

UK Trade in Goods by Business Characteristics 2020

About this release

This annual release links 2020 Overseas Trade Statistics (OTS) data on trade in goods with the Office for National Statistics (ONS) business characteristics 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.

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

COVID-19: Some businesses stopped trading for a period of time which is reflected in these trade statistics.

In this publication

 Total trade in goods 	p 4
Trade by industry group	p 6
• Trade by size of business	р 1 [°]
Trade by age of business	n 2

Summary

- In 2020, there were 148,720 exporting businesses in the UK, exporting £308 billion worth of goods, with a total employee count of 9.6 million. There were 252,941 importing businesses in the UK, importing £493 billion worth of goods with a total employee count of 12.6 million.
- Only the Chemicals industry made gains in both export and import value on 2019 (2020 values up 12% and 16% respectively). The only other industry increasing trade value was Pharmaceuticals, export only (up 23%). The value of trade decreased for all other industries and trade flows on 2019; For exports, Motor vehicles & transport equipment experienced the largest percentage decrease, down 30%. For imports, Machinery & equipment experienced the largest percentage decrease, down 33%.
- The number of businesses exporting and importing decreased for most industries on 2019, notably in Mining, Petroleum products & Waste (down 8.7% for exports and 4.2% for imports). Only Pharmaceuticals saw an increase in both flows (up 5.0% on exports and 6.6% on imports), with Chemicals seeing a notable increase on imports (up 6.2%).
- The number of employees decreased for most industries on 2019, notably for both exporting and importing business in the Motor vehicles & transport equipment industry (down 14% and 12% respectively). Only Pharmaceuticals saw noteworthy increases (up 19% for exports and 20% for imports).
- For both exporting and importing businesses, the 'zero' employees group experienced the largest percentage decreases in value on 2019 (down 22% and 21% respectively), and also saw the largest percentage decreases in business counts (down 12% for exports and 7.4% for imports).
- Compared with 2019, businesses aged 2 to 3 years experienced decreases in export and import values by 49% and 21% respectively. Businesses aged 4 to 5 years experienced increases in export and import values by 49% and 25% respectively. Businesses aged 0 to 1 years experienced the largest percentage increase in import value, up 61%.

Coverage: United Kingdom Theme: Business and Energy Released: 24 November 2021 Next release: November 2022 Website: https://www.uktradeinfo.com Email: uktradeinfo@hmrc.gov.uk Statistical contact: N Sheikh

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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 2020 data. Data relating to 2019 and 2018 is included for comparison in the tables, and data from 2016 to 2020 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.

COVID-19: Some businesses stopped trading for a period of time which is reflected in these trade statistics.

This release does not incorporate the unscheduled corrections to OTS data published on 12 November 2021.

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

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 2016-2020:

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

2. Trade by industry group

Timelines of trade for non-Services industries 2016-2020:

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

Timelines of trade for the Services industry 2016-2020:

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 2016-2020:

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

Timelines of trade for small and medium-sized businesses 2016-2020:

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

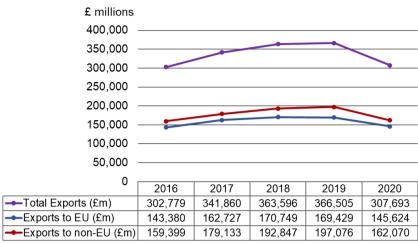
Analysis of trade by business age (for 6 age categories):

Value of UK imports and exports

Total trade in goods

1. Total trade in goods Timelines of total trade 2016-2020 [note 1]

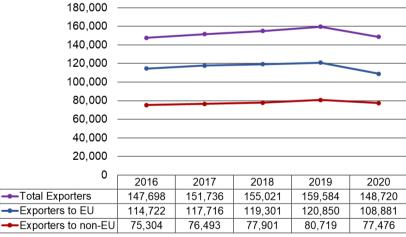
Figure 1.1: Value of UK exports 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of UK exports decreased by 16% between 2019 and 2020 but increased by 1.6% overall between 2016 and 2020. The value of exports to the EU dropped 14% between 2019 and 2020 but increased by 1.6% overall between 2016 and 2020. The value of exports to non-EU countries decreased by 18% between 2019 and 2020 but increased by 1.7% between 2016 and 2020. Exports to non-EU countries exceeded exports to EU countries by an average of 12% per year during the period 2016 to 2020. Also, on average, exports to non-EU countries represented 53% of total exports from 2016 to 2020.

Figure 1.2: Count of UK exporters 2016-2020



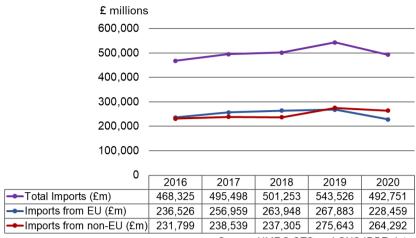
Source: HMRC OTS and ONS IDBR data

The total number of exporting businesses in the UK decreased by 6.8% between 2019 and 2020 but increased by 0.7% overall between 2016 and 2020. This reflected decreases for the 2019 to 2020 period in the number of businesses exporting to the EU (10%), and to non-EU countries (4.0%). However, year-on-year increases were seen for both between 2016 and 2019; The average year-on-year increase in total exporters between 2016 and 2019 was 2.6%. The number of exporters to the EU was consistently larger than the number of exporters to non-EU countries between 2016 and 2020; 50% larger 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 due to methodological differences. See Annex for further information.

Total trade in goods

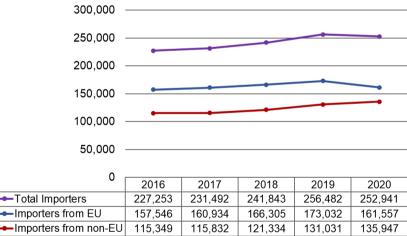
Figure 1.3: Value of UK imports 2016-2020 [note 1]



Source: HMRC OTS and ONS IDBR data

The total value of UK imports decreased by 9.3% between 2019 and 2020 but increased by 5.2% overall between 2016 and 2020, with a notable 8.4% increase between 2018 and 2019, and an average year-on-year increase between 2016 and 2019 of 5.1%. Imports from the EU decreased by 15% between 2019 and 2020, reversing the trend seen between 2016 and 2019 of an average year-on-year increase of 4.3%. For the 2016 to 2020 period overall, imports from the EU decreased by 3.4%. Imports from non-EU countries decreased by 4.1% between 2019 and 2020 but saw an overall increase of 14% between 2016 and 2020, following a notable 16% increase between 2018 and 2019. In 2020, the value of imports from non-EU countries exceeded imports from EU countries by 16% - the largest difference seen over the 2016 to 2020 period. Also, on average, imports from non-EU countries represented 50% of total imports from 2016 to 2020.

