



About this release

HMRC experimental statistics subdividing the existing Regional Trade in Goods Statistics (RTS) into smaller UK geographic areas (ITL2 and ITL3).

The combined effects of coronavirus (COVID-19) national and international lockdown restrictions and EU exit uncertainty have all been contributing factors to the erratic nature of UK and global trade in 2020. We encourage users to apply caution when making comparisons of trade movements over time.

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Summary

HMRC releases annual experimental statistics that subdivide the existing Regional Trade in Goods Statistics (RTS) into smaller UK geographic areas. This release reports on trade in goods at International Territorial Levels (ITL) 2 and 3 for 2020.

Tables produced

The tables produced in this release are:

1. Summary of existing ITL1 RTS data
2. ITL2 by EU / Non-EU and import / export
3. ITL2 by EU / Non-EU, import / export and SITC Section (1-digit)
4. ITL2 by EU/Non-EU, import / export and Partner Country
5. ITL3 by EU / Non-EU and import / export

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Definitions

Geography: Following the UK's withdrawal from the EU, a new UK-managed international statistical geography - ITL (International Territorial Levels) - was introduced from 1st January 2021, replacing the former NUTS classification. They align with international standards, enabling comparability both over time and internationally. To ensure continued alignment, the ITLs were established to mirror the NUTS system. Details of the ITLs and how they will be managed will be published on the [ONS website](#).

Partner country is the country the UK region exports the goods to or imports the goods from. Only the 99 pre-selected partner countries published in the RTS are included in this release. Data is available for a country if the country's total trade (imports and exports combined) exceeds one per cent of the total trade of that country's World Region (based on a historical baseline). This does not apply to EU countries where data for all member states is available.

In addition, if a specific partner country cannot be found under a certain breakdown it may be due to the following:

- The trade for that combination of variables is between 0 (i.e. no trade) and £499,999;
- The trade has been suppressed under our statistical disclosure policy.

Standard International Trade Classification (SITC) Section is a broad classification system which classifies goods into ten categories. It forms part of the hierarchical SITC managed and maintained by the EU.

Allocation of Trade to Geographical Areas

RTS data is compiled by merging trade data collected by HMRC with employment data from the Inter-Departmental Business Register (IDBR). A business' trade is allocated to a region based on the proportion of its employees employed in that region.

We have replicated the employee allocation method for these statistics, so these figures will aggregate to the published RTS ITL1 figures. However, certain allocations used in the RTS e.g. Below Threshold Trade Allocations and Fixed Link Energy allocations are not dis-aggregated any further than ITL1.

Explanatory Notes

Introduction

1. 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 Statistics (OTS)' and the 'Regional Trade in Goods Statistics (RTS)'. This data release is an Experimental Statistic that breaks down the ITL1 RTS into smaller UK geographical areas.

Overseas Trade Statistics

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.
3. OTS is published on a Special Trade basis, following changes to the methodology from May 2016 account onwards. The full methodology document can be found on [here](#). The RTS is also published on this basis.
4. Trade in non-monetary gold (NMG) is now included in OTS data, however this is excluded from RTS data, including this release. This is because the majority of NMG trade would be assigned to the London region and this would distort the RTS figures.

Balance of Payments

5. 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.

Methodology for this release

6. This release uses the same allocation methodology as the RTS which means that the main allocation method used for ITL1 in the RTS has been replicated for ITL2 and ITL3 in this release.
7. RTS data is compiled by merging trade data collected by HMRC with employment data from the Inter-Departmental 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.
8. Given this release contains 2020 data, the changes in data sources outlined in the OTS and RTS releases from 2021 do not relate to this release.
9. Not all trade can be assigned to one of the 9 English Regions, Wales, Scotland and Northern Ireland or a smaller area. 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)

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- Private Individuals (non-EU only); and
 - Low Value Trade (non-EU only).
10. 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. Due to the information available we cannot provide this element at any geographical level below ITL1.
11. The business count is derived from trade declarations and is a count of all VAT Registered businesses importing and exporting. The non-EU and Total figures will not include businesses whose non-EU trade is made up entirely of consignments below the statistical threshold (£873 for 2018).
- Where businesses have branches in multiple regions 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. This is what is called the 'Whole Number Method' in the RTS.
12. This release is categorised by partner country and [Standard International Trade Classification, Rev.4](#). (SITC) at section level (1-digit). The SITC is a relatively broad classification of goods and is not as detailed as the commodity classification available in the OTS.
13. More information on the RTS and this release can be found in the [RTS methodology document](#).

Governance

14. Currently these statistics are labelled as experimental. The reasons for this are:
- to allow us to build in improvements to the methodology, data included, visuals, etc.;
 - 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 ([Guide to Experimental Statistics](#)) on the ONS website.
15. HMRC applies Statistical Disclosure Control (SDC) on all its statistical releases to protect our data providers. Therefore, requests for data relating to other geographies or greater detail are also subject to SDC so it is unlikely that these can be provided.
16. Now that the UK has left the EU, it is important that our statistics continue to be of high quality and are internationally comparable. All releases continue to be produced in accordance with the UK Statistics Authority's Code of Practice for Statistics as well as internationally agreed statistical guidance and standards.

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