<b>% Total Exports in year ending June 2014</b>
Top 5	Germany	866.9	782.5	10.8	11.7
	Canada	692.2	752.1	-8.0	9.3
	China	635.4	491.3	29.3	8.5
	France	624.9	604.1	3.4	8.4
	USA	604.6	692.6	-12.7	8.1
	Others	4,015.4	4,143.4	-3.1	54.0
	Total EU	3,575.1	3,343.9	6.9	48.1
	Total Non-EU	3,864.4	4,122.2	-6.3	51.9
	Grand Total	7,439.5	7,466.1	-0.4	100.0

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

Imports to Wales decreased in value by 0.4 per cent during the year. This decrease was driven by reductions in goods from non-EU partners, the largest value decreases coming from Brazil (down 30.2 per cent), Australia (down 66.1 per cent) and the USA (down 12.7 per cent). For Australia and the USA the decrease was led by a reduction in SITC division 32 'Coal, coke & briquettes'. For Brazil much of the reduction has been in goods from SITC division 28 'Metalliferous ores & metal scrap'.

Germany remains the top import partner for Wales, above Canada for the second quarter running. The 10.8 per cent increase in imports from Germany over the year was led by an increase in SITC division 68 'Non-ferrous metals' (up 79.3 per cent).

After the USA, the largest decline in import value among the top five partners was for Canada, Wales' second largest import partner. The 8.0 per cent decrease in imports over the year was driven by a fall in division 28 'Metalliferous ores & metal scrap' (down 6.2 per cent).

The largest increase in imports was for China (up 29.3 per cent); much of this rise was contributed by division 52 'Inorganic chemicals' and division 79 'Other transport equipment'.

Despite the overall reduction in imports to Wales, goods coming from the EU have increased in value over the year (up 6.9 per cent). This recovery over the last four quarters follows a decline in EU imports to Wales during 2012 and the first half of 2013. The largest increases in EU imports came from Germany (see above) and Sweden, up 34.1 per cent, with the biggest increase in SITC division 28 'Metalliferous ores & metal scrap' (up 60.4 per cent).

### ***Partner country analysis – Scotland***

Table 4b: Scotland - Top five import partners, year ending June 2014

	<b>Country</b>	<b>Year ending June 2014 Total £ millions</b>	<b>Year ending June 2013 Total £ millions</b>	<b>% Change from June 2013</b>	<b>% Total Exports in year ending June 2014</b>
Top 5	USA	2,019.4	2,005.5	0.7	13.2
	Norway	1,651.5	1,295.3	27.5	10.8
	China	1,314.7	1,131.3	16.2	8.6
	Netherlands	981.5	930.2	5.5	6.4
	Germany	844.8	961.4	-12.1	5.5
	Others	8,440.4	8,514.3	-0.9	55.3
	Total EU	5,168.6	5,245.3	-1.5	33.9
	Total Non-EU	10,083.7	9,592.7	5.1	66.1
	Grand Total	15,252.3	14,838.0	2.8	100.0

Note: 2014 data are provisional  
Source: HM Revenue & Customs Regional Trade Statistics

Imports to Scotland have increased in value by 2.8 per cent during the year; the largest rise of the four UK countries. A decline in imports from Germany (down 12.1 per cent) and Nigeria (down 31.7 per cent) together with an increase in imports from the Netherlands has resulted in the Netherlands moving up from sixth to fourth largest import partner. Nigeria has moved out of the top five. Imports from non-EU partners have increased while those from the EU have fallen. Non-EU partners supply almost two-thirds of Scotland's imports by value.

The USA remains Scotland's top import partner, with an increase of 0.7 per cent in imports over the last year. Imports from the USA that increased the most in value were from SITC division 71 'Power generating machinery & equipment' (up 22.7 per cent).

Imports from Norway increased by 27.5 per cent during the year; this was the largest value increase among Scotland's partner countries. Most of the growth came from SITC division 33 'Petroleum, petroleum products & related materials'.

Scotland's imports from China rose by 16.2 per cent during the year, with the largest increase contributed by SITC division 75 'Office machines & automatic data processing machines' (up 24.2 per cent). The 5.5 per cent rise in imports from the Netherlands during the year was led by SITC division 08 'Feeding stuff for animals' (up 53.3 per cent) and division 33 'Petroleum, petroleum products & related materials' (up 60.5 per cent).

Outside of the top five partners, Scotland saw its largest increases in imports from Singapore (up 68.0 per cent with SITC division 79 'Other transport equipment' increasing the most) and Qatar (up nearly seven-fold during the year, driven by division 71 'Power generating machinery & equipment').

The largest value decreases during the 12 months were in imports from Nigeria (down 31.7 per cent) and Algeria (down 64.7 per cent). For both these partner countries the decline was mainly due to reductions in SITC division 33 'Petroleum, petroleum products & related materials'.

