

UK Regional Trade in Goods Statistics Quarter 2 2020

About this release

These statistics provide 1st provisional estimates for the breakdown of the flows of goods imported and exported between regions of the UK and partner countries.
Supporting tables, visuals and data can be found at www.uktradeinfo.com

Summary

In the year to June 2020, the overall value of UK trade in goods exports decreased by 9.0% compared with the same period last year. The overall value of imports decreased by 12%.

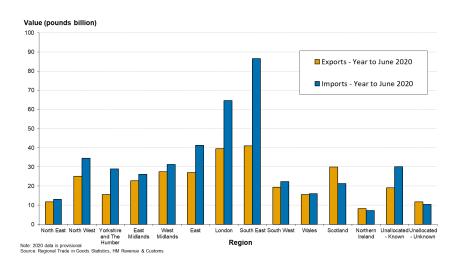
On a regional basis:

- All UK countries saw a decrease in value of exports. There was also a decrease in annual export value for all English regions.
- All UK countries saw a decrease in value of imports. There was also a decrease in annual export value for all English regions.

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Figure 1: UK Imports and Exports by Region, year to June 2020





Coverage: United Kingdom Theme: Business and Energy Released: 17 September 2020 Next release: 17 December 2020 Website: https://www.uktradeinfo.com Email: uktradeinfo.com

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Overview Exports

The total value of UK exports decreased by 9.0% to £314 billion in the year ending June 2020 compared with the same period the previous year.

Figure 2 shows the total value of UK exports by region for the 3 annual periods ending June 2018, June 2019, and June 2020.

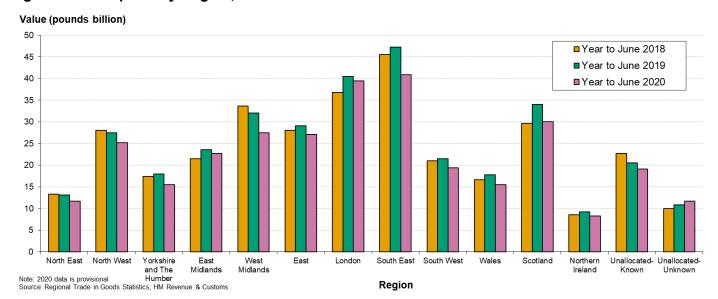


Figure 2: UK Exports by Region, 2017 Q3 to 2020 Q2

When comparing the annual period ending June 2020 with the annual period ending June 2019:

- The value of exports from England, Wales, Scotland, and Northern Ireland decreased during this period by 9.1%, 13%, 12%, and 10% respectively.
- All English regions experienced decreases in the value of exports.

When comparing the annual period ending June 2020 with the annual period ending June 2018, there was a decrease in UK exports from £333 billion to £314 billion. This was a decrease of £19 billion or 5.6%.

- Exports from England, Wales, and Northern Ireland decreased during this period by 6.5%, 6.5%, and 3.6% respectively. Exports from Scotland increased by 1.3%.
- 7 English regions experienced a decrease, while the East Midlands and London experienced increases in the value of exports.

This can be seen in more detail in Table 1 of the accompanying tables.

Table 3 in the accompanying tables shows the total number of exporting businesses by region. Comparing Q2 2020 with Q2 2019, the total number of businesses exporting from the UK decreased by 14%. According to both methods used for counting a multi-branch business, the number of businesses exporting decreased across all UK countries. All English regions also experienced a decrease in the number of businesses exporting.

Overview Imports

The total annual value of UK imports decreased by 12% to £434 billion in the year ending June 2020 compared with the same period of the previous year.

Figure 3 shows the total value of UK imports by region for the 3 annual periods ending June 2018, June 2019, and June 2020.

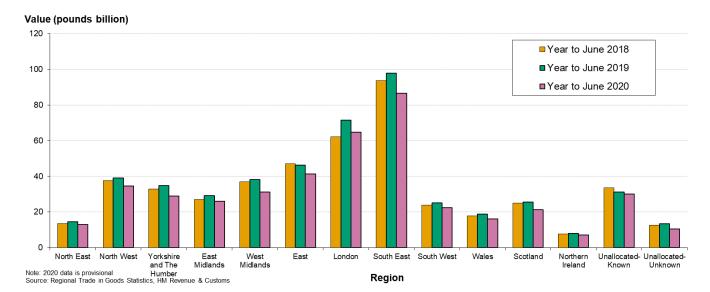


Figure 3: UK Imports by Region, 2017 Q3 to 2020 Q2

When comparing the annual period ending June 2020 with the annual period ending June 2019:

- The value of imports from England, Wales, Scotland, and Northern Ireland decreased by 12%, 15%, 16%, and 11% respectively.
- All English regions experienced decreases in the value of imports.

