

UK Trade in Goods by Business Characteristics 2018

About this release

This annual release links 2018 Overseas Trade Statistics (OTS) data on trade in goods with business characteristics sourced from the Inter-Departmental Business Register (IDBR).

Supporting data and tables can be found at <u>GOV.UK</u>.

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

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

Summary

- In 2018, there were 155,000 businesses in the UK exporting £364 billion worth of goods, with a total employee count of 10.2 million. There were 242,000 importing businesses in the UK importing £501 billion worth of goods with a total employee count of 12.6 million.
- The Machinery and Equipment industry made notable gains in both export and import value since 2017 (up 11% and 31% respectively).
- The number of businesses exporting and importing in the Chemicals industry increased notably from 2017 (up 3% and 6% respectively).
- The number of employees in the Motor Vehicles industry increased 16% from 2017 for both exports and imports.
- Of exporting businesses, large businesses (250+ employees) made the largest value increases since 2017 (up 7%). Of importing businesses, the '50-249' employees group had the largest value increases (up 5%).
- Since 2017, exporting businesses aged 2-3 years have made a 30% increase in trade value. For businesses aged 4-5 years, trade value decreased by 19% and 23% for exports and imports respectively.

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Introduction

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

This publication is for 2018 data. Data relating to 2017 and 2016 is included for comparison in the tables, and data from 2014 to 2018 is included on relevant graphs. All data presented in this release has been compiled on a Special Trade basis. For further information on the differences between General and Special Trade, please see the Methodology Paper for Overseas Trade Statistics. This change is in line with the compilation of the OTS, which have been published on a Special Trade basis since May 2016. Previous releases of UK Trade in Goods by Business Characteristics have not been updated.

This release also includes all <u>unscheduled corrections</u> to OTS data published on 09 August 2019. These changes have been applied to all data from 2014 to 2017 within this release.

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

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

For more information and guidance on the use of experimental statistics, please visit the <u>Guide to Experimental Statistics</u> on the ONS website. We welcome feedback on the content and presentation of these statistics. If you have any comments please send them to:

uktradeinfo@hmrc.gov.uk

Methodology update

Change to methodology

This release incorporates a change in methodology that improves the process by which each VAT registered business is linked to an enterprise on the Inter-Departmental Business Register (IDBR). The new method has been applied to 2018 data and to all historic data in this release (2014-2017). The change affects businesses that form part of a group VAT registration. In these cases, linking the VAT registration to an enterprise on the IDBR is more complex as there are a number of possible enterprises to choose from. The previous methodology linked such VAT registrations to the enterprise with the highest turnover, with no reference to other criteria. Under the new methodology, the choice of enterprise is made by applying multiple criteria:

- 1. Preference is given to the enterprise with the highest turnover.
- 2. In cases where there are multiple enterprises with the same turnover, the enterprise with the highest employee count is selected.
- 3. If there are multiple enterprises with the same employee count then the enterprise with the earliest birthdate is selected.
- 4. If there are multiple enterprises with the same birthdate then the enterprise linked to the 12-digit VAT registration with the earliest birthdate is selected.

These criteria are based on the assumption that trade is more likely to be carried out by businesses with a higher turnover and a higher employee count, and by older, more established enterprises.

Impact of the methodological changes on previously published data (2014-2017)

- There is a small increase (less than 0.3%) in total enterprise count, as group VAT registrations are being matched to different enterprises. Under the new method, different VAT registrations are less likely to match to the same enterprise due to the more diverse range of matching options in the methodology.
- There is an increase (less than 3%) in total employee count. This is because, under the new methodology, a group VAT registration is matched to the enterprise with the highest employee count when choosing from multiple enterprises with the same turnover.

Impact of the unscheduled corrections on previously published data (2014-2017)

• There is a slight change (<0.06%) in the total annual trade values for imports and exports due to the unscheduled corrections to the OTS. The change in methodology does not affect the total trade value but the value is distributed differently between industry groups. This is because some group VAT registrations are now being matched to different enterprises, so will have different SIC groups. For more information regarding the <u>unscheduled corrections</u>, <u>please visit uktradeinfo.com</u>.

Analysis

What's in this release?

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

1. Total trade in goods

Timelines of total trade 2014-2018:

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

2. Trade by industry group

Timelines of trade for non-Services industries 2014-2018:

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

Timelines of trade for the Services industry 2014-2018:

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

Analysis of trade by industry group (for 10 industry groups):

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

3. Trade by size of business

Timelines of trade for large businesses 2014-2018:

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

Timelines of trade for small and medium-sized businesses 2014-2018:

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

Analysis of trade by business size (for 5 size categories):

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

4. Trade by age of business

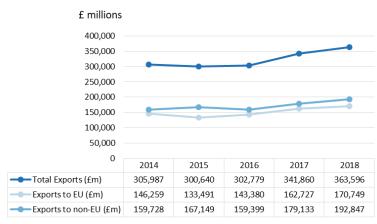
Analysis of trade by business age (for 6 age categories):

Value of UK imports and exports

Total trade in goods

1. Total trade in goods Timelines of total trade 2014-2018¹

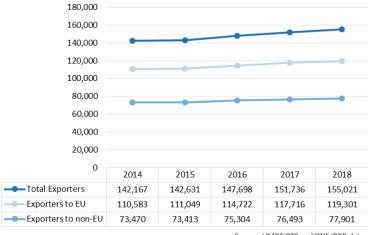
Figure 1.1: Value of UK exports 2014-2018



Source: HMRC OTS and ONS IDBR data

The total value of UK exports increased by 6% from 2017 to 2018, and 19% overall from 2014-18, with a notable 13% increase from 2016 to 2017. The value of exports to the EU rose 5% from 2017 to 2018 and by 17% during 2014 to 2018. The value of exports to non-EU countries increased by 8% from 2017 to 2018 and by 21% from 2014 to 2018. Exports to non-EU countries exceeded exports to EU countries by an average of 14% per year during the period 2014 to 2018. The greatest difference was seen in 2015 where exports to non-EU countries were 25% higher than exports to the EU.

Figure 1.2: Count of UK exporters 2014-2018



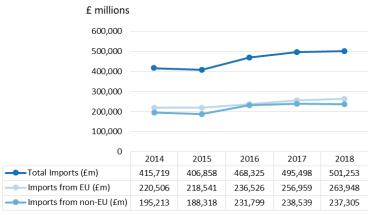
Source: HMRC OTS and ONS IDBR data

The total number of exporting businesses in the UK rose 2% from 2017 to 2018 and 9% from 2014 to 2018, with an average year-on-year increase from 2014 to 2018 of 2%. This reflected the increased number of businesses exporting to the EU, and those exporting to non-EU countries for the 2014 to 2018 period. Specifically, there were increases of 8% and 6% over 2014 to 2018 for these groups respectively. The average year-on-year increase in exporters to the EU from 2014 to 2018 was 2%. This was also true for exporters to non-EU countries from 2015 to 2018 (there was an initial decrease in exporters to non-EU countries between 2014 and 2015). The number of exporters to the EU was consistently and uniformly greater than the number of exporters to non-EU countries during 2014 to 2018, 52% greater on average.