## Partner country analysis – Northern Ireland

Table 5b: Northern Ireland - Top five import partners, year ending June 2014

	Country	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
Top 5	Irish Republic	1,636.5	1,540.5	6.2	28.0%
	China	976.1	960.7	1.6	16.7%
	USA	407.5	459.4	-11.3	7.0%
	Germany	358.2	329.4	8.8	6.1%
	Netherlands	326.9	307.6	6.3	5.6%
	Others	2,142.0	2,110.9	1.5	36.6%
	Total EU	3,296.8	3,126.5	5.4	56.4%
	Total Non-EU	2,550.4	2,582.0	-1.2	43.6%
	Grand Total	5,847.2	5,708.5	2.4	100.0%

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 5b shows that the majority of imports to Northern Ireland come from EU partners; the proportion of imports coming from the EU is higher than in England, Wales and Scotland. Northern Ireland's imports from the EU rose by 5.4 per cent in value during the year, compared with a 1.2 per cent fall for non-EU imports. The most dominant import partner in value terms is the Irish Republic; growth of 6.2 per cent in imports from here during the year has increased the Irish Republic's share of Northern Ireland's import market.

Northern Ireland has seen a 2.4 per cent increase in the value of its imports during the year. The increase was led by growth in imports from the Irish Republic (SITC division 66 'Non-metallic mineral manufactures' up 38.2 per cent), Belgium (SITC division 72 'Machinery specialized for particular industries' up more than three-fold), and Germany (SITC division 71 'Power generating machinery & equipment' up four-fold).

The USA was the only top five import partner with a decrease in imports to Northern Ireland during the year. This reduction of 11.3 per cent was largely due to a decline in goods coming from SITC division 71 'Power generating machinery & equipment' (down 23.7 per cent).

After the USA, the largest decreases in imports to Northern Ireland were in goods from France (down 12.5 per cent), Ukraine (down 64.2 per cent) and Argentina (down 16.0 per cent). For France the decrease was led by SITC division 11 'Beverages' and division 71 'Power generating machinery & equipment'; for Ukraine there was a 65 per cent fall in SITC division 04 'Cereals'; while for Argentina the biggest reductions were in SITC division 08 'Feeding stuff for animals' and division 22 'Oil seeds and oleaginous fruits'.

### **Commodity analysis - England**

Table 6b: Top five commodities for import to England, year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
7	Machinery & transport equipment	126,192.8	117,097.0	7.8	37.5
8	Miscellaneous manufactured articles	53,907.7	52,770.6	2.2	16.0
3	Mineral fuels, lubricants & related materials	42,923.3	50,652.0	-15.3	12.7
6	Manufactured goods classified chiefly by material	36,409.5	41,960.9	-13.2	10.8
5	Chemicals & related products	36,334.1	38,179.6	-4.8	10.8
	Other SITCs	41,048.5	40,941.1	0.3	12.2
	All SITCs	336,816.0	341,601.2	-1.4	100.0

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 6b shows that section 7 'Machinery & transport equipment' continues to dominate England's imports, accounting for 37.5 per cent of total import value; this proportion has risen from 34.3 per cent a year ago. Imports from section 7 have increased by 7.8 per cent during the year, the largest increases coming from SITC division 78 'Road vehicles' (up 15.1 per cent) and division 79 'Other transport equipment' (up 25.5 per cent); these increases were led by goods coming from Germany (division 78) and the USA (division 79).

Section 8 was the only other top five section to increase in import value during the year (up 2.2 per cent). The largest rises were in division 84 'Articles of apparel & clothing accessories' (up 4.8 per cent, with imports from China up 5.6 per cent) and

division 87 'Professional, scientific & controlling instruments & apparatus' (up 5.4 per cent, with imports from Germany up 12.0 per cent). However, these increases were balanced by a decrease in division 89 'Miscellaneous manufactured articles' (down 4.0 per cent, with imports from the USA down 30.0 per cent).

Section 3 imports declined in value by 15.3 per cent during the year. This was largely due to a reduction of 13.7 per cent in division 33 'Petroleum, petroleum products & related materials', with falls in imports from Sweden, Norway, and Libya. Division 33 accounted for 11.0 per cent of England's total imports during the year, down from 12.5 per cent in the previous year.

Section 6 imports decreased by 13.2 per cent during the year. The largest decreases were in SITC division 68 'Non-ferrous metals' (down 39.0 per cent, with large reductions in imports from Switzerland). For section 5, the majority of the 4.8 per cent annual decrease was contributed by division 51 'Organic chemicals' (down 20.0 per cent), with substantial reductions in imports from Singapore and the Irish Republic.