When comparing the annual period ending June 2020 with the annual period ending June 2018, there was a decrease of annual UK imports from £471 billion to £434 billion. This was a decrease of £37 billion or 7.9%.

- The value of imports from England, Wales, Scotland, and Northern Ireland decreased by 6.9%, 9.6%, 15%, and 6.2% respectively.
- 8 English regions experienced a decrease while London experienced an increase in the value of imports.

This can be seen in more detail in Table 2 of the accompanying tables.

Table 4 in the accompanying tables shows the total number of importing businesses by region. Comparing Q2 2020 with Q2 2019, the total number of businesses importing to the UK decreased by 11%. According to both methods used for counting a multi-branch business, the number of businesses importing decreased across all UK countries. All English regions experienced decreases in the number of businesses importing.

Map of UK Regions

United Kingdom: Regions, Counties and Unitary Authorities, 2011 Regions (England) Non-Metropolitan Counties (England) Metropolitan Counties (England) Unitary Authorities (England and Wales)

Introduction

- HM Revenue & Customs (HMRC) is responsible for collecting the UK's international trade in goods data, which are published as two National Statistics series - the 'Overseas Trade in Goods Statistics (OTS)' and the 'Regional Trade in Goods Statistics (RTS)'. The RTS is published quarterly showing trade at summary product and country level, split by UK regions and devolved administrations.
- The latest statistics on Regional Trade in Goods were released on 17 September 2020 by HM
 Revenue & Customs under arrangements set out in the <u>Code of Practice for Official Statistics</u>. This
 release includes the first provisional estimates of trade-in-goods for Q2 2020. At the same time
 revisions for all previously published regional data from 2019 and 2020 Q1 are also being released.
- Aggregated tables are produced to allow time series analysis; these tables are provided in a separate document released in conjunction with this release.
- The following tables can be found in the 'Accompanying Tables' document.
 - Table 1 Value of Exports (EU / Non-EU) by Region
 - Table 2 Value of Imports (EU / Non-EU) by Region
 - Table 3 Count of Exporters (EU / Non-EU) by Region
 - Table 4 Count of Importers (EU / Non-EU) by Region
 - Table 5 Value of Trade by SITC Section and Country Group (separate tables for each region)

Overseas Trade in Goods Statistics

- 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.
- 6. The Overseas Trade in Goods Statistics (OTS) were published on a Special Trade basis from May 2016 account onwards, as described on <u>uktradeinfo</u>. This change has been reflected in the RTS from 2016 Q2 release onwards. All data in this release has been compiled on a Special Trade basis to allow comparisons across periods to be made.
- 7. Trade in non-monetary gold (NMG) is now included in OTS data, however 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.

Table A: RTS/OTS Reconciliation Table Quarter 2, 2020

	EU Exports £ millions	Non-EU Exports £ millions	EU Imports £ millions	Non-EU Imports £ millions
OTS total value	31,713.1	38,964.7	44,465.2	53,627.1
RTS total value	28,445.3	31,501.0	42,257.0	39,353.5
Allocated to a region	25,909.6	27,246.0	38,759.2	34,398.2
Unallocated region	2,535.7	4,255.0	3,497.8	4,955.3
Late response estimates	2,020.4	-	1,882.0	
Non-monetary gold	1,247.3	7,463.70	326.1	14,273.6
RTS total plus exclusions	31,713.1	38,964.7	44,465.2	53,627.1

Note 1: There may be rounding differences between the total shown and the sum of its components.

Balance of Payments

8. The Balance of Payments (BoP) figures published by the ONS are calculated on a different basis to the OTS. Therefore, adjustments are made when producing BoP which means that the RTS and BoP are not comparable. Further details on the link between OTS and BoP can be found on the Related Data page on uktradeinfo.