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

Total trade in goods

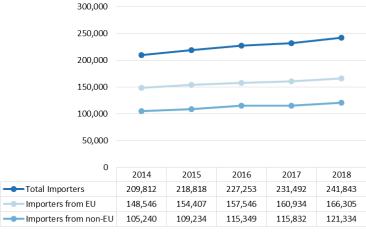
Figure 1.3: Value of UK imports 2014-2018



Source: HMRC OTS and ONS IDBR data

The total value of UK imports increased 1% from 2017 to 2018, and by 21% overall from 2014 to 2018 with a notable rise during 2015 to 2016 of 15%, having decreased by 2% from 2014 to 2015. This was largely driven by a 23% increase in imports from non-EU countries from 2015 to 2016, following a 4% drop from 2014 to 2015. Imports from the EU rose more steadily through the 2015 to 2018 period with an average year-on-year increase of 7% (following a 1% drop during 2014 to 2015). Imports from the EU exceeded imports from non-EU countries throughout the period 2014 to 2018, albeit by only 2% in 2016. The greatest difference was seen in 2015 where imports from the EU were 16% higher than those from non-EU countries.

Figure 1.4: Count of UK importers 2014-2018

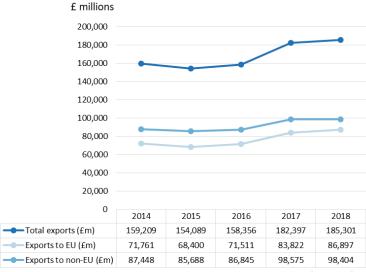


Source: HMRC OTS and ONS IDBR data

The total number of importing businesses in the UK increased 4% from 2017 to 2018 and 15% overall from 2014 to 2018, with an average year-on-year increase of 4%. This reflected increases for both the number of businesses importing from the EU and non-EU countries over the 2014 to 2018 period, up 12% from the EU and 15% from non-EU countries. There were average year-on-year increases of 3% in businesses importing from the EU and 4% in businesses importing from non-EU countries. The number of importers from the EU was consistently and uniformly greater than the number of importers from non-EU countries during 2014 to 2018, 39% greater on average.

2. Trade by industry group Timelines of trade for non-Services² industries 2014-2018

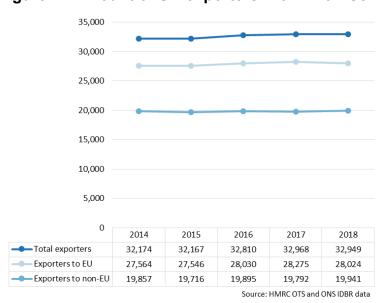
Figure 2.1: Value of UK exports by non-Services industries, 2014-2018



Source: HMRC OTS and ONS IDBR data

The total value of exports by businesses classified as non-Services rose 2% from 2017 to 2018, and 16% overall from 2014 to 2018, this was as a result of a 15% increase from 2016 to 2017. This reflected similar increases during 2016 to 2017 in exports to the EU and exports to non-EU countries of 17% and 14% respectively. Exports to non-EU countries were consistently higher (20% on average) than exports to the EU during the 2014 to 2018 period.

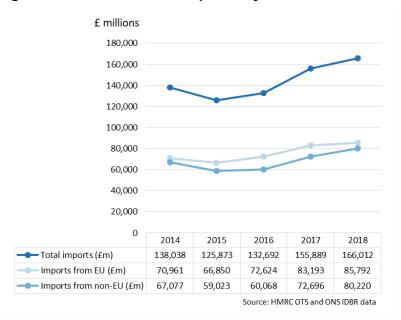
Figure 2.2: Count of UK exporters within non-Services industries, 2014-2018



The total number of non-Services businesses exporting goods from the UK dropped marginally from 2017 to 2018 but rose overall by 2% from 2014 to 2018. This reflected the gently undulating counts of exporters to EU and non-EU countries over this period. The number of exporters to the EU was consistently and uniformly greater than exporters to non-EU countries through 2014 to 2018, 41% greater on average.

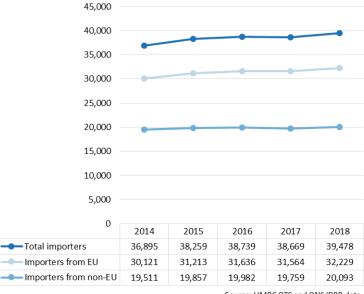
² Non-Services industries include industry groups 1-9 as described in the Annex.

Figure 2.3: Value of UK imports by non-Services industries, 2014-2018



The total value of imports by businesses classified as non-Services rose 6% from 2017 to 2018 and by 20% overall between 2014 and 2018. This initially comprised of a 9% decrease from 2014 to 2015 and then an average year-on-year increase of 10% from 2015 to 2018. A comparable pattern was seen for both imports from EU and non-EU countries. The value of imports from the EU was consistently greater than that from non-EU countries throughout 2014 to 2018. The smallest difference was 6% higher in 2014, widening to 21% in 2016, before reducing again to 7% in 2018.

Figure 2.4: Count of UK importers within non-Services industries, 2014-2018

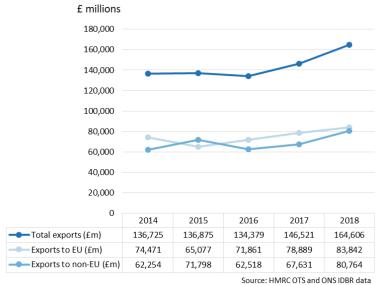


Source: HMRC OTS and ONS IDBR data

The total number of non-Services businesses importing goods increased 2% from 2017 to 2018, and by 7% from 2014 to 2018 (with a slight count reduction of less than 1% from 2016 to 2017). This was driven by changes in the number of importers from the EU, which followed the same pattern for the 2014 to 2018 period. In contrast, the number of importers from non-EU countries remained relatively steady throughout the time series. Importers from the EU were consistently and uniformly greater than importers from non-EU countries through 2014 to 2018 by an average of 58%.

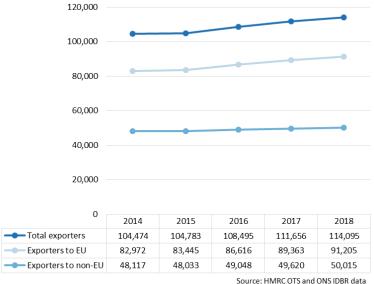
Timelines of trade for Services³ industries 2014-2018

Figure 2.5: Value of UK exports in goods by the Services industry, 2014-2018



The total value of exports by businesses within the Services industry group increased by 12% from 2017 to 2018 and by 20% overall from 2014 to 2018, with a notable increase of 22% from 2016 to 2018. This increase was mostly driven by a 30% increase in exports to non-EU countries over 2014 to 2018, whilst exports to the EU also grew, albeit by a lesser margin of 13%. Only in 2015 were exports to non-EU countries greater than to the EU (10% greater).