Figure 1.4: Count of UK importers 2016-2020

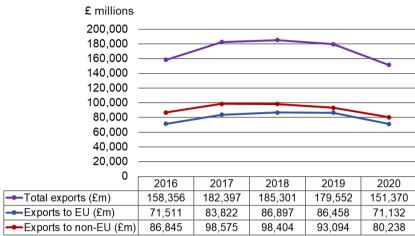


Source: HMRC OTS and ONS IDBR data

The total number of importing businesses in the UK decreased by 1.4% between 2019 and 2020, reversing the trend seen between 2016 and 2019 of an average year-on-year increase of 4.1%. For the 2016 to 2020 period overall, the total number of importers increased by 11%. The number of businesses importing from the EU also increased year-on-year over the 2016 to 2019 period with an average increase of 3.2%, followed by a 6.6% decrease between 2019 and 2020, with an overall increase of 2.5% over the 2016 to 2020 period. The number of businesses importing from non-EU countries has increased steadily between 2016 and 2020 with an average year-on-year increase of 4.2%. The number of businesses importing from the EU has been consistently larger than the number of importers from non-EU countries between 2016 and 2020; 33% larger on average and at its lowest in 2020 with 19%.

2. Trade by industry group Timelines of trade for non-Services [note 2] industries 2016-2020

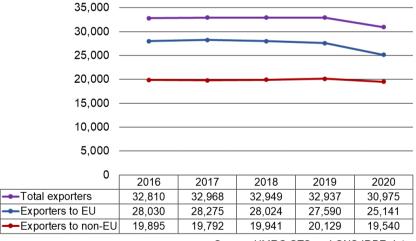
Figure 2.1: Value of UK exports by non-Services industries, 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of exports by businesses classified as non-Services decreased by 16% between 2019 and 2020, leading to an overall decrease of 4.4% for the 2016 to 2020 period. The decrease between 2019 and 2020 was driven by an 18% decrease in exports to the EU and a 14% decrease in exports to non-EU countries. For the 2016 to 2020 period overall, exports to the EU decreased by 0.5% with exports to non-EU countries decreasing by 7.6%. Exports to non-EU countries have been consistently larger than exports to the EU during the 2016 to 2020 period; by 15% on average. Also, on average, exports to non-EU countries represented 53% of total exports from 2016 to 2020.

Figure 2.2: Count of UK exporters within non-Services industries, 2016-2020

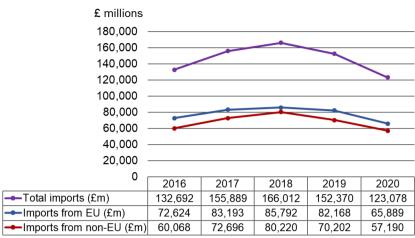


Source: HMRC OTS and ONS IDBR data

The total number of non-Services businesses exporting goods from the UK decreased by 6.0% between 2019 and 2020, with the counts of exporters to EU and non-EU countries decreasing by 8.9% and 2.9% respectively. Similar magnitudes of decrease were seen when comparing between 2016 and 2020, owing to the relatively stable counts seen between 2016 and 2019. The number of exporters to the EU was consistently larger than exporters to non-EU countries through 2016 to 2020; 38% larger on average.

² Non-Services industries include industry groups 1-9 as described in the Annex. UK Trade in Goods by Business Characteristics 2020

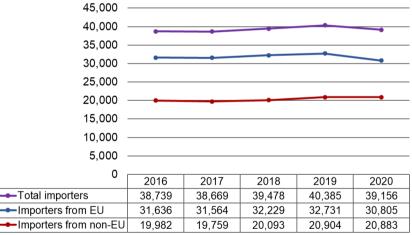
Figure 2.3: Value of UK imports by non-Services industries, 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of imports by businesses classified as non-Services decreased by 19% between 2019 and 2020, contributing to an overall decrease for the 2016 to 2020 period of 7.2%. This was a second consecutive annual decrease, deviating from the year-on-year increase trend seen between 2016 and 2018, averaging 12%. A comparable pattern was seen for imports from both EU and non-EU countries. The value of imports from the EU was consistently larger than that from non-EU countries throughout 2016 to 2020, 15% larger on average. The largest difference was 21% in 2016, with the smallest difference being 6.9% larger in 2018. Also, on average, imports from EU countries represented 53% of total imports from 2016 to 2020.

Figure 2.4: Count of UK importers within non-Services industries, 2016-2020

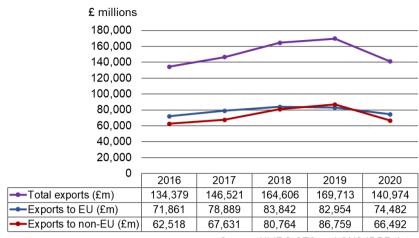


Source: HMRC OTS and ONS IDBR data

The total number of non-Services businesses importing goods decreased by 3.0% between 2019 and 2020. Counts for importers from EU and non-EU countries between 2019 and 2020 dropped 5.9% and 0.1% respectively. The total number of non-Services businesses importing goods increased by 1.1% between 2016 and 2020. This was driven by changes in the number of importers from both EU non-EU countries, which followed similar patterns for the 2016 to 2020 period. However, there was a 4.5% increase in businesses importing from non-EU countries between 2016 and 2020 compared with a 2.6% decrease in businesses importing from the EU during this period. Importers from the EU were consistently larger than importers from non-EU countries between 2016 and 2020; 57% larger on average.

Timelines of trade for Services [note 3] industries 2016-2020

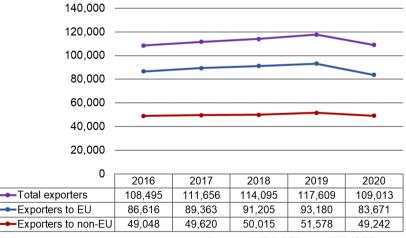
Figure 2.5: Value of UK exports in goods by the Services industry, 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of exports by businesses within the Services industry group decreased by 17% between 2019 and 2020 but increased by 4.9% overall between 2016 and 2020. Between 2016 and 2019 there was an average year-on-year increase of 8.2%. This was mostly driven by exports to non-EU countries which followed a year-on-year pattern of increase between 2016 and 2019, averaging 12%, prior to a 23% decrease between 2019 and 2020. Exports to non-EU countries increased by 6.4% overall for the 2016 to 2020 period. Exports to the EU increased between 2016 and 2018, prior to two consecutive decreases between 2018 and 2019, and 2019 and 2020 of 1.1% and 10% respectively. Exports to the EU increased by 3.6% overall for the 2016 to 2020 period. For the 2016 to 2020 period, exports to the EU exceeded those to non-EU countries by an average of 11%, except in 2019 where non-EU exports were 4.6% greater. On average, EU exports were 52% of total.

Figure 2.6: Count of UK exporters in goods within the Services industry, 2016-2020

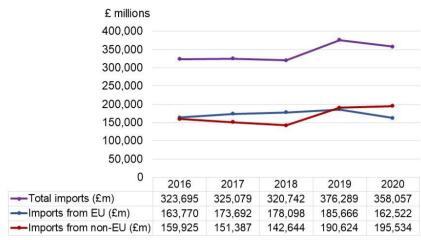


Source: HMRC OTS and ONS IDBR data

The total number of exporting businesses within the Services industry group decreased by 7.3% between 2019 and 2020, but increased overall during the 2016 to 2020 period, albeit by just 0.5%. Prior to the decrease, there was an average year-on-year increase between 2016 and 2019 of 2.7%. The count of exporters to both EU and non-EU countries increased similarly with an average year-on-year increase of 2.5% and 1.7% respectively prior to a drop between 2019 and 2020 of 10% and 4.5% respectively. On average, the number of exporters to the EU were 78% larger than the number of exporters 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.

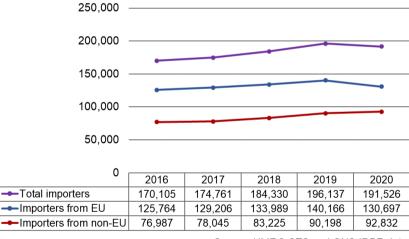
Figure 2.7: Value of UK imports in goods by the Services industry, 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of imports by businesses within the Services industry decreased by 4.8% between 2019 and 2020 but increased by 11% over the 2016 to 2020 period, with a notable increase of 17% between 2018 and 2019. This was driven by an increase in imports from non-EU countries, which rose by 34% between 2018 and 2019, followed by a 2.6% increase in 2020. EU imports showed an average year-on-year increase between 2016 and 2019 of 4.3% prior to a 12% drop between 2019 and 2020 to a value 0.8% lower than in 2016. Non-EU imports were larger than the EU imports for the second consecutive year, 20% larger than EU imports in 2020. Also, on average, imports from the EU represented 51% of total imports from 2016 to 2020.

Figure 2.8: Count of UK importers in goods within the Services industry, 2016-2020



Source: HMRC OTS and ONS IDBR data

The total number of importing businesses within the Services industry group decreased by 2.4% between 2019 and 2020, but remained 13% larger than in 2016, and with average year-on-year increases between 2016 and 2019 of 4.9%. This reflected increases in the number of importers from EU and non-EU countries, which increased year-on-year over the 2016 to 2019 period by averages of 3.7% and 5.5% respectively. Between 2019 and 2020, the number of Services businesses importing from the EU decreased by 6.8%, though the 2020 count was 3.9% larger than in 2016. Businesses importing from non-EU countries increased by 2.9% between 2019 and 2020, to a count 21% larger than in 2016. The count consistently increased year-on-year with an average of 4.8% over the 2016 to 2020 period. The number of Services businesses importing from the EU has been consistently larger than those importing from non-EU countries throughout the 2016 to 2020 period; by 57% on average.

Table 2.1: Total value of UK trade by industry group, 2018-2020

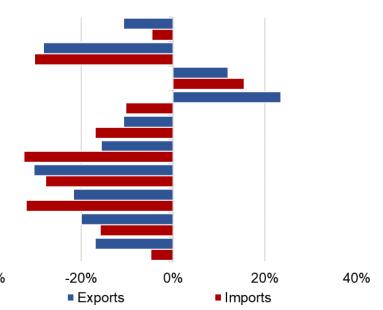
£ millions

	Exports					Imports	
Industry (- Group	2018	2019	2020	2018	2019	2020
Group 1	Agriculture & Food	18,008	18,722	16,695	21,638	21,194	20,226
Group 2	Mining, Petroleum products & Waste	23,523	21,171	15,199	39,028	31,795	22,185
Group 3	Chemicals	12,037	17,428	19,528	9,615	14,028	16,204
Group 4	Pharmaceuticals	10,837	8,711	10,756	5,913	5,345	4,798
Group 5	Electronic & Electrical equipment	13,716	14,255	12,727	9,225	8,954	7,432
Group 6	Machinery & equipment n.e.s.	23,153	18,370	15,499	16,593	12,210	8,238
Group 7	Motor vehicles & transport equipment	33,363	31,918	22,262	28,747	27,880	20,129
Group 8	Aerospace & related machinery	33,119	28,326	22,177	19,444	13,526	9,193
Group 9	Other manufacturing	17,543	20,650	16,528	15,809	17,439	14,673
Group 10	Services	164,606	169,713	140,974	320,742	376,289	358,057
Unknown		13,689	17,240	15,349	14,500	14,866	11,616
Total		363,596	366,505	307,693	501,253	543,526	492,751

Source: HMRC OTS and ONS IDBR data

Figure 2.9: Percentage change in UK trade value between 2019 and 2020, by industry group





^{1.} Group 1 includes Clothing. This note has been provided for added clarity around Group 1's agricultural component which can include textile produce. The composition of group 1 remains as it has been since 2007. Group 7 excludes aerospace. Group 10 Services includes only businesses in the Services industry that carried out trade in goods.

^{2.} Reasons for why a business may be classed as having an Unknown industry group are explained in the Annex: Metadata FAQ.

Between 2019 and 2020, the value of exports and imports decreased for the majority of industry groups. Group 3 'Chemicals' was the only industry group to experience an increase in both exports and imports, with Group 4 'Pharmaceuticals' increasing for exports only.

The most notable changes between 2019 and 2020 were as follows:

- ↑ The only increases in export value were in Group 3 'Chemicals' (up 12%) and Group 4 'Pharmaceuticals' (up 23%).
- The largest percentage decreases in export value were in Group 7 'Motor vehicles & transport equipment' (down 30%) and Group 2 'Mining, Petroleum products & Waste' (down 28%).
- ↑ The only increase in import value was in Group 3 'Chemicals' (up 16%).
- The largest percentage decreases in import value were in Group 6 'Machinery & Equipment' (down 33%) and Group 8 'Aerospace & related machinery' (down 32%).

The most notable changes between 2018 and 2020 were as follows:

- ↑ A notable increase in both export and import value was in Group 3 'Chemicals' (up 62% and 69% respectively).
- The largest percentage decrease in export value was in Group 2 'Mining, Petroleum products & Waste' (down 35%).
- The largest percentage decrease in import value was in Group 8 'Aerospace & related machinery' (down 53%).

Market Share (share of total value) 2018-2020:

- ↑ Group 3 'Chemicals' experienced the largest increase in export market share, increasing by around 3 percentage points (from 3.3% in 2018 to 6.3% in 2020). Group 10 'Services' experienced the largest increase in import market share, increasing by around 9 percentage points (from 64% in 2018 to 73% in 2020). Group 10 'Services' also held the largest market share on average during this period (46% of exports and 69% of imports).
- ↓ Group 7 'Motor vehicles & transport equipment' experienced the largest decrease in export market share, decreasing by around 2 percentage points (from 9.2% in 2018 to 7.2% in 2020). Group 2 'Mining, Petroleum products & Waste' saw the largest decrease in import market share, decreasing by around 3 percentage points (from 7.8% in 2018 to 4.5% in 2020).
 - Group 4 'Pharmaceuticals' held the smallest market share on average during this period (3.0% of exports and 1.0% of imports).

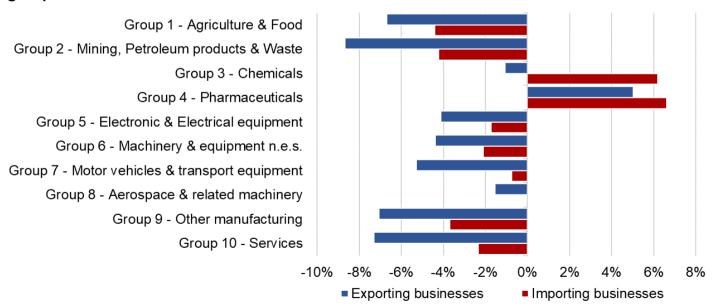
Table 2.2: Business count by industry group, 2018-2020

Number of businesses

		Exports				Imports	
Industry (Group	2018	2019	2020	2018	2019	2020
Group 1	Agriculture & Food	7,471	7,640	7,129	12,581	13,148	12,566
Group 2	Mining, Petroleum products & Waste	1,725	1,748	1,596	2,107	2,249	2,154
Group 3	Chemicals	1,543	1,574	1,557	1,557	1,549	1,645
Group 4	Pharmaceuticals	239	259	272	275	317	338
Group 5	Electronic & Electrical equipment	4,059	4,006	3,841	4,277	4,289	4,214
Group 6	Machinery & equipment n.e.s.	3,309	3,227	3,085	3,227	3,211	3,143
Group 7	Motor vehicles & transport equipment	1,341	1,341	1,270	1,419	1,470	1,459
Group 8	Aerospace & related machinery	182	193	190	184	201	201
Group 9	Other manufacturing	13,080	12,949	12,035	13,851	13,951	13,436
Group 10	Services	114,095	117,609	109,013	184,330	196,137	191,526
Unknown		7,977	9,038	8,732	18,035	19,960	22,259
Total		155,021	159,584	148,720	241,843	256,482	252,941

Source: HMRC OTS and ONS IDBR data

Figure 2.10: Percentage change in business count between 2019 and 2020, by industry group



^{1.} Group 1 includes Clothing. This note has been provided for added clarity around Group 1's agricultural component which can include textile produce. The composition of group 1 remains as it has been since 2007. Group 7 excludes aerospace. Group 10 Services includes only businesses in the Services industry that carried out trade in goods.

^{2.} Reasons for why a business may be classed as having an Unknown industry group are explained in the Annex: Metadata FAQ.

Between 2019 and 2020, the total number of exporting businesses decreased by 6.8%, with decreases in 9 of the 10 industry groups, the exception being Group 4 'Pharmaceuticals'. The total number of importing businesses decreased by 1.4%, with decreases in 7 of the 10 industry groups.

The most notable changes between 2019 and 2020 were as follows:

- ↑ The only increase in exporting businesses and also the largest percentage increase in importing businesses, was in Group 4 'Pharmaceuticals' (up 5.0% and 6.6% respectively). Group 3 'Chemicals' also experienced a notable increase in importing businesses (up 6.2%).
- The largest percentage decrease in exporting businesses was in Group 2 'Mining, Petroleum products & Waste' (down 8.7%).
- The largest percentage decreases in importing businesses were in Group 1 'Agriculture & Food' and Group 2 'Mining, Petroleum products & Waste' (down 4.4% and 4.2% respectively).

Between 2018 and 2020, the total number of exporting businesses decreased by 4.1%, with the total number of importing businesses increasing by 4.6%. There was a decrease in the number of businesses exporting for 7 of the 10 industry groups, and an increase in the number of businesses importing for 6 of the 10:

The most notable changes between 2018 and 2020 were as follows:

- The largest percentage increases in exporting and importing businesses were in Group 4 'Pharmaceuticals' (up 14% and 23% respectively). A notable increase was also seen in Group 8 'Aerospace & related machinery', the second largest percentage increase in importing businesses (up 9.2%).
- The largest percentage decrease in exporting and importing businesses were in Group 9 'Other manufacturing' (down 8.0% and 3.0% respectively).

Table 2.3: Employee count by industry group, 2018-2020

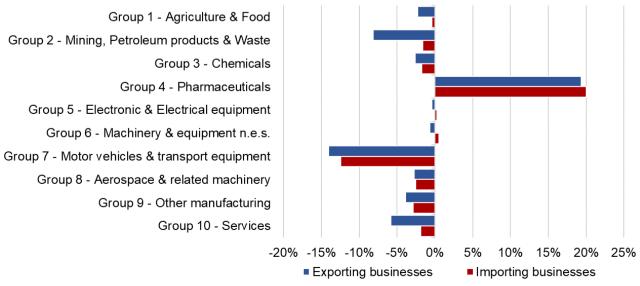
Number of employees

		Exports				Imports	
Industry	Group	2018	2019	2020	2018	2019	2020
Group 1	Agriculture & Food	521,364	519,095	507,403	601,814	604,249	601,790
Group 2	Mining, Petroleum products & Waste	314,031	312,171	286,650	346,892	345,584	340,036
Group 3	Chemicals	79,568	89,098	86,741	79,961	89,148	87,562
Group 4	Pharmaceuticals	38,767	43,677	52,129	38,074	42,957	51,561
Group 5	Electronic & Electrical equipment	169,147	163,554	162,899	171,709	166,396	166,781
Group 6	Machinery & equipment n.e.s.	162,109	155,633	154,632	162,574	156,559	157,427
Group 7	Motor vehicles & transport equipment	195,391	197,966	170,139	199,761	201,237	176,188
Group 8	Aerospace & related machinery	109,043	102,267	99,461	108,883	102,116	99,521
Group 9	Other manufacturing	516,296	511,057	491,243	538,249	536,055	520,692
Group 10	Services	8,048,164	8,083,587	7,613,413	10,377,390	10,624,559	10,426,696
Unknown			<u> </u>				
Total		10,153,880	10,178,105	9,624,710	12,625,307	12,868,860	12,628,254

