

OIM DATA STRATEGY ROADMAP UPDATE 2024

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Office for the Internal Market



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1. INTRODUCTION

- 1.1 The Office for the Internal Market (OIM) was established within the Competition and Markets Authority to carry out functions and powers conferred on the CMA under the UK Internal Market Act 2020. The OIM provides independent advice, monitoring and reporting to support the effective operation of the UK internal market, ie the set of trading relationships within and between England, Northern Ireland, Scotland and Wales.
- 1.2 In March 2023, we published our [Data Strategy Roadmap](#), with the aim of seeking to promote the collection and publication of consistent macro data on trade within the UK and, more generally, to be a catalyst for an improvement in the evidence base on the UK internal market.
- 1.3 A more detailed understanding of how the UK internal market operates can support informed decision-making in both government and the private sector. Macro statistics on intra-UK trade help to build a picture of how effectively the UK internal market is operating over time, enabling analysts and policy makers to identify and monitor trends. It is the OIM's role to produce evidence-based advice and reporting to support this understanding, and it is therefore important that we address gaps and limitations in the existing evidence base.
- 1.4 The Roadmap sets out in a single document the initiatives we are aware of that are being undertaken by the Office for National Statistics (ONS), the Devolved Governments, UK Government departments and academics from around the UK, as well as by the OIM, that may improve our collective understanding of how the UK internal market is operating.
- 1.5 We committed to report annually on progress in relation to initiatives detailed in the Roadmap and any new projects that could help to shed light on the effective functioning of the UK internal market. This document is the first Roadmap update.
- 1.6 While the Roadmap focused on aggregate intra-UK trade data, we noted that we could broaden the scope of our Data Strategy to cover other data of relevance to the operation of the UK internal market. As outlined later in this document, in 2023-24 we explored some more indirect measures of trade, including data on supply chains across the UK, freight movements and parcel movements.
- 1.7 Finally, we announced our intention to raise the profile of work to improve intra-UK trade data and to bring together stakeholders to identify linkages and discuss areas of mutual interest. Over the past year, we have engaged with stakeholders working on trade data and other potentially relevant datasets, including via regular

meetings of the ONS-convened Subnational Trade Working Group.¹ We have also looked beyond this group to identify stakeholders who own or work with data that may be relevant to understanding the UK internal market, albeit in a less direct way. For example, we engaged with Ofcom regarding data on parcel movements and with the Department for Transport (DfT) on freight data. We are grateful to all these stakeholders for their ongoing openness to working with us, including to ensure the accuracy and completeness of this Roadmap update. A full list of the stakeholders with whom the OIM engaged during the production of this Roadmap update is included at Annex A.

- 1.8 We will continue this engagement throughout the coming year, both routinely and via an event in June that will bring together attendees from government, the private sector and think tanks to explore potential novel sources of evidence on the functioning of the UK internal market.

¹ The Subnational Trade Working Group brings together the ONS, the Northern Ireland Statistics and Research Agency (NISRA), the Scottish Government, the Welsh Government, HMRC, the Department for Business and Trade (DBT) and the OIM.

2. UPDATE TO THE DATA STRATEGY ROADMAP

2.1 This section summarises developments over the past year regarding data that is relevant to understanding the UK internal market. The timeline below sets out the key initiatives described in the Data Strategy Roadmap.

2023:

- (a) Dataset of firm-to-firm payments between businesses in parts of the UK, based on payment systems data - ONS and The Alan Turing Institute.
- (b) Experimental methodology for production of interregional trade estimates - ONS, with input from the Devolved Governments.

2024:

- (c) Experimental estimates of interregional trade, covering all four UK nations - ONS, with input from Devolved Governments.

2024/25:

- (d) Outputs from 'trade in value added' (TiVA) project to develop better data on the integration of UK regions in global value chains - Department for Business and Trade and the Organisation for Economic Cooperation and Development (OECD), working with the ONS.

Devolved Governments' trade data

2.2 At present, the Scottish Government, the Welsh Government and NISRA produce trade statistics for their respective nations. As discussed in the original Roadmap, these are released at different times and there are variations in their methodology and coverage, making it difficult to compare them (hence the ONS-led methodological work to improve comparability between them, discussed below). No data is collected on England's trade with the rest of the UK.

2.3 In late 2023, the Welsh Government, the Scottish Government and NISRA published their respective trade statistics covering domestic trade. These three publications informed [the OIM's 2023-24 Annual Report](#) on the operation of the UK internal market. They will also feed into the ONS's consistent estimates of UK interregional trade, discussed further below.