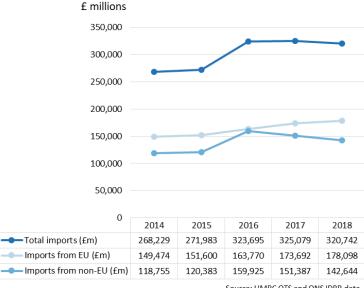
Figure 2.6: Count of UK exporters in goods within the Services industry, 2014-2018



The total number of exporting businesses within the Services industry group increased 2% from 2017 to 2018 and 9% from 2014 to 2018, with an average year-on-year increase of 2%. The count of exporters to the EU followed a similar pattern with a 10% increase over the 2014 to 2018 period and a 2% average year-on-year increase. Exporters to non-EU countries remained fairly steady throughout the 2014 to 2018 period. On average, exporters to the EU were 77% greater than to non-EU countries.

³ The figures for this group relate to **goods** traded by those businesses classified within the Services industry, not the services they provide. UK Trade in Goods by Business Characteristics 2018 9

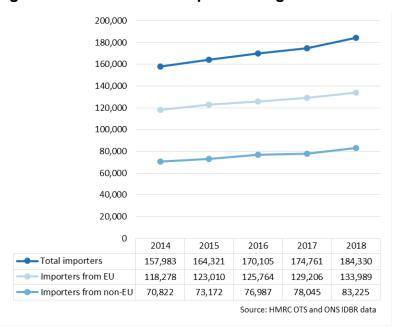
Figure 2.7: Value of UK imports in goods by the Services industry, 2014-2018



Source: HMRC OTS and ONS IDBR data

The total value of imports by businesses within the Services industry dropped 1% from 2017 to 2018, but increased by 20% over the 2014 to 2018 period, with a notable 19% rise between 2015 and 2016. This increase was driven by an increase in imports from non-EU countries, particularly a 33% rise from 2015 to 2016. However, since then, imports from non-EU countries declined 11%. Contrastingly, imports from the EU maintained an average year-on-year increase of 5% through 2014 to 2018.

Figure 2.8: Count of UK importers in goods within the Services industry, 2014-2018



The total number of importing businesses within the Services industry group increased 5% from 2017 to 2018, and 17% over the 2014 to 2018 period, with an average year-on-year increase of 4%. This reflected increases in importers from EU and non-EU countries, which grew by 13% and 18% over the 2014 to 2018 period respectively. The number of Services businesses importing from the EU was consistently and uniformly greater than those importing from non-EU countries through the 2014 to 2018 period, 65% higher on average.

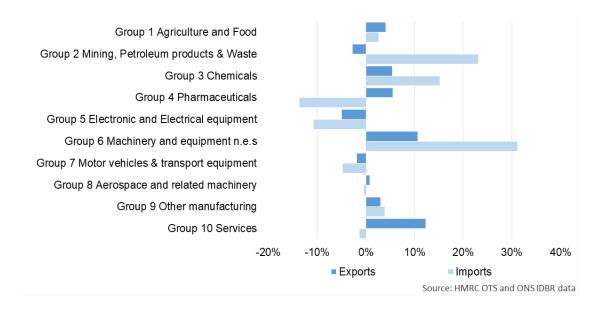
Table 2.1: Total value of UK trade by industry group, 2016-2018

£ millions

			Exports			Imports	
Industry Group		2016	2017	2018	2016	2017	2018
Group 1	Agriculture and Food	16,104	17,303	18,008	19,233	21,075	21,638
Group 2	Mining, Petroleum products & Waste	18,731	24,195	23,523	23,918	31,692	39,028
Group 3	Chemicals	9,949	11,410	12,037	7,259	8,345	9,615
Group 4	Pharmaceuticals	6,806	10,268	10,837	4,669	6,854	5,913
Group 5	Electronic and Electrical equipment	12,806	14,431	13,716	8,268	10,343	9,225
Group 6	Machinery and equipment n.e.s	18,715	20,914	23,153	11,108	12,652	16,593
Group 7	Motor vehicles & transport equipment	31,237	34,015	33,363	27,767	30,182	28,747
Group 8	Aerospace and related machinery	28,982	32,838	33,119	17,099	19,535	19,444
Group 9	Other manufacturing	15,026	17,023	17,543	13,371	15,211	15,809
Group 10	Services	134,379	146,521	164,606	323,695	325,079	320,742
Unknown		10,043	12,942	13,689	11,938	14,530	14,500
Total		302,779	341,860	363,596	468,325	495,498	501,253

Source: HMRC OTS and ONS IDBR data

Figure 2.9: Percentage change in UK trade value from 2017 to 2018, by industry group



^{1.} Group 7 excludes aerospace.

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

Between 2017 and 2018, the value of exports and imports increased for most industry groups. However, some decreases were present, particularly in Group 5 'Electronic and electrical equipment' and Group 7 'Motor vehicles and transport equipment' which both saw imports and exports decline. For most groups where growth was seen in both imports and exports, the growth was greater in the imports flow. However, the reverse was seen for Group 1 'Agriculture and food' which saw greater growth in exports. Groups 4 'Pharmaceuticals', 8 'Aerospace and related machinery', and 10 'Services' also saw increased export value but declining import value. In contrast, Group 2 'Mining, Petroleum products & waste' saw declining export value but increasing import value.

Between 2017 and 2018:

- ↑ The largest percentage increases in export value were in Group 10 'Services' (up 12%) and Group 6 'Machinery and equipment n.e.s' (up 11%).
- The largest percentage decreases in export value were in Group 5 'Electronic and electrical equipment' (down 5%) and Group 2 'Mining, Petroleum products and waste' (down 3%).
- ↑ The largest percentage increases in import value were in Group 6 'Machinery and equipment n.e.s' (up 31%) and Group 2 'Mining, petroleum products & waste' (up 23%).
- The largest percentage decreases in import value were in Group 4 'Pharmaceuticals' (down 14%) and Group 5 'Electronic and Electrical equipment' (down 11%).

For the period 2016-2018:

- ↑ There was an increase in export value for all groups. The greatest being for Group 4 'Pharmaceuticals' (up 59%).
- ↑ There was also an increase in import value all groups except Group 10 'Services' (down 1%). The greatest increase was seen in Group 2 'Mining, Petroleum products and waste' (up 63%).

Market Share (share of total value) 2016-2018:

- ↑ Group 10 'Services' saw the largest increase in export market share (up 1 percentage point from 44% in 2016 to 45% in 2018).
- Group 7 'Motor vehicles and transport equipment' saw the largest decrease in export market share (down 1 percentage point from 10% in 2016 to 9% in 2018).
- ↑ Group 2 'Mining, Petroleum products & waste' saw the largest increase in import market share (up 3 percentage points from 5% in 2016 to 8% in 2018).
- Group 10 'Services' saw the largest decrease in import market share (down 5 percentage points from 69% in 2016 to 64% in 2018).

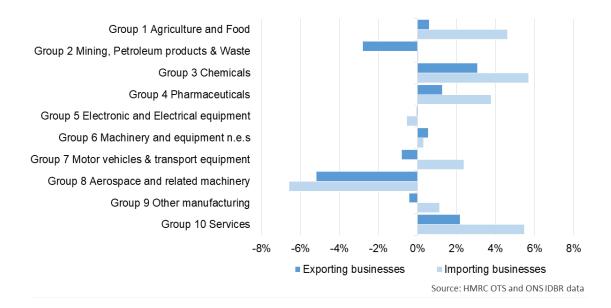
Table 2.2: Business count by industry group, 2016-2018

Number of businesses

			Exports			Imports	
Industry Group		2016	2017	2018	2016	2017	2018
Group 1	Agriculture and Food	7,163	7,426	7,471	11,843	12,027	12,581
Group 2	Mining, Petroleum products & Waste	1,759	1,775	1,725	2,116	2,106	2,107
Group 3	Chemicals	1,497	1,497	1,543	1,489	1,473	1,557
Group 4	Pharmaceuticals	224	236	239	258	265	275
Group 5	Electronic and Electrical equipment	4,123	4,061	4,059	4,312	4,301	4,277
Group 6	Machinery and equipment n.e.s	3,352	3,291	3,309	3,255	3,217	3,227
Group 7	Motor vehicles & transport equipment	1,319	1,352	1,341	1,378	1,386	1,419
Group 8	Aerospace and related machinery	198	192	182	205	197	184
Group 9	Other manufacturing	13,175	13,138	13,080	13,883	13,697	13,851
Group 10	Services	108,495	111,656	114,095	170,105	174,761	184,330
Unknown		6,393	7,112	7,977	18,409	18,062	18,035
Total		147,698	151,736	155,021	227,253	231,492	241,843

Source: HMRC OTS and ONS IDBR data

Figure 2.10: Percentage change in business count from 2017 to 2018, by industry group



^{1.} Group 7 excludes aerospace.

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

Between 2017 and 2018, the total number of exporting businesses increased by 2%, with increases seen for 5 of the 10 industry groups. The total number of importing businesses increased by 4%, with increases seen for 8 of the 10 industry groups.

The most notable changes between 2017 and 2018 were as follows:

- ↑ The largest percentage increases in exporting businesses were in Group 3 'Chemicals' (up 3%) and Group 10 'Services' (up 2%).
- The largest percentage decreases in exporting businesses were in Group 8 'Aerospace and related machinery' (down 5%) and Group 2 'Mining, Petroleum products and waste' (down 3%).
- ↑ The largest percentage increases in importing businesses were in Group 3 'Chemicals' (up 6%) and Group 10 'Services' (up 5%).
- The largest percentage decrease in importing businesses was in Group 8 'Aerospace and related machinery' (down 7%).

Between 2016 and 2018, the total number of exporting businesses increased 5%, with the total number of importing businesses increasing 6%. There was an increase in both the number of businesses exporting and the number of businesses importing for 5 of the 10 industry groups:

The most notable changes between 2016 and 2018 were as follows:

- ↑ The largest percentage increases in exporting businesses were in Group 4 'Pharmaceuticals' (up 7%) and Group 10 'Services' (up 5%). These were also the industry groups that saw the biggest increases for importing businesses, with increases of 7% and 8% respectively.
- The largest percentage decrease in exporting businesses was in Group 8 'Aerospace and related machinery' (down 8%). This was also the industry group with the largest percentage decrease in importing businesses (down 10%).
- 1 Increases in both importing and exporting businesses were seen in Groups 1 'Agriculture and Food', 3 'Chemicals', 4 'Pharmaceuticals', 7 'Motor vehicles and transport equipment', and 10 'Services'.
- Decreases in both importing and exporting businesses were seen in Groups 2 'Mining, Petroleum products and waste', 5 'Electronic and electrical equipment', 6 'Machinery and equipment n.e.s', 8 'Aerospace and related machinery', and 9 'Other manufacturing'.

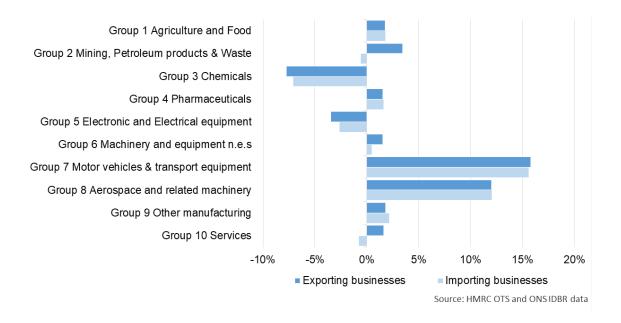
Table 2.3: Employee count by industry group, 2016-2018

Number of employees

			Exports			Imports	
Industry Group		2016	2017	2018	2016	2017	2018
Group 1	Agriculture and Food	500,375	512,268	521,364	581,521	591,222	601,814
Group 2	Mining, Petroleum products & Waste	295,582	303,585	314,031	350,355	348,924	346,892
Group 3	Chemicals	82,813	86,265	79,568	83,368	86,083	79,961
Group 4	Pharmaceuticals	30,787	38,186	38,767	31,237	37,457	38,074
Group 5	Electronic and Electrical equipment	177,735	175,244	169,147	178,256	176,371	171,709
Group 6	Machinery and equipment n.e.s	165,831	159,657	162,109	164,250	161,747	162,574
Group 7	Motor vehicles & transport equipment	159,841	168,756	195,391	164,719	172,826	199,761
Group 8	Aerospace and related machinery	95,728	97,336	109,043	95,576	97,160	108,883
Group 9	Other manufacturing	498,592	507,077	516,296	522,311	526,815	538,249
Group 10	Services	7,902,967	7,920,060	8,048,164	10,651,680	10,460,827	10,377,390
Unknown							
Total		9,910,251	9,968,434	10,153,880	12,823,273	12,659,432	12,625,307

Source: HMRC OTS and ONS IDBR

Figure 2.11: Percentage change in employee count from 2017 to 2018, by industry group



^{1.} Group 7 excludes aerospace.

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

^{3.} Unknown category excludes employees of foreign-owned businesses that are required to register for UK VAT due to distance selling regulations.

^{4.} Totals exclude the Unknown category.

Between 2017 and 2018, the total number of people employed in exporting businesses increased by 2% overall. The majority of exporting industries saw an increase in the number of people they employed with only Group 3 'Chemicals' and Group 5 'Electronic and electrical equipment' experiencing declines. The overall number of people employed by importing industries decreased marginally. 4 of the 10 industry groups saw a decrease. These were groups 2 'Mining, Petroleum products & waste', 3 'Chemicals', 5 'Electronic and electrical equipment', and 10 'Services'.

The most notable changes between 2017 and 2018 were as follows:

- ↑ The largest percentage increase in employees was in Group 7 'Motor vehicles & transport equipment' for both exporting and importing businesses (up 16% in both cases). A notable rise was also seen in Group 8 'Aerospace and related machinery', again for both exporting and importing businesses (up 12% in both cases).
- The largest percentage decrease in employees was in Group 3 'Chemicals' for both exporting and importing businesses (down 8% and 7% respectively). A notable decrease was also seen in Group 5 'Electronic and electrical equipment', again for both exporting and importing businesses (down 3% for both).

Between 2016 and 2018, the total number of people employed in exporting businesses overall increased 2%. The majority of exporting industries saw an increase in the number of people they employed with only Group 3 'Chemicals', Group 5 'Electronic and electrical equipment' and Group 6 'Machinery and equipment n.e.s' experiencing declines. The overall number of people employed by importing industry groups declined 2%, with 5 out of 10 importing industries seeing a decrease. These groups were 2 'Mining, Petroleum products & waste', 3 'Chemicals', 5 'Electronic and electrical equipment', 6 'Machinery and equipment n.e.s' and 10 'Services'.

The most notable changes between 2016 and 2018 were as follows:

- ↑ The largest percentage increase in employees was in Group 4 'Pharmaceuticals' for both exporting and importing businesses (up 26% and 22% respectively). A notable rise was also seen in Group 7 'Motor vehicles & transport equipment', again for both exporting and importing businesses (up 22% and 21% respectively).
- The largest percentage decreases in employees for both exporting and importing businesses were in group 5 'Electronic and electrical equipment' (decreases of 5% and 4% for exporters and importers respectively) and group 3 'Chemicals' (decreases of 4% for both exporters and importers).

Summary of trade by industry group 2016-2018:

Trade value, number of businesses and employee count

Between 2016 and 2018 the export and import trade value increased for almost all industries (with the exception of imports in Group 10 'Services' which decreased by 1%).

The most notable increases in trade value over the 2016 to 2018 period were as follows:

- Export values for Group 4 'Pharmaceuticals' (up 59%), Group 2 'Mining, Petroleum products & waste' (up 26%), and Group 6 'Machinery and equipment n.e.s' (up 24%).
- Import values for Group 2 'Mining, petroleum products & waste' (up 63%), Group 6 'Machinery and equipment n.e.s' (up 49%), and Group 3 'Chemicals' (up 32%).

Over the 2016 to 2018 period there was little change in industry export value market share.

The most notable changes in Industry import value market share over the 2016 to 2018 period were as follows:

- Group 2 'Mining, Petroleum products and waste' (up 3 percentage points)
- Group 10 'Services' (down 5 percentage points).

The total number of businesses increased 5% and 6% for exporting and importing businesses respectively. The number of importing and exporting businesses increased for half of industry groups.

Notable changes in number of businesses over the 2016 to 2018 period were as follows:

- Exporting business counts increased in Group 4 'Pharmaceuticals' (up 7%), and Group 10 'Services' (up 5%), and decreased in Group 8 'Aerospace and related machinery' (down 8%).
- Importing business counts increased in Group 4 'Pharmaceuticals' (up 7%), and Group 10 'Services' (up 8%), and decreased in Group 8 'Aerospace and related machinery' (down 10%).

The total number of employees increased by 2% for exporting businesses but decreased by 2% for importing businesses between 2016 and 2018. The number of employees for both importing and exporting businesses increased for most industry groups, with the exception of groups 3 'Chemicals', 5 'Electronic and electrical equipment' and 6 'Machinery and equipment n.e.s'.

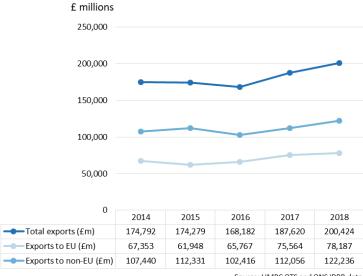
Notable changes in number of employees over the 2016 to 2018 period:

- Exporting businesses employee counts increased in Group 4 'Pharmaceuticals' (up 26%) and Group 7 'Motor vehicles & transport equipment' (up 22%), and decreased in Group 5 'Electronic and electrical equipment' (down 5%) and Group 3 'Chemicals' (down 4%).
- Importing businesses employee counts increased in Group 4 'Pharmaceuticals' (up 22%) and Group 7 'Motor vehicles & transport equipment' (up 21%), and decreased in Group 5 'Electronic and electrical equipment' (down 4%) and Group 3 'Chemicals' (down 4%).

3. Trade by size of business

Timelines of trade for large businesses 2014-2018

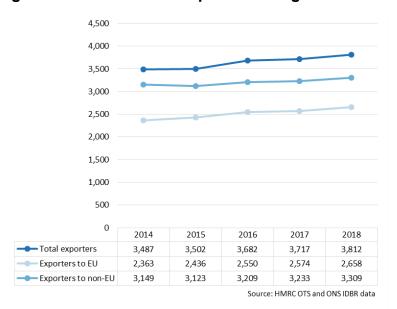
Figure 3.1: Value of UK exports by large businesses 2014-2018



Source: HMRC OTS and ONS IDBR data

The total value of exports by large businesses increased by 7% from 2017 to 2018 and 15% overall from 2014 to 2018, with a 3% decrease from 2015 to 2016. This pattern was mirrored in exports to non-EU countries for which there was a 14% increase from 2014 to 2018, with a 9% decrease from 2015 to 2016. Exports to the EU rose consistently from 2015 to 2018 with an average 8% year-on-year increase. Exports to non-EU countries for large businesses were consistently greater than exports to the EU, 60% greater on average from 2014 to 2018.

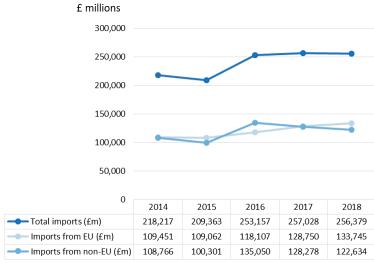
Figure 3.2: Count of UK exporters – large businesses 2014-2018



The total number of large UK businesses exporting goods increased 3% from 2017 to 2018 and 9% overall from 2014 to 2018, with an average year-on-year increase of 2% from 2014 to 2018. This was driven by increases in exporters to both EU and non-EU countries, with average 2014 to 2018 year-on-year increases of 3% for exporters to the EU, and average 2015 to 2018 year-on-year increases of 2% for exporters to non-EU countries (there was an initial decrease from 2014 to 2015). On average, the number of large businesses exporting to non-EU countries was 27% higher than the number of large businesses exporting to the EU during 2014 to 2018.

⁴ Large businesses are defined as those with 250 or more employees.

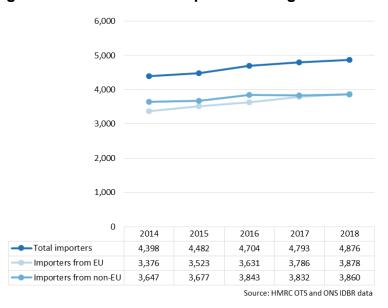
Figure 3.3: Value of UK imports by large businesses 2014-2018



Source: HMRC OTS and ONS IDBR data

The total value of goods imported by large businesses decreased marginally from 2017 to 2018 but increased 17% overall from 2014 to 2018, with a notable increase of 21% from 2015 to 2016. This reflected imports from non-EU countries, which saw a 35% increase from 2015 to 2016, and a 13% increase overall from 2014 to 2018. Imports from the EU increased steadily with an average year-on-year increase of 7% from 2015 to 2018 (following a slight decrease between 2014 and 2015), and were up 22% over the 2014 to 2018 period. Imports from non-EU countries were marginally lower than imports from the EU for all years during the 2014 to 2018 period, except for 2016 where they were 14% greater.

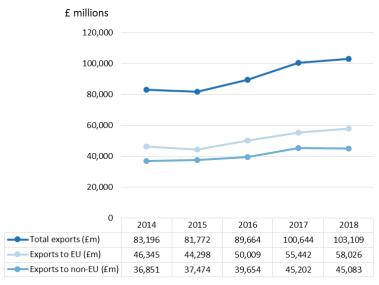
Figure 3.4: Count of UK importers – large businesses 2014-2018



The total number of large businesses importing goods increased 2% from 2017 to 2018 and 11% overall from 2014 to 2018. This was driven by increases in importers from the EU and importers from non-EU countries over the 2014 to 2018 period of 15% and 6% respectively. The number of importers from the EU increased by an average of 4% year-on-year between 2014 and 2018. The difference between the number of importers from the EU and importers from non-EU countries reduced over the 2014 to 2018 period. Specifically, the number of importers from non-EU countries was 8% greater than importers from the EU in 2014. By 2018, this difference was less than 1% (with the number of importers from the EU as the higher count).

Timelines of trade for SMEs⁵ 2014-2018

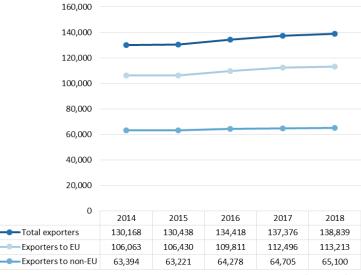
Figure 3.5: Value of UK exports by SMEs 2014-2018



Source: HMRC OTS and ONS IDBR data

The total value of goods exported by small and medium-sized businesses (SMEs) rose by 2% from 2017 to 2018 and 24% overall from 2014 to 2018, following a notable climb during 2015 to 2017 of 23%. Exports to both the EU and to non-EU countries increased during this 2015 to 2017 period by 25% and 21% respectively. Exports to the EU were consistently higher than exports to non-EU countries during the 2014 to 2018 period, an average of 24% higher.

Figure 3.6: Count of UK exporters – SMEs 2014-2018

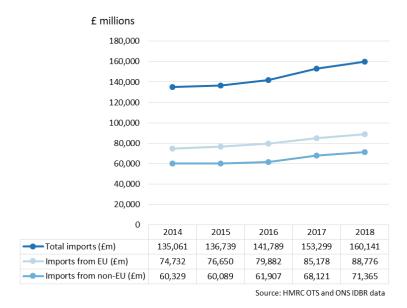


Source: HMRC OTS and ONS IDBR data

The total number of SMEs exporting goods increased 1% from 2017 to 2018 and 7% overall from 2014 to 2018. The average year-on-year increase between 2015 and 2018 was 2%. This was driven by similar patterns in the number of exporters to the EU and to non-EU countries, with average year-on-year increases from 2015 to 2018 of 2% and 1% respectively. The number of exporters to the EU was consistently and uniformly greater than the number of exporters to non-EU countries, an average of 71% greater during 2014 to 2018.

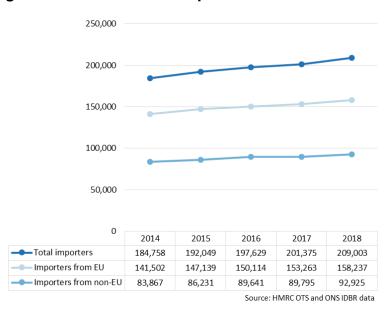
⁵ SMEs (small and medium sized enterprises) are defined as businesses with less than 250 employees.

Figure 3.7: Value of UK imports by SMEs 2014-2018



The total value of goods imported by SMEs rose 4% from 2017 to 2018 and by 19% overall from 2014 to 2018, with an increase of 13% from 2016 to 2018. Imports from both the EU and non-EU countries both drove this spike with increases of 19% and 18% over the 2014 to 2018 period respectively, and increases of 11% and 15% respectively over the 2016 to 2018 period. Imports from the EU were consistently and uniformly greater than imports from non-EU countries, an average of 26% higher during the 2014 to 2018 period.

Figure 3.8: Count of UK importers - SMEs 2014-2018



The total number of SMEs importing goods increased 4% from 2017 to 2018, and 13% overall from 2014 to 2018, with an average year-on-year increase of 3%. This was driven by steady increases in both the number of importers from the EU (up 12%) and importers from non-EU countries (up 11%) with average year-on-year increases of 3% for both. The number of importers from the EU was consistently and uniformly greater than importers from non-EU countries, an average of 70% higher during the 2014 to 2018 period.

Analysis of trade by business size

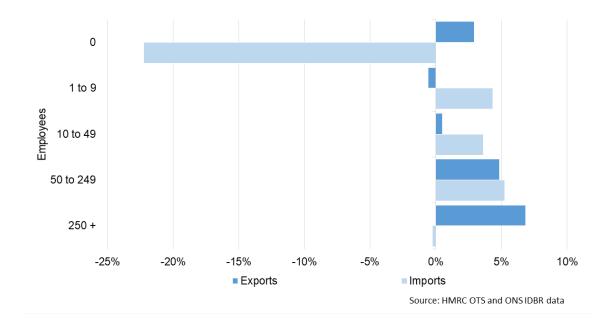
Table 3.1: Total value of UK trade by business size, 2016-2018

£ millions

		Exports			Imports		
Business size (Number of employees)	2016	2017	2018	2016	2017	2018	
0	248	239	246	375	423	329	
1 to 9	18,611	20,349	20,230	25,685	26,904	28,072	
10 to 49	26,112	30,298	30,455	48,990	51,768	53,644	
50 to 249	44,693	49,758	52,178	66,739	74,204	78,096	
250+	168,182	187,620	200,424	253,157	257,028	256,379	
Unknown	44,933	53,596	60,064	73,380	85,170	84,733	
Total	302,779	341,860	363,596	468,325	495,498	501,253	

Source: HMRC OTS and ONS IDBR data

Figure 3.9: Percentage change in UK trade value from 2017 to 2018, by business size



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

Between 2017 and 2018 the value of exports increased for all business size categories except the '1-9' employees category. The value of imports increased for 3 of the business size categories, the exceptions being the '0' employees and Large business ('250+') categories.

The most notable changes between 2017 and 2018 were as follows:

- ↑ The largest increase in value of exports was by the 250+ employee category (up 7%). The largest increase in value of imports was by the '50 to 249' employee category (up 5%).
- The only business size category to show a decreased value of exports from 2017-18 was the '1-9' employee category (down 0.6%). The largest percentage decrease in import value was in the 'Zero' employees category (down 22%). A marginal decrease was also seen in the import value of the '250+' employee category (down 0.3%).

Between 2016 and 2018 the value of imports and exports increased for all business size categories except the 'Zero' employees category.

The most notable changes between 2016 and 2018 were as follows:

- ↑ The largest increase in value of exports was for the '250+' employee category (up 19%). The largest increase in value of imports was for the '50 to 249' employee category (up 17%).
- For both exports and imports, the 'Zero' employees category was the only size group to see a decrease in value (down 1% and 12% for export and import values respectively).

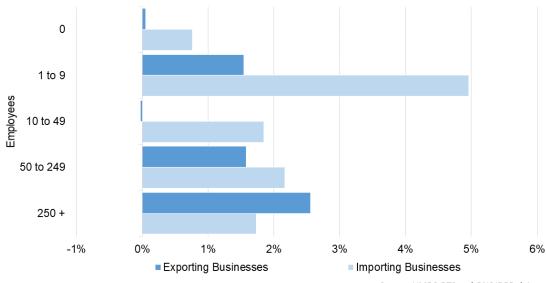
Table 3.2: Business count by business size, 2016-2018

Number of businesses

	Exports			Imports		
Business size (Number of employees)	2016	2017	2018	2016	2017	2018
0	7,510	7,563	7,567	11,599	11,465	11,552
1 to 9	81,499	83,937	85,231	124,655	128,022	134,375
10 to 49	34,439	34,705	34,694	47,262	47,538	48,415
50 to 249	10,970	11,171	11,347	14,113	14,350	14,661
250+	3,682	3,717	3,812	4,704	4,793	4,876
Unknown	9,598	10,643	12,370	24,920	25,324	27,964
Total	147,698	151,736	155,021	227,253	231,492	241,843

Source: HMRC OTS and ONS IDBR data

Figure 3.10: Percentage change in business count from 2017 to 2018, by business size



Source: HMRC OTS and ONS IDBR data

^{1.} Unknown category includes foreign-owned businesses required to register for UK VAT due to distance selling regulations.

Between 2017 and 2018, 4 out of 5 business size groups experienced a rise in the number of businesses exporting, with all business size groups experiencing a rise in the number of businesses importing.

The most notable changes between 2017 and 2018 were as follows:

- ↑ The largest percentage increase in number of exporting businesses was in the '250+' employees category (up 3%).
- ↑ The largest percentage increase in number of importing businesses was in the '1 to 9' employees category (up 5%).

Between 2016 and 2018, all business size groups experienced a rise in the number of businesses exporting goods. A similar pattern was also seen for the imports flow, with all groups except for the 'Zero' Employee category experiencing an increase in number of businesses.

The most notable changes between 2016 and 2018 were as follows:

- ↑ The largest percentage increase in number of exporting businesses was in the '1 to 9' employees category (up 5%).
- ↑ The largest percentage increase in number of importing businesses was also in the '1 to 9' employees category (up 8%).
- There were no decreases in the number of exporting businesses for any of the business size categories. Only the business size category of 'Zero' employees showed a minor decrease in the number of importing businesses (down 0.4%).

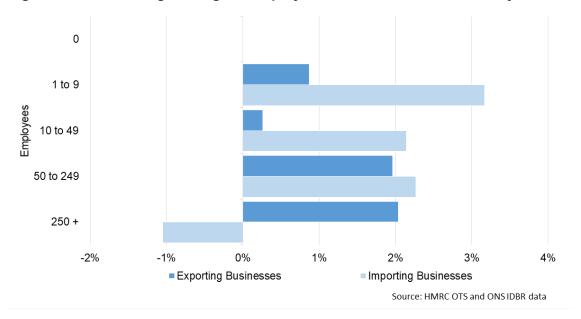
Table 3.3: Employee count by business size, 2016-2018

Number of employees

		Exports			Imports	
Business size (Number of employees)	2016	2017	2018	2016	2017	2018
0	0	0	0	0	0	0
1 to 9	267,739	274,039	276,413	410,990	417,585	430,802
10 to 49	746,221	754,303	756,285	1,009,757	1,019,876	1,041,700
50 to 249	1,132,136	1,151,782	1,174,392	1,445,962	1,468,148	1,501,415
250+	7,764,155	7,788,310	7,946,790	9,956,564	9,753,823	9,651,390
Unknown						
Total	9,910,251	9,968,434	10,153,880	12,823,273	12,659,432	12,625,307

Source: HMRC OTS and ONS IDBR data

Figure 3.11: Percentage change in employee count from 2017 to 2018, by business size



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

^{2.} Total excludes the Unknown category.

Between 2017 and 2018, there was an increase in the number of people employed by exporting businesses for all business size groups. For importing businesses, there were increases in all business size categories except for Large businesses (250+ employees).

The most notable changes between 2017 and 2018 were as follows:

- The largest percentage increases in number of employees within exporting businesses were in the '50 to 249' employees and '250+' employees business size categories (both up 2%).
- ↑ The largest percentage increase in number of employees within importing businesses was in the '1 to 9' employees category (up 3%).
- There were no decreases in the number of employees within exporting businesses for any of the size categories. Only the business size category of '250+' employees showed a decreased number of employees within importing businesses (down 1%).

Between 2016 and 2018, there was an increase in the number of people employed by exporting businesses for all business size groups. For importing businesses, there were increases in all business size categories except for Large businesses (250+ employees).

The most notable changes between 2016 and 2018 were as follows:

- ↑ The largest percentage increase in number of employees within exporting businesses was in the '50 to 249' employees group (up 4%).
- ↑ The largest percentage increase in number of employees within importing businesses was in the '1 to 9' employees category (up 5%).
- There were no decreases in the number of employees within exporting businesses for any of the business size categories. Only the business size category of '250+' employees showed a decreased number of employees within importing businesses (down 3%).

Trade by age of business

4. Trade by age of business

Analysis of trade by business age

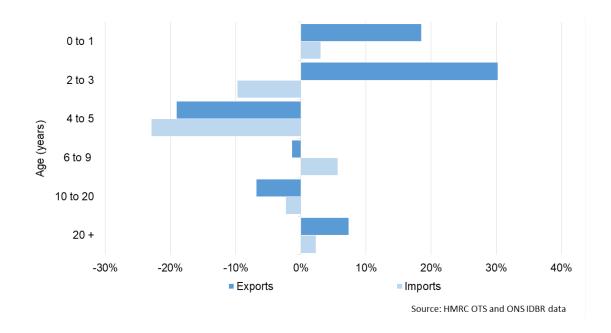
Table 4.1: Total value of UK trade by business age, 2016-2018

£ millions

	Exports			Imports		
Age group (years)	2016	2017	2018	2016	2017	2018
0 to 1	3,747	4,656	5,519	8,667	6,396	6,592
2 to 3	4,138	7,706	10,039	9,905	14,196	12,805
4 to 5	7,480	5,600	4,531	17,656	11,924	9,185
6 to 9	15,138	13,479	13,295	22,762	29,205	30,875
10 to 20	37,682	45,388	42,291	57,059	65,261	63,747
20+	218,713	244,168	262,087	332,980	344,125	352,115
Unknown	15,882	20,863	25,834	19,296	24,391	25,934
Total	302,779	341,860	363,596	468,325	495,498	501,253

Source: HMRC OTS and ONS IDBR data

Figure 4.1: Percentage change in UK trade value from 2017 to 2018, by business age



Trade by age of business

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

The most notable changes were as follows:

- ↑ The largest increase in the value of exports was experienced by businesses aged 2 to 3 years old (up 30% from 2017 to 2018, and at a value in 2018 that was almost 2.5 times that of 2016).
- ↑ The largest increase in the value of imports was experienced by businesses aged 6 to 9 years old (up 6% from 2017 to 2018, and up 36% from 2016 to 2018).
- The largest decrease in the value of exports was experienced by businesses aged 4 to 5 years old (down 19% from 2017 to 2018, and down 39% from 2016 to 2018).
- The largest decrease in the value of imports was also experienced by businesses aged 4 to 5 years old (down 23% from 2017 to 2018, and down 48% from 2016 to 2018).

Access to data

The detailed tables for 2018 data are available on the gov.uk website in Microsoft Excel spreadsheet format. Previously published data for 2013-2017 is also available on the same webpage⁶.

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

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

A breakdown of industry, age or business size by country for 2018 is available for selected partner countries.

These countries are Algeria, Australia, Bangladesh, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Irish Republic, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, USA, Vietnam, EU (all EU partner countries combined), NEU (all Non EU partner countries combined), World (all partner countries combined).

⁶ Note that previously published data for 2015, 2014 and 2013 was compiled on a General Trade as opposed to a Special Trade basis. For more details on the difference between General and Special trade, see the Methodology Paper for Overseas Trade Statistics. This release also includes all Unscheduled corrections to OTS data published on 09 August 2019. These changes have been applied to all data from 2014-2017 within this release. This release also incorporates a change in methodology that improves the process by which each VAT registered business is linked to an enterprise on the IDBR. See page 3 for details.

What is the purpose of these experimental statistics?

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

Why is this release "Experimental Statistics"?

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

What data has been used to produce this release?

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

What is the definition of a "business"?

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

Business characteristics such as employee count, age group and industry group are recorded at enterprise level on the IDBR. The business counts published here are therefore counts of enterprises, and the value of trade is derived from trade declared to HMRC by the underlying VAT-registered or EORI-registered⁷ businesses.

How has the data matching been done?

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

In this release an improved process for linking VAT number to enterprise has been introduced. For VAT registrations that encompass a group of businesses, there are a number of possible enterprises that the VAT registration could be linked to. Under the new methodology the choice of enterprise to link to in these cases is made by applying the hierarchical criteria described on page 3.

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

What are the reasons a business may be classified as 'Unknown'?

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

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

For more detailed information or to comment on this methodology, contact the uktradeinfo helpdesk:

Email: uktradeinfo@hmrc.gov.uk

Which variables are being published?

Age of business (0-1, 2-3, 4-5, 6-9, 10-20, 20+, Unknown)
Business size (no. of employees) (0, 1-9, 10-49, 50-249, 250+, Unknown) (SME: 0-249 / Large: 250+)
Industry group (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Unknown)

Statistical value of trade in goods Employee count Business count

What are the industry groupings?

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

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

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

For further details on SIC 2007 visit the ONS website.

What partner countries or geographical areas are available?

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

This data is available in Microsoft Excel spreadsheet format.

How were the employee count and business count fields calculated?

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

Business counts for trade with the EU as a whole include all VAT-registered businesses. However, counts of businesses trading with individual EU partner countries exclude businesses trading below the relevant Intrastat threshold (for 2018, these thresholds are £1.5 million for EU imports and £250,000 for EU exports).

Does this data include trade in services?

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

How have suppressions been applied to these experimental statistics?

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

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

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

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

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

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

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

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

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

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

The ONS produce the Annual Business Survey (ABS) publication <u>Great Britain non-financial business</u> <u>economy exporters and importers</u> (latest release published 25 November 2019). This includes details of the number and proportion of non-financial GB enterprises (excluding Northern Ireland) engaged in international trade in goods and services, categorised by employment size group, broad industry group, ownership (UK/foreign owned), turnover, and age of business. A regional breakdown is also supplied.

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

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

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

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

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

Methodology notes

- All data within the release is compiled on a Special Trade basis. This applies to both 2018 data and data from previous years which has been included for comparison. This change is in line with the compilation of the Overseas Trade Statistics (OTS), which have been published on a Special Trade basis since May 2016.
- This release incorporates a change in methodology that improves the process by which each VAT registered business is linked to an enterprise on the IDBR. See page 3 for details.
- All revisions to OTS data from 2013 onwards have been applied. This release also includes all unscheduled corrections to OTS data published on 09 August 2019. These changes have been applied to all data from 2014-2017 within this release.
- 4. Some businesses that were previously published within the 'Zero' employees category for business size (see <u>2013-2015 releases</u>) were subsequently identified as foreign-owned businesses that are required to register for UK VAT due to distance selling regulations. Although these businesses are recorded on the IDBR as having zero employees, within this release they have been placed in the 'Unknown' category for business size.
- 5. The age of a business is determined by the birth date and death date of the enterprise rather than that of the underlying VAT-registered business. This maintains consistency within the data in that each business will always have the same birth date and death date for all EU and non-EU imports and exports.
- 6. A unique industry group is assigned to each business for all EU and non-EU imports and exports.