Twenty-eight of the sixty-five SITC divisions decreased in import value over the 12 months. The largest division-level value decreases were contributed by division 33 'Petroleum, petroleum products & related materials' and division 68 'Non-ferrous metals' (see above) followed by division 66 'non-metallic mineral manufactures'. The largest division-level value increases were in imports of division 78 'Road vehicles' and division 79 'Other transport equipment' (see above), followed by division 77 'Electrical machinery & appliances' (up 6.4 per cent).

## Commodity analysis – English regions

Table 7b - Top five commodities for import to English regions, year ending June 2014

Region	Top 5 SITC Sections				
	1	2	3	4	5
North East	7 - Machinery & transport equipment	6 - Manufactured goods classified chiefly by material	8 - Miscellaneous manufactured articles	5 - Chemicals & related products	2 - Crude materials, inedible, except fuels
North West	5 - Chemicals & related products	7 - Machinery & transport equipment	3 - Mineral fuels, lubricants & related materials	8 - Miscellaneous manufactured articles	6 - Manufactured goods classified chiefly by material
Yorkshire & the Humber	8 - Miscellaneous manufactured articles	7 - Machinery & transport equipment	6 - Manufactured goods classified chiefly by material	0 - Food & live animals	5 - Chemicals & related products
East Midlands	7 - Machinery & transport equipment	8 - Miscellaneous manufactured articles	6 - Manufactured goods classified chiefly by material	0 - Food & live animals	5 - Chemicals & related products
West Midlands	7 - Machinery & transport equipment	3 - Mineral fuels, lubricants & related materials	6 - Manufactured goods classified chiefly by material	8 - Miscellaneous manufactured articles	0 - Food & live animals
East	7 - Machinery & transport equipment	5 - Chemicals & related products	8 - Miscellaneous manufactured articles	3 - Mineral fuels, lubricants & related materials	0 - Food & live animals
London	8 - Miscellaneous manufactured articles	3 - Mineral fuels, lubricants & related materials	7 - Machinery & transport equipment	6 - Manufactured goods classified chiefly by material	0 - Food & live animals
South East	7 - Machinery & transport equipment	3 - Mineral fuels, lubricants & related materials	5 - Chemicals & related products	8 - Miscellaneous manufactured articles	0 - Food & live animals
South West	7 - Machinery & transport equipment	8 - Miscellaneous manufactured articles	6 - Manufactured goods classified chiefly by material	0 - Food & live animals	5 - Chemicals & related products

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 7b shows the top five import sections by value for the English regions. There have been a few changes in the order of the top five sections in the last year. The North East has seen an increase in imports from section 6, with this section moving up to second largest import section during the year ahead of sections 8 and 5, which have both decreased in value. For the North West, section 7 imports have increased in value to become the second largest import section, while section 3 imports decreased during the year. The East has seen an increase in imports from section 8, with this section moving up to third largest import section during the year ahead of section 3, which has decreased in value. For London, section 8 has become the top import section by value after a decrease in section 3 imports during the year; London's imports from section 6 have reduced dramatically during the year, with section 7 now the third largest import section by value.

Section 7 'Machinery & transport equipment' remains the dominant section for imports in six of the nine regions. Eight regions have seen an increase in import value for section 7 during the year, the only exception being the North East (down 3.5 per cent). By far the largest increase, both in value and percentage terms, was for London (up 30.2 per cent with division 79 'Other transport equipment' increasing more than four-fold). The decrease in section 7 imports to the North East was mainly due to reductions in division 71 'Power generating machinery & equipment' (down 18.0 per cent) and division 78 'Road vehicles' (down 5.5 per cent). The South East remains the most dominant region for imports of section 7; there was an increase of 3.4 per cent in section 7 imports to the South East during the last year, the largest rise coming from division 78 (up 16.1 per cent) where imports from Germany increased substantially during the year.

Imports from section 8 'Miscellaneous manufactured articles' increased for seven of the nine regions, the only exceptions being London and the North East. The biggest value increase was in the West Midlands (up 7.2 per cent) where the largest rise was in division 89 'Miscellaneous manufactured articles' (up 10.2 per cent) with the largest increases in goods coming from Spain. Division 89 also led the decrease in section 8 imports from London (down 11.9 per cent), while the decreases for the North East were led by a reduction in division 84 'Articles of apparel & clothing accessories' (down 20.4 per cent).

For section 3 'Mineral fuels, lubricants & related materials', import value declined during the year for eight of the nine regions. The largest value decreases were in London (down 15.6 per cent) and the South East (down 16.2 per cent). For these regions the reductions were largely due to a fall in imports of SITC divisions 33 'Petroleum products & related materials' and 34 'Gas, natural and manufactured'. The only region where section 3 imports increased was the East Midlands (up 3.6 per cent), driven by growth in imports of division 32 'Coal, coke & briquettes' from the Irish Republic and Belgium.

Although imports of section 6 'Manufactured goods classified chiefly by material' decreased markedly during the year for England as a whole, only two of the nine regions experienced a decrease over this period – London (down 41.3 per cent) and the North West (down 1.9 per cent). By far the largest value decrease was for London, where imports of division 68 'Non-ferrous metals' and division 66 'Non-



metallic mineral manufactures' reduced considerably. The largest value increase in imports from section 6 was for the West Midlands (up 3.7 per cent); here, most of the growth was in division 67 'Iron & steel' (up 7.5 per cent).

For section 5 'Chemicals & related products' the South East, the North West and the East remain the top importing regions. The South East and the North West saw annual decreases of 3.0 per cent and 18.7 per cent respectively in imports from this section, while the East saw an increase of 0.9 per cent. Within section 5, the South East and North West both experienced their largest decrease in division 54 'Medicinal & pharmaceutical products'; for the South East this decline was primarily in goods coming from the USA, while for the North West the largest reduction was in imports from Israel. For the East there was a large increase in imports of division 54 (up 6.3 per cent) although this was counteracted by a substantial decrease in division 51 'Organic chemicals' (down 18.2 per cent).

For section 0 'Food & live animals', import value increased during the year for five of the nine regions. The largest value increases were in the South East and the West Midlands, up 3.5 per cent and 5.8 per cent respectively. The largest value decrease was in the East Midlands, down 8.0 per cent. Within section 0, the South East experienced their largest increase in division 08 'Feeding stuff for animals' (up 29.6 per cent); while for the West Midlands the largest increase was within section 2 'Dairy products & birds' eggs'. The decrease for the East Midlands was led by imports in division 04 'Cereals & cereal preparations'.

## Commodity analysis – Wales

Table 8b: Top five commodities for import to Wales, year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
7	Machinery & transport equipment	1,874.0	1,635.4	14.6	25.2
2	Crude materials, inedible, except fuels	1,449.0	1,595.9	-9.2	19.5
5	Chemicals & related products	1,448.0	1,334.2	8.5	19.5
6	Manufactured goods classified chiefly by material	1,377.2	1,492.6	-7.7	18.5
8	Miscellaneous manufactured articles	593.9	564.7	5.2	8.0
	Other SITCs	697.3	843.3	-17.3	9.4
	All SITCs	7,439.5	7,466.1	-0.4	100.0

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

Table 8b shows that imports to Wales increased in three of the top five sections during the year ending June 2014. The largest increase was for section 7 'Machinery & transport equipment' (up 14.6 per cent); this continues the recovery following a large decrease in imports from this section during 2012. Section 5 has become the third highest valued import section for Wales, moving up from fourth highest a year ago with an increase of 8.5 per cent, while section 6 saw a decrease of 7.7 per cent in import value over the year.

The large increase in imports from section 7 was driven by a rise in division 77 'Electrical machinery, apparatus & appliances' (up 23.4 per cent) and division 76 'Telecomms & sound recording & reproducing equipment' (up 55.6 per cent). For division 77 there were substantial increases in goods coming from China, South Korea and Germany, while for division 76 the growth was led by imports from Portugal.

There was a reduction of 9.2 per cent in imports from section 2 'Crude materials'. This was led by division 28 'Metalliferous ores & metal scrap' (down 9.8 per cent) where there were large decreases in goods coming from Brazil and South Africa.

The 8.5 per cent rise in the value of imports from section 5 'Chemicals & related products' during the year was driven by increases in division 55 'Essential oils & perfume materials' (up 13.5 per cent) and division 57 'Plastics in primary forms' (up 14.5 per cent). For division 55 there were large increases in goods coming from France, while for division 57 the biggest growth was in imports from the Netherlands, France and Germany.

The large decline in imports from section 6 during the year was primarily due to a fall in division 67 'Iron & steel' (down 28.5 per cent), chiefly in goods coming from the Netherlands and Germany.

Twenty-one of the sixty-five SITC divisions decreased in import value during the year. The largest decreases were in division 28 'Metalliferous ores & metal scrap' (see above), followed by division 32 'Coal, coke & briquettes' (down 35.5 per cent) and division 67 'Iron & steel' (see above). The largest increases at division level were in division 77 'Electrical machinery, apparatus & appliances', and division 76 'Telecomms & sound recording & reproducing apparatus & equipment' (see paragraph 2 for detail).

### **Commodity analysis – Scotland**

Table 9b: Top five commodities for import to Scotland, year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
7	Machinery & transport equipment	5,875.2	5,043.3	16.5	38.5
3	Mineral fuels, lubricants & related materials	2,935.7	3,233.2	-9.2	19.2
6	Manufactured goods classified chiefly by material	2,099.7	2,027.3	3.6	13.8
8	Miscellaneous manufactured articles	1,583.1	1,645.7	-3.8	10.4
0	Food & live animals	1,194.9	1,281.7	-6.8	7.8
	Other SITCs	1,563.6	1,606.8	-2.7	10.3
	All SITCs	15,252.3	14,838.0	2.8	100.0%

Note: 2014 data are provisional  
Source: HM Revenue & Customs Regional Trade Statistics

Table 9b shows that Scotland's imports continue to be dominated by goods from SITC section 7 with imports from this section increasing by 16.5 per cent during the year. This was mainly due to rises in imports of SITC division 79 'Other transport equipment' (up 78.1 per cent) and division 71 'Power generating machinery & equipment' (up 27.2 per cent). Section 7 contributed the vast majority of Scotland's growth in imports over the year; this section now makes up 38.5 per cent of Scotland's import value, up from 34.0 per cent a year ago.

The only other top five section to see an increase in annual import value was section 6 'Manufactured goods classified chiefly by material' (up 3.6 per cent). The growth in section 6 was led by division 69 'Manufactures of metal' (up 10.6 per cent), with a large rise in goods coming from Brazil and China.

The largest section-level value decrease during the year was in imports of section 3 'Mineral fuels, lubricants & related materials', which fell by 9.2 per cent. Here, the biggest reductions were in imports of division 32 'Coal, coke & briquettes' (down 21.2 per cent) and division 33 'Petroleum products & related materials' (down 5.5 per cent).

The other top five sections to see a decrease during the year were section 0 'Food & live animals' (down 6.8 per cent) and section 8 'Miscellaneous manufactured articles' (down 3.8 per cent). Much of the decline in section 0 was in division 01 'Meat & meat preparations' (down 28.3 per cent) driven by a large fall from the Netherlands. The decline in section 8 was led by division 87 'Professional, scientific & controlling instruments & apparatus' (down 11.9 per cent), primarily in goods from the USA.

Twenty-three of the sixty-five SITC divisions decreased in import value during the year. After division 79 'Other transport equipment' and division 71 'Power generating machinery & equipment' the largest value increase was in division 75 'Office machines' (up 6.2 per cent) where imports from China increased substantially. The largest decreases were in divisions 32 'Coal, coke & briquettes', 33 'Petroleum products & related materials' and 87 'Professional, scientific & controlling instruments & apparatus' (see above), the next biggest decrease at division level was in division 51 'Organic chemicals' (down 27.6 per cent) with imports from France reducing the most in value.

## Commodity analysis – Northern Ireland

Table 10b: Top five commodities for import to Northern Ireland, year ending June 2014

SITC section	Description	Year ending June 2014 Total £ millions	Year ending June 2013 Total £ millions	% Change from June 2013	% Total Exports in year ending June 2014
8	Miscellaneous manufactured articles	1,558.3	1,546.0	0.8	26.7
7	Machinery & transport equipment	1,115.2	1,071.9	4.0	19.1
0	Food & live animals	1,004.0	1,045.9	-4.0	17.2
6	Manufactured goods classified chiefly by material	835.9	776.8	7.6	14.3
5	Chemicals & related products	554.7	518.5	7.0	9.5
	Other SITCs	779.1	749.4	4.0	13.3
	All SITCs	5,847.2	5,708.5	2.4	100.0

Note: 2014 data are provisional

Source: HM Revenue & Customs Regional Trade Statistics

Four of Northern Ireland's top five import sections increased in value during the year ending June 2014. Section 8 'Miscellaneous manufactured articles' remains the top import section by value, with a 26.7 per cent share of the import market, although this share has fallen slightly over the last year. There was a 0.8 per cent increase in the value of imports from section 8 over the year; the largest rise was in division 81 'Prefabricated buildings, plumbing, heating & lighting fixtures' (up 26.4 per cent), mainly in goods coming from the Irish Republic), and division 84 'Articles of apparel & clothing accessories' (up 0.5 per cent, with imports from India rising the most in value).

Northern Ireland experienced its largest section-level value increase in imports of section 6 'Manufactured goods classified chiefly by material' (up 7.6 per cent). The biggest growth was in division 66 'Non-metallic mineral manufactures' (up 19.9 per cent) and division 63 'Cork and wood manufactures (excluding furniture)' (up 19.4 per cent), both led by increases from the Irish Republic.

For section 7 'Machinery & transport equipment' the 4.0 per cent increase in imports over the year was due mainly to large rises in division 74 'General industrial machinery & equipment' (up 33.6 per cent), division 77 'Electrical machinery, apparatus & appliances' (up 18.1 per cent). These increases were offset by

reductions in imports of division 71 'Power generating machinery & equipment' (down 15.9 per cent) and division 79 'Other transport equipment' (down 24.8 per cent).

The 7.0 per cent annual increase in imports from section 5 'Chemicals & related products' was led by a rise in division 58 'Plastics in non-primary forms' and division 57 'Plastics in primary forms'. For division 58 the increase came in goods from Germany, while division 57 had large increase in goods from Belgium and the Netherlands.

The only section level decrease in the top five was in imports of section 0 'Food & live animals' (down 4.0 per cent). Most of the decline was in division 04 'Cereals & cereal preparations' (down 42.8 per cent) and division 08 'Feeding stuff for animals' (down 17.9 per cent), although these were offset by a rise in division 01 'Meat & meat preparations' (up 18.6 per cent).

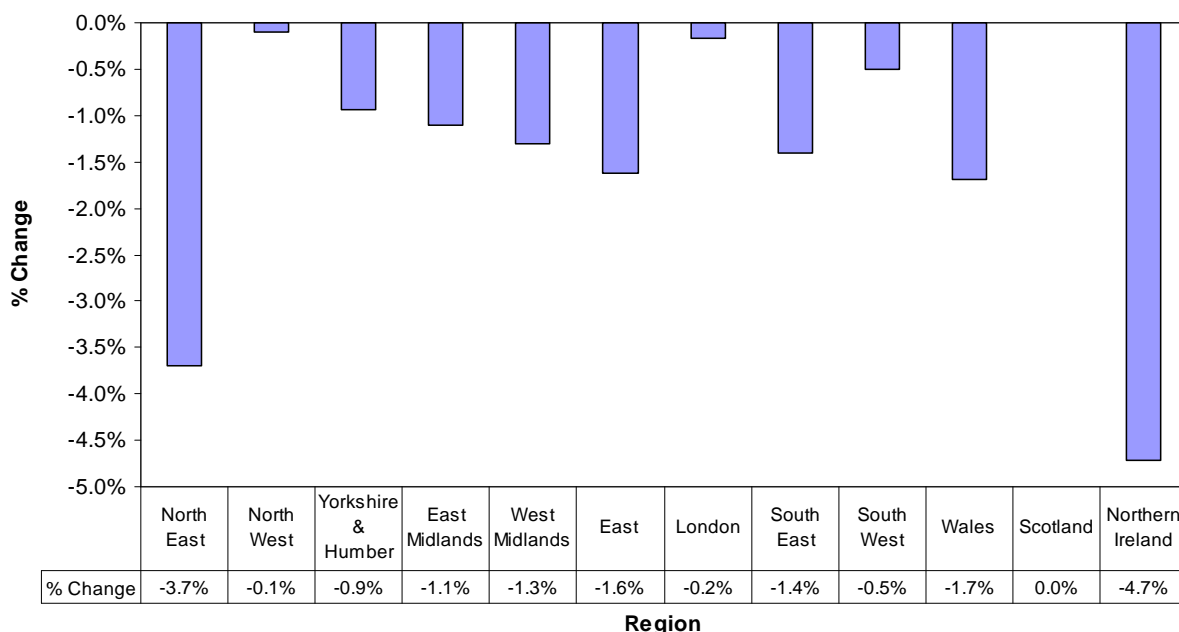
Twenty-four of the sixty-five SITC divisions decreased in value during the year. The largest increase in import value at division level was for division 01 'Meat & meat preparations' (up 18.6 per cent), while the largest decrease came from division 04 'Cereals & cereal preparations' (down 42.8 per cent).

### **Number of Businesses – Imports**

The following analysis compares the number of active importers in quarter 2 2014 with the number in quarter 2 2013. A quarterly analysis is more appropriate here than an annual analysis, since summing the number of active businesses over a year could produce ambiguous results. A quarter-on-quarter comparison enables us to measure seasonal movement of businesses, such as the increase/decrease in number of importers over the Christmas season (quarter 4). The number of businesses counted excludes those who trade only with the EU and whose trade is below the Intrastat Exemption Threshold (see note 6).

Figure 3b shows the percentage change in the number of importers in the UK between quarter 2 2013 and quarter 2 2014.

**Fig 3b: Percentage Change in Number of Importers between Q2 2013 and Q2 2014**



Source: Regional Trade Statistics, HM Revenue & Customs

In the UK as a whole, the number of importing businesses decreased by 1.0 per cent between quarter 2 2013 and quarter 2 2014 from 65,828 to 65,171. This is a rise on last quarter, but still the second lowest quarterly count of active importers since 2011, although a considerable portion of the reduction is due to the increase in the Intrastat threshold from January 2014<sup>4</sup>; for quarter 2 2014, traders who import only from EU countries are not included in the count if their total annual imports are less than £1.2 million, whereas the equivalent threshold for quarter 2 2013 was £0.6 million.

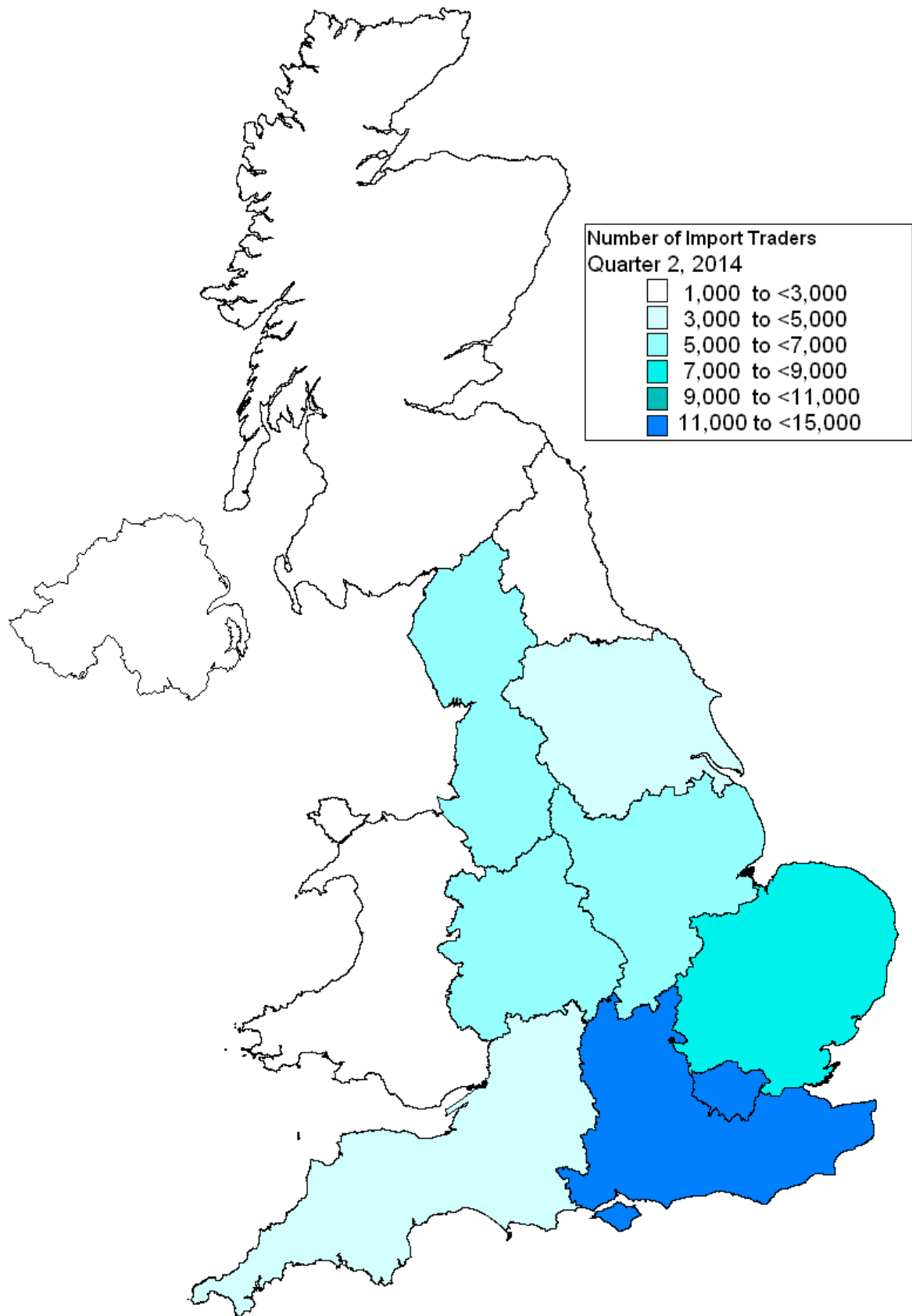
Figure 3b shows that the number of active importers decreased in eleven of the twelve UK regions between quarter 2 2013 and quarter 2 2014, with Scotland unchanged. This is the fifth quarter in succession in which every region of the UK has not increased the number of importing businesses compared with the corresponding quarter of the previous year. The greatest percentage decreases were in Northern Ireland (down 4.7 per cent), the North East (down 3.7 per cent) and the East (down 1.6 per cent). After Scotland, where the number of importers remained unchanged, the smallest percentage decrease was for London (down 0.2 per cent). The proportion of traders from the North West and London has increased slightly on quarter 2 2013, and fallen slightly for Northern Ireland and the North East.

<sup>4</sup> See [announcement](#) on uktradeinfo.com

Figure 4b shows the total number of active UK importers in each region for quarter 2, 2014. London, the South East and the East are the three regions with the largest count of importers, accounting for 19.3 per cent, 17.3 per cent and 10.8 per cent of all UK importers respectively. The North East has the smallest number of importing businesses for the quarter, making up 2.0 per cent of all UK importers. The proportion of UK importers in each region has remained similar over the past year with none of the changes exceeding 0.1 per cent.