Source: HMRC OTS and ONS IDBR

- 1. Group 1 includes Clothing. This note has been provided for added clarity around Group 1's agricultural component which can include textile produce. The composition of group 1 remains as it has been since 2007. Group 7 excludes aerospace. Group 10 Services includes only businesses in the Services industry that carried out trade in goods.
- 2. Reasons for why a business may be classed as having an Unknown industry group are explained in the Annex: Metadata FAQ.
- 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.
- 5. For businesses that both export and import goods, their employee count will be included under both 'Exports' and 'Imports'. This means exports and imports data for a year cannot be summed, as this would result in double counting.

Figure 2.11: Percentage change in employee count between 2019 and 2020, by industry group



Between 2019 and 2020, there were decreases in the total number of people employed in exporting and importing businesses by 5.4% and 1.9% respectively. For both, Group 7 'Motor vehicles & transport equipment' experienced the largest percentage decreases. Decreases across most industry groups were offset by Group 4 'Pharmaceuticals' which experienced the largest percentage increases for both exporting and importing businesses.

The most notable changes between 2019 and 2020 were as follows:

- ↑ Group 4 'Pharmaceuticals' experienced the only increase in the number of people employed by exporting businesses and the largest percentage increase in people employed by importing businesses (up 19% and 20% respectively).
- Group 7 'Motor vehicles & transport equipment' experienced the largest percentage decreases in the number of people employed by both exporting and importing businesses (down 14% and 12% respectively).

Between 2018 and 2020, the total number of people employed by exporting businesses decreased by 5.2% overall. This has been driven by decreases in most exporting industries, with only Group 3 'Chemicals' and Group 4 'Pharmaceuticals' experiencing increases. The overall number of people employed by importing industry groups increased, albeit marginally at less than 0.1%, with 7 out of 10 importing industries seeing a decrease.

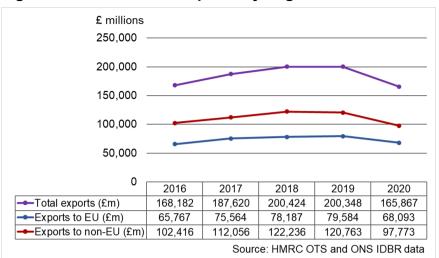
The most notable changes between 2018 and 2020 were as follows:

- ↑ The largest percentage increase in employees was in Group 4 'Pharmaceuticals' for both exporting and importing businesses (up 34% and 35% respectively). A notable increase was also seen for Group 3 'Chemicals' for both exporting and importing businesses (up 9.0% and 9.5% respectively).
- The largest percentage decrease in employees was in Group 7 'Motor vehicles & transport equipment' for both exporting and importing businesses (down 13% and 12% respectively).

3. Trade by size of business

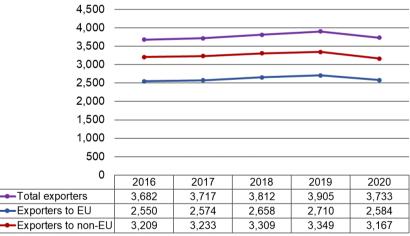
Timelines of trade for large businesses [note 4] 2016-2020

Figure 3.1: Value of UK exports by large businesses 2016-2020



The total value of exports by large businesses decreased by 17% between 2019 and 2020 and by 1.4% overall for the 2016 to 2020 period. Exports to non-EU countries decreased by 19% between 2019 and 2020 and by 4.5% overall between 2016 and 2020. Exports to the EU increased consistently between 2016 and 2019 with an average 6.7% year-on-year increase prior to a 14% decrease between 2019 and 2020, though remained 3.5% larger than in 2016. Exports to non-EU countries for large businesses were consistently larger than exports to the EU; 51% larger on average between 2016 and 2020. Also, on average, exports to non-EU countries represented 60% of total exports from 2016 to 2020.

Figure 3.2: Count of UK exporters - large businesses 2016-2020

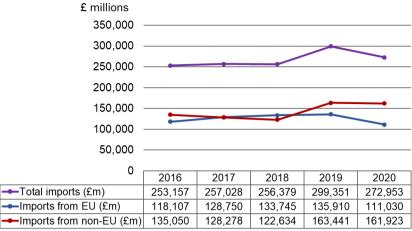


Source: HMRC OTS and ONS IDBR data

The total number of large UK businesses exporting goods decreased by 4.4% between 2019 and 2020, following an average year-on-year increase between 2016 and 2019 of 2.0%, to a 2020 count 1.4% larger than in 2016. This reflected similar patterns in counts of exporters to both EU and non-EU countries over the 2016 to 2020 period. The number of large businesses exporting to non-EU countries was consistency larger than the number of large businesses exporting to the EU; 24% larger on average between 2016 and 2020.

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

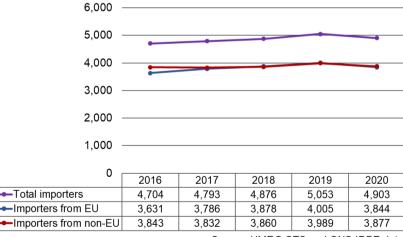
Figure 3.3: Value of UK imports by large businesses 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of goods imported by large businesses decreased by 8.8% between 2019 and 2020 but increased by 7.8% overall between 2016 and 2020, with a notable 17% increase between 2018 and 2019. Imports from non-EU countries by large businesses showed a similar pattern, with a 0.9% decrease between 2019 and 2020 but a 20% increase overall for the 2016 to 2020 period, and a notable 33% increase between 2018 and 2019 (following consecutive decreases between 2016 and 2018). Imports from the EU followed a different pattern, experiencing average year-on-year increases between 2016 and 2019 of 4.8%, prior to an 18% decrease between 2019 and 2020 to a value 6.0% less than in 2016. Imports from non-EU countries were relatively close to imports from the EU between 2016 and 2018; 2019 and 2020 showed non-EU imports to be notably larger by 20% and 46% respectively. On average, imports from non-EU countries represented 53% of total imports from 2016 to 2020.