Methodology

- 9. Following an informal public consultation on Regional Trade in Goods Statistics (RTS), releases from the 2016 Q3 release incorporates changes to the methodology and presentation that resulted from this consultation. The main changes were:
 - Allocating a business' trade to a region based on their proportion of employees in that region rather than where the location of the Head Office of the business is.
 - Dividing trade that cannot be allocated to a region into 'Known' and 'Unknown'.
 - For specific energy goods using data received by HMRC direct from interconnector and rig operators rather than the business doing the trade.
 - The number of businesses now includes all VAT Registered traders rather than just those who are required to make full declarations to HMRC for their EU trade.
 - Shorter commentary for publications relating to Quarters 1, 2 and 3; followed by fuller report for Quarter 4.
- 10. RTS data is compiled by merging trade data collected by HMRC with employment data from the Interdepartmental Business Register (IDBR). A business' trade is allocated to a region based on the proportion of its employees employed in that region. Where a trader is not matched with the IDBR, its trade is matched with Office for National Statistics postcode data to obtain the region in which the Head Office of the VAT registered business (importer or exporter) is based.

Note 2: Late Response estimates are for EU trade only. This will reduce over time. They are excluded from RTS trade.

Note 3: Non-Monetary Gold is excluded from RTS trade.

Note 4: 2020 data is provisional and subject to update.

Source: Regional Trade in Goods Statistics and Overseas Trade in Goods Statistics, HM Revenue & Customs

- 11. 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 'Unallocated Trade'. Unallocated Trade is split into:
 - i.'Unallocated Known': where we have virtually full details of the trade but it is not appropriate to allocate it to a region. This covers:
 - Trade going into or out of the Channel Islands or the Isle of Man;
 - Trade carried out by the UK Government;
 - Trade carried out by overseas based traders who have a VAT presence in the UK; and
 - Parcel post trade that is dealt with centrally (trade with non-EU countries only).
 - ii. 'Unallocated Unknown': This includes:
 - Trade where business details submitted are invalid
 - Un-registered businesses (Non-EU only)
 - Private Individuals (non-EU only); and
 - Low Value Trade (non-EU only).
- 12. For specific energy goods only, trade is allocated to the region where the goods enter or leave the UK rather than the location / employment of the business doing the trade. This is because HMRC receives details of the trade in these goods directly from grid operators rather than the business. The goods concerned are Electrical energy, Natural Gas in a gaseous state and Crude Oil exported directly from offshore oil rigs. Crude Oil imported to the UK and exported from terminals is still allocated to the region of the business.
- 13. The business count is derived from trade declarations and is a count of all VAT Registered businesses importing and exporting.

Where businesses have branches in multiple regions, there are two ways of deriving the count:

- Whole Number Method: A business will be counted as one in every region they have employees. This represents the actual count of businesses in any region. However, it will mean the sum of the trader count for each region will be greater than that for the UK.
- Proportion Method: A business will be counted as a fraction in each region they trade based on the proportion of their employees in each region. An individual business counts as one business in the UK. The sum of businesses (whole and fractions) gives the total business count for a region.

We show results from both methods in the table 3 of the accompanying data tables

- 14. RTS data is categorised by partner country and <u>Standard International Trade Classification</u>, <u>Rev.4</u>. (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 at partner country and SITC section (1-digit) level, with references to SITC divisions where appropriate.
- 15. More information can be found in the RTS methodology document.

16. Northern Ireland Statistics and Research Agency (NISRA) publish the Broad Economic Sales and Exports Statistics (BESES). These are an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland. Due to methodological differences, the BESES and the RTS are not directly comparable.

Governance

- 17. 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.

- 18. The Regional Trade in Goods figures undergo regular quality assurance reviews to ensure they meet customer needs. These reviews are published as a Government Statistical Service Quality report.
- 19. The RTS has been reviewed as part of an assessment made of the OTS by the UK Statistics Authority.
- 20. There is a limited service to provide RTS outputs directly from HMRC Trade Statistics where the data cannot be obtained from other sources. This service is subject to HMRC standard disclosure rules applied to previously un-published data. Further details can be found on the <u>User Support</u> page of <u>uktradeinfo.com</u>.
- 21. Updates to the 2020 figures as published in the OTS release on 12th August 2020 have not been applied to this 2020 Q2 RTS release due to production lead in times. However, these updates were negligible.
- 22. As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020. After the transition period, we will continue to produce statistics in line with the UK Statistics Authority's Code of Practice for Statistics and in accordance with internationally agreed statistical guidance and standards.

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The OTS and RTS data series are published in HMRC's trade data website www.uktradeinfo.com. Detailed data is available within an <u>interactive database</u> and '<u>The Customer Story</u>' explains how users utilise it to analyse import and export markets.

Next release: 17 December 2020 at 9:30am

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