**Fig 4b: Number of UK import businesses by region - Quarter 2, 2014**



Note: 2014 data are provisional  
Source: Regional Trade Statistics, HM Revenue & Customs

## Notes

1. The latest statistics on Regional Trade were released on 04 September 2014 by HM Revenue & Customs under arrangements set out in the [Code of Practice for Official Statistics](#). This release includes the first provisional estimates of trade-in-goods for Quarter 2 2014. At the same time revisions for all previously published regional data for 2013 and Quarter 1 2014 are also being released. This release also incorporates a number of revisions to historic data relating to years 2008-2012; these changes have already been applied to Overseas Trade Statistics data (see page 2). All RTS data excludes non-monetary gold, which is now being included in OTS data from 2005 onwards.
2. Data is taken primarily from Customs systems (for non-EU trade) and the Intrastat survey (for EU trade). HMRC does not receive information in respect of goods that move wholly within the UK, nor in intangibles and services such as banking or tourism. Trade is mainly allocated to a region by the postcode associated with a company's VAT registration.
3. Some adjustments have been necessary in the production of export statistics by region to ensure manufacturing that takes place at branch premises is properly allocated to the region where the branch is situated. This adjustment is based on the results of periodic surveys of the top 200 businesses by value of exports (both EU and non-EU), to determine the values and proportions of trade generated by each branch. Therefore, for businesses who have provided a response to the survey, their trade is split by value to various regions in line with the information provided by the survey. For all other businesses the region where the head office is located is used by default unless the export is assigned to a specific branch. For imports, such adjustments cannot be made, as businesses would not be able to produce a reasonable assessment of the final regional destination for their goods. Unlike exports where the manufacture of goods is typically more regionally concentrated, imports are based on the sale of goods, which is far more regionally dispersed.
4. Not all trade can be assigned to one of the 9 English Regions, Wales, Scotland and Northern Ireland. Where appropriate, this is referred to in the tables as the 'Unknown region' and includes:
  - a. Trade carried out by persons or entities which cannot be matched to a region.

- b. Low Value Trade and estimates made for EU trade below the Intrastat threshold.
- c. Goods within classification codes that have changed since the previous year are not assigned to a region but are included within Unknown region for completeness.
- d. Data relating to Natural Gas and Electricity direct from pipeline and grid operators and information on petroleum production from the Department of Energy and Climate Change (DECC).

More information can be found in the RTS methodology document.

[https://www.uktradeinfo.com/Statistics/NonEUOverseasTrade/AboutOverseasTradeStatistics/User%20support/RTS\\_Methodology\\_Revision\\_2013.pdf](https://www.uktradeinfo.com/Statistics/NonEUOverseasTrade/AboutOverseasTradeStatistics/User%20support/RTS_Methodology_Revision_2013.pdf)

- 5. The RTS does not include estimates for non-response or estimates for the missing EU Imports associated with Missing Trader Intra-Community VAT Fraud (MTIC Fraud).
- 6. The counts for businesses dealing with the EU and counts for businesses dealing with the non-EU do not sum to the total business counts. Businesses that are active in both EU and non-EU markets are counted once only in the total business counts. The counts for businesses dealing with the EU do not include businesses where the value of their intra-EU trade is below the [Intrastat Exemption Threshold](#).
- 7. In 2009 the introduction of the Economic Operator Registration and Identification (EORI) system enabled EU economic operators (businesses) to register for customs purposes in one Member State to obtain an EORI number which is valid throughout all EU member states. The EORI number replaced the VAT registration number and Branch ID supplied on trade data, which together made up the Trader's Unique Reference Number (TURN) for those businesses participating in the scheme. The TURN or EORI number is the main data source used in the compilation of the RTS as it is matched with the relevant postcode in order to allocate trade to specific regions of the UK. Under EORI, the vast majority of businesses were not allowed to retain Branch IDs; this has adversely affected RTS, with the majority of trade now being declared to the head office(s) in a single region (or a small number of regions). The result is that the recorded trade for regions containing branches of a business has been reduced, while the

recorded trade for regions containing the head office(s) of that business has increased.

8. Aggregated tables are produced to allow time series analysis; these tables are provided in a separate document released in conjunction with this Release.
9. The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics. Designation can be broadly interpreted to mean that the statistics:
  - meet identified user needs;
  - are well explained and readily accessible;
  - are produced according to sound methods, and
  - are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

10. The Regional Trade in Goods figures undergo regular quality assurance reviews to ensure they meet customer needs, and are published as a [Government Statistical Service Quality report](#).
11. The RTS has been reviewed as part of an assessment made of Overseas Trade Statistics by the [UK Statistics Authority](#). The report of that assessment can be found at <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/assessment-report-93---uk-trade-in-goods.pdf>

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*The OTS and RTS data series are published in HMRC's trade data website [www.uktradeinfo.com](http://www.uktradeinfo.com). Detailed data is available within an [interactive database](#) and '[The Customer Story](#)' explains how users utilise it to analyse import and export markets.*

Next release: 04 December 2014 9:30am

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If using specific facts contained in this release please check the information is still current.