Figure 3.4: Count of UK importers – large businesses 2016-2020

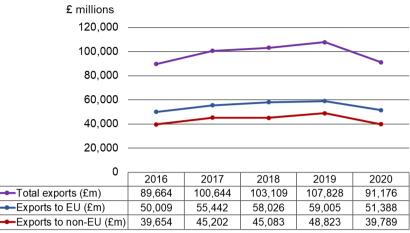


Source: HMRC OTS and ONS IDBR data

The total number of large businesses importing goods decreased by 3.0% between 2019 and 2020, following an average year-on-year increase between 2016 and 2019 of 2.4%, to a 2020 count 4.2% larger than in 2016. Large businesses importing from the EU decreased by 4.0% between 2019 and 2020, following an average year-on-year increase between 2016 and 2019 of 3.3%, to a 2020 count 5.9% larger than in 2016. Those importing from non-EU countries decreased by 2.8% between 2019 and 2020 but increased by 0.9% over the 2016 to 2020 period. Except for in 2016 when the number of large businesses importing from non-EU countries were distinctly larger than those importing form the EU (5.8%), the average difference in counts has been within 1.5% for the rest of the 2016 to 2020 period.

Timelines of trade for SMEs [note 5] 2016-2020

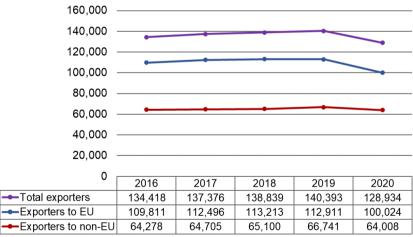
Figure 3.5: Value of UK exports by SMEs 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of goods exported by small and medium-sized businesses (SMEs) decreased by 15% between 2019 and 2020, following an average year-on-year increase of 6.4% between 2016 and 2019, to a value 1.7% larger than 2016. Exports to the EU decreased by 13% between 2019 and 2020, following an average year-on-year increase of 5.7% between 2016 and 2019, to a value in 2020 2.8% larger than 2016. Exports to non-EU countries decreased by 19% between 2019 and 2020 to a value 0.3% larger than that in 2016. Exports to the EU were consistently larger than exports to non-EU countries during the 2016 to 2020 period; by 25% on average. Also, on average, exports to the EU represented 56% of total exports from 2016 to 2020.

Figure 3.6: Count of UK exporters – SMEs 2016-2020

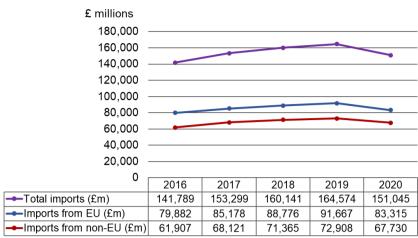


Source: HMRC OTS and ONS IDBR data

The total number of SMEs exporting goods decreased by 8.2% between 2019 and 2020, following an average year-on-year increase between 2016 and 2019 of 1.5%, to a count in 2020 4.1% lower than in 2016. The number of exporters to the EU decreased by 11% between 2019 and 2020 to a count 8.9% lower than 2016. The number of exporters to non-EU countries increased by an average of 1.3% year-on-year between 2016 and 2019 before dropping 4.1% between 2019 and 2020 to a count 1.3% larger than that in 2016. The number of exporters to the EU was consistently larger than the number of exporters to non-EU countries; an average of 69% larger between 2016 and 2020.

18

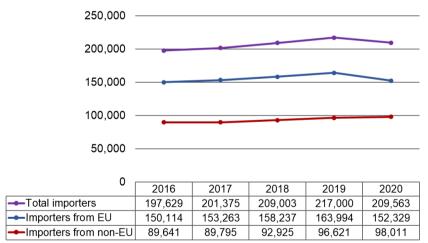
Figure 3.7: Value of UK imports by SMEs 2016-2020



Source: HMRC OTS and ONS IDBR data

The total value of goods imported by SMEs decreased by 8.2% between 2019 and 2020, following an average year-on-year increase of 5.1% between 2016 and 2019, to a value 6.5% larger than in 2016. Imports from both the EU and non-EU countries drove this trend with similar average year-on-year increases between 2016 and 2019, and similar decreases between 2019 and 2020, to 2020 values larger than 2016 (EU by 4.3% and non-EU by 9.4%). Imports from the EU were consistently larger than imports from non-EU countries; by an average of 25% between 2016 and 2020. Also, on average, imports from the EU represented 56% of total imports from 2016 to 2020.

Figure 3.8: Count of UK importers - SMEs 2016-2020



Source: HMRC OTS and ONS IDBR data

The total number of SMEs importing goods decreased by 3.4% between 2019 and 2020, following an average year-on-year increase of 3.2% between 2016 and 2019, leading to a 2020 count 6.0% larger than in 2016. The number of SMEs importing from the EU increased by 3.0% on average year-on-year between 2016 and 2019 and decreased by 7.1% between 2019 and 2020 to a count 1.5% larger than in 2016. Those importing from non-EU countries increased year-on-year through the entire 2016 to 2020 period with an average increase of 2.3%. The number of SMEs importing from the EU was consistently larger than those importing from non-EU countries; by an average of 67%.

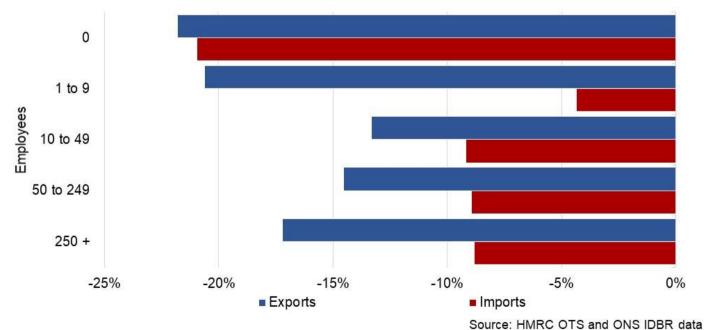
Analysis of trade by business size

Table 3.1: Total value of UK trade by business size, 2018-2020

£ millions

	Exports			Imports			
Business size (Number of employees)	2018	2019	2020	2018	2019	2020	
0	246	234	183	329	353	279	
1 to 9	20,230	21,728	17,250	28,072	29,414	28,134	
10 to 49	30,455	29,988	25,991	53,644	54,130	49,161	
50 to 249	52,178	55,877	47,752	78,096	80,678	73,471	
250+	200,424	200,348	165,867	256,379	299,351	272,953	
Unknown	60,064	58,329	50,650	84,733	79,600	68,753	
Total	363,596	366,505	307,693	501,253	543,526	492,751	

Figure 3.9: Percentage change in UK trade value between 2019 and 2020, by business size



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

^{2.} Reasons for why a business may be classed as having an Unknown business size are explained in the Annex: Metadata FAQ.

Between 2019 and 2020 the overall value of exports and imports decreased for all business size categories. The sharpest decreases were seen for those with 'zero' employees on both imports and exports.

The most notable changes between 2019 and 2020 were as follows:

- The largest percentage decreases in value of exports between 2019 and 2020 were in the 'Zero' employees category (down 22%), the '1 to 9' employees category (down 21%), and the '250+' employees category (down 17%).
- The largest percentage decrease in value of imports between 2019 and 2020 was the 'Zero' employees category (down 21%).

Between 2018 and 2020 the value of exports decreased for all business size categories. The value of imports decreased for all business size categories except the '1 to 9' and '250+' employees categories.

The most notable changes between 2018 and 2020 were as follows:

- For exports and imports, the 'Zero' employees category experienced the largest percentage decrease in value (down 26% and 15% respectively).
- ↑ The largest increase in value of imports was in the '250+' employees category (up 6.5%). An increase was also seen for the '1 to 9' employees category, albeit marginal (0.2%).

Table 3.2: Business count by business size, 2018-2020

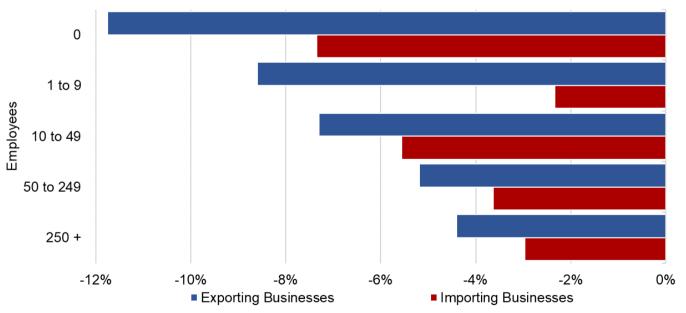
Number of businesses

		Exports			Imports	
Business size (Number of employees)	2018	2019	2020	2018	2019	2020
0	7,567	7,337	6,475	11,552	11,600	10,747
1 to 9	85,231	87,119	79,630	134,375	140,975	137,678
10 to 49	34,694	34,372	31,864	48,415	49,217	46,482
50 to 249	11,347	11,565	10,965	14,661	15,208	14,656
250+	3,812	3,905	3,733	4,876	5,053	4,903
Unknown	12,370	15,286	16,053	27,964	34,429	38,475
Total	155,021	159,584	148,720	241,843	256,482	252,941

Source: HMRC OTS and ONS IDBR data

Figure 3.10:

Percentage change in business count between 2019 and 2020, by business size



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

^{2.} Reasons for why a business may be classed as having an Unknown business size are explained in the Annex: Metadata FAQ.

Between 2019 and 2020, all 5 business size groups experienced a decrease in the number of businesses exporting and importing.

The most notable changes between 2019 and 2020 were as follows:

- The total number of exporting and importing businesses decreased by 6.8% and 1.4% respectively.
- The largest percentage decrease in the number of both exporting and importing businesses was in the 'Zero' employees category (down 12% and 7.4% respectively).

Between 2018 and 2020, all 5 business size groups experienced a decrease in the number of businesses exporting goods, whilst 3 out of 5 business size groups experienced a decrease in the number of businesses importing.

The most notable changes between 2018 and 2020 were as follows:

- The largest percentage decrease in the number of exporting and importing businesses was in the 'Zero' employees category (down 14% and 7.0% respectively).
- ↑ The largest percentage increase in number of importing businesses was in the '1 to 9' employees category (up 2.5%).

Table 3.3: Employee count by business size, 2018-2020

Number of employees

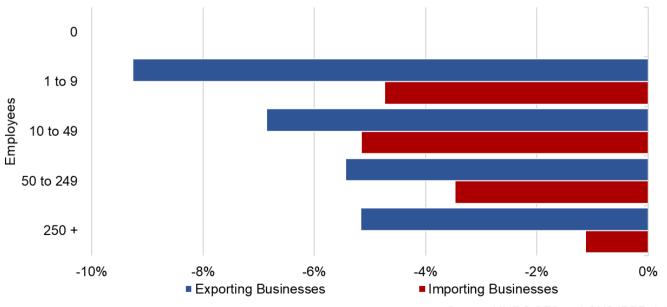
		Exports		Imports			
Business size (Number of employees)	2018	2019	2020	2018	2019	2020	
0	0	0	0	0	0	0	
1 to 9	276,413	277,540	251,825	430,802	445,039	423,943	
10 to 49	756,285	752,298	700,715	1,041,700	1,059,924	1,005,249	
50 to 249	1,174,392	1,199,519	1,134,262	1,501,415	1,560,184	1,506,045	
250+	7,946,790	7,948,748	7,537,908	9,651,390	9,803,713	9,693,017	
Unknown							
Total	10,153,880	10,178,105	9,624,710	12,625,307	12,868,860	12,628,254	

Source: HMRC OTS and ONS IDBR data

- 2. Reasons for why a business may be classed as having an Unknown business size are explained in the Annex: Metadata FAQ.
- 3. Total excludes the Unknown category.

Figure 3.11:

Percentage change in employee count between 2019 and 2020, 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.

Between 2019 and 2020, there was a decrease in the number of people employed by both exporting and importing businesses for all business size categories.

The most notable changes between 2019 and 2020 were as follows:

- The largest percentage decrease in number of employees within exporting businesses was in the '1 to 9' employees category (down 9.3%).
- The largest percentage decreases in number of employees within importing businesses were in the '1 to 9' and '10 to 49' employees categories (down 4.7% and 5.2% respectively).

Between 2018 and 2020, there was a decrease in the number of people employed by exporting businesses for all business size categories. For importing businesses, 2 business size categories experienced decreases and 2 experienced increases.

The most notable changes between 2018 and 2020 were as follows:

- The largest percentage decrease in number of employees within exporting businesses was in the '1 to 9' employees category (down 8.9%).
- The only percentage increases in number of employees within importing businesses were in the '50 to 249' and '250+' employees categories (up 0.3% and 0.4% respectively).
- The largest percentage decrease in number of employees within importing businesses was in the '10 to 49' employees category (down 3.5%).

Trade by age of business

4. Trade by age of business

Analysis of trade by business age

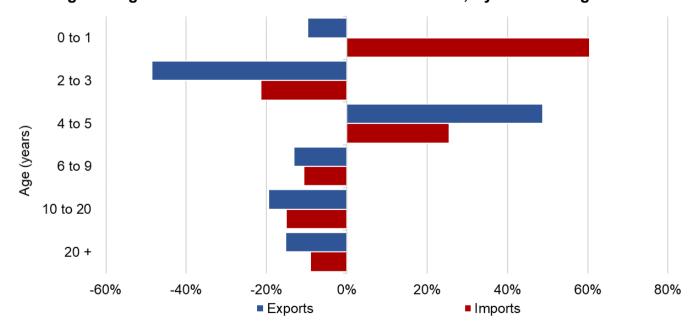
Table 4.1: Total value of UK trade by business age, 2018-2020

£ millions

		Exports			Imports		
Age group (years)	2018	2019	2020	2018	2019	2020	
0 to 1	5,519	2,521	2,275	6,592	3,963	6,362	
2 to 3	10,039	11,646	5,987	12,805	12,589	9,903	
4 to 5	4,531	5,414	8,054	9,185	12,177	15,279	
6 to 9	13,295	14,075	12,226	30,875	32,384	28,933	
10 to 20	42,291	39,037	31,410	63,747	61,208	52,000	
20+	262,087	265,584	224,992	352,115	400,150	363,890	
Unknown	25,834	28,228	22,749	25,934	21,055	16,385	
Total	363,596	366,505	307,693	501,253	543,526	492,751	

Source: HMRC OTS and ONS IDBR data

Figure 4.1: Percentage change in UK trade value between 2019 and 2020, by business age



^{1.} Reasons for why a business may be classed as having an Unknown age are explained in the Annex: Metadata FAQ.

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.

Between 2019 and 2020, there has been sharp increase in the value of import trade being carried out by newer businesses (aged 0 to 1 years old). The '4 to 5' years group was the only age group to experience increases in value of both export and import trade. Some of this increase could be explained by businesses having moved up from the '2 to 3' years group for which a relatively large drop was seen for both exporting and importing businesses. All businesses above 6 years old saw decreases in both export and import value.

The most notable changes were as follows:

- ↑ Both between 2019 and 2020 and between 2018 and 2020, the only increase in the value of exports was experienced by businesses aged 4 to 5 years old (up 49% and 78% respectively).
- ↑ Between 2019 and 2020, the only increases in the value of imports were experienced by businesses aged 0 to 1 years old (up 61%) and businesses aged 4 to 5 years old (up 25%). Between 2018 and 2020, the largest percentage increase in the value of imports was experienced by businesses aged 4 to 5 years old (up 66%).
- Between 2019 and 2020, the largest percentage decrease in the value of exports was experienced by businesses aged 2 to 3 years old (down 49%), and between 2018 and 2020 it was experienced by businesses aged 0 to 1 years old (down 59%).
- Both between 2019 and 2020 and between 2018 and 2020, the largest percentage decrease in the value of imports was experienced by businesses aged 2 to 3 years old (down 21% and 23% respectively).

Access to data

The detailed tables for 2020 data are available on the gov.uk website in <u>Microsoft Excel spreadsheet format</u>. Previously published data for 2013-2019 is also available on the same webpage [note 6].

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 2020 is available for selected partner countries.

These countries are Algeria, Australia, Bangladesh, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Ireland, 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), Non-EU (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.

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-registered [note 7] 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'. For VAT registrations that encompass a group of businesses, there are a number of possible enterprises that the VAT registration could be linked to. The choice of enterprise is therefore 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.

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.
- 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.
- 6. 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.
- 8. Declarations with commodity line values of less than £873 and where the weight of the goods are less than a tonne (1,000kg), go into 'low value aggregates'. We do not receive business information on these traders as part of the UK trade in goods processing.

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

Email: <u>uktradeinfo@hmrc.gov.uk</u>

Which variables are being published?

Age of business (0-1, 2-3, 4-5, 6-9, 10-20, 20+, Unknown)

Business size (Number of employees) (0, 1-9, 10-49, 50-249, 250+, Unknown) (SME [note 8]: 0-249 / Large: 250+)

Industry group (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Unknown)

Statistical value of trade in goods in GBP (\mathfrak{L}) 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' industry 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 other type of commodity.

⁸ SME is an acronym for Small and Medium-sized Enterprises. In this report, it refers to businesses with less than 250 employees.

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, Ireland, 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), Non-EU (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 2020, these thresholds are £1.5 million for EU imports and £250,000 for EU exports), as information on the partner countries of these businesses is not collected.

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 a "Suppressed".

Why do the trade totals and business counts not match the published <u>OTS</u> or the <u>UK</u> <u>Importer and Exporter Population</u> 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 mean there is not an exact match.

The business counts in this release will not match the counts given in the UK Importer and Exporter Population release. This is due to differences in the methodology used to estimate trade below the Intrastat threshold for EU trade, and timing issues (the UK Importer and Exporter Population release is published April, prior to the annual OTS dataset being finalised).

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 for EU trade, 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 Non-financial business economy. UK and regional (Annual Business Survey): 2019 results (next release currently due to be published early 2021). 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 Non-financial business economy, UK and regional (Annual Business Survey): 2019 results 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.

The ONS also produce the experimental dataset <u>UK trade in goods by business characteristics: 2016 to 2018</u> which is compiled on a Balance of Payments (BoP) basis, while the HMRC UK Trade in Goods by Business Characteristics release is compiled on a Special Trade basis. The main difference between the ONS release and this release is that HMRC link each VAT registered business to an enterprise on the IDBR, whereas the ONS release links to the reporting unit on IDBR. This leads to some inconsistency between the two datasets. Another key difference is the business size characteristic of foreign-owned businesses required to register for UK VAT due to distance selling regulations; the ONS release allocates these according to their employee count on IDBR, whereas this release allocates them to the 'unknown' business size category.

Methodology notes

- 1. All data within the release is compiled on a Special Trade basis. This applies to both 2020 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.
- 2. For VAT registrations that encompass a group of businesses, there are a number of possible enterprises that the VAT registration could be linked to, the choice of enterprise is therefore made by applying multiple criteria. 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. See the 'How has the data matching been done?' section on page 30 for more information on this matching process.
- 3. With the exception of the most recent unscheduled corrections as of 12 November 2021, all revisions to OTS data from 2013 onwards have been applied.
- 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.
- 7. Due to rounding, there may be small differences between the values (£) presented in the accompanying Microsoft Excel spreadsheets and those presented in this report.