2.4 In October, the Welsh Government released [provisional Trade Survey for Wales \(TSW\) data for 2021 and 2020](#), as well as a report on the 2021 TSW results. In November, the Scottish Government released [Exports Statistics Scotland 2021](#), encompassing estimates of Scotland's exports for 2019, 2020 and 2021. In

December, NISRA published [Northern Ireland Economic Trade Statistics \(NIETS\) results](#) for 2022.

Methodology for production of interregional trade estimates

- 2.5 The ONS published an [experimental methodology for producing UK interregional trade estimates](#) in July 2023 (described above as Roadmap initiative (b)). The methodology combines insights from the trade statistics produced for each devolved nation, and the construction of English trade estimates from the difference between overall UK trade and trade involving the devolved nations.
- 2.6 The methodology is an important interim step towards the production of consistent estimates of interregional trade for each nation (described above as Roadmap initiative (c)). Having consistent, comparable data on trade flows between all four nations will provide a holistic picture of trade within the UK and how it evolves over time. The ONS is on track to publish these estimates at International Territorial Level (ITL) 1 (Northern Ireland, Scotland, Wales and the nine English regions) in late autumn 2024.
- 2.7 The methodology is based on recommendations made by the Economic Statistics Centre of Excellence (ESCoE) regarding how to improve the quality of and coherence between existing trade surveys for Northern Ireland, Scotland and Wales, and how to mobilise other data sources to fill known data gaps.²
- 2.8 As well as trade and business survey data for each nation, the methodology draws on DfT's Continuing Survey of Road Goods Transport,³ HMRC Overseas Trade Statistics data,⁴ linked with the Inter-Departmental Business Register,⁵ and the payments data referenced below.

Dataset of firm-to-firm payments

- 2.9 In December 2023, the ONS published experimental data on industry-to-industry payment flows in the UK from 2016 to 2023, following joint work with the Alan Turing Institute (described above as Roadmap initiative (a)). This one-off dataset was derived from Bacs Direct Debit and Direct Credit payments data on payments between businesses.⁶

² [Improving the Quality of Regional Economic Indicators in the UK: A Framework for Interregional Trade Data Collection and Estimation](#)

³ This survey, run separately for Great Britain and Northern Ireland, asks the owners of a sample of UK-registered heavy goods vehicles (HGVs) for details of each HGV's activity within a specified survey week, including trips made, origin and destination, and goods transported.

⁴ HMRC's Overseas Trade Statistics are a dataset with aggregated and detailed data on exports and imports of goods, covering over 9,500 commodities and around 200 partner countries.

⁵ The Inter-Departmental Business Register is a list of UK businesses used by government for statistical purposes.

⁶ Bacs payments are part of a larger UK payment methods system and the data used are not exhaustive of all UK industry-to-industry payment flows.

- 2.10 Analysis of payments moving between businesses in different sectors and regions may improve our understanding of UK businesses' supply chains (as each payment will correspond to a flow of goods or services in the other direction). The ONS has committed to further improve the data quality over the next 12 months where possible, including the potential development of a regional breakdown.
- 2.11 We will collaborate with the ONS as it expands the dataset and further develops its methodology for allocating transactions to regions.

OECD Trade in Value Added (TiVA) project

- 2.12 The TiVA project is a collaboration between the Department for Business and Trade (DBT), the OECD and the ONS, funded by DBT, which aims to develop better data on how individual UK regions participate in global value chains (GVCs) – i.e., all processes across different countries involved in bringing a good or service to market. It is noted in paragraph 2.1 as Roadmap initiative (d). It will extend the OECD's TiVA dataset to include breakdowns by UK region/nation, initially at ITL1 level, enabling us to understand the nature of UK regions' participation in GVCs and their resilience to economic shocks that may affect their supply chains.
- 2.13 The consistent estimates of UK interregional trade, discussed above, are an input to the TiVA project. Work on TiVA continues, with provisional TiVA estimates expected in the first half of 2025.

OIM activity

Engagement and advocacy

- 2.14 The OIM has continued regular engagement with key stakeholders to monitor developments in relation to intra-UK trade data and highlight the importance of this data in building understanding of how the UK internal market operates.
- 2.15 In May 2023 we provided input to the Welsh Government's research with TSW users, highlighting the survey's important role in improving our and others' understanding of the UK internal market.⁷ This was in the context of a review of the methodology and overall business case for TSW, alongside financial constraints placing pressure on the Welsh Government's budget. The Welsh Government ultimately decided to pause TSW for the 2023 reference year (for

⁷ "The [intra]-UK trade figures have been particularly useful in gaining a more detailed understanding of the UK internal market than was previously possible. This data is used by the Office of the Internal Market (OIM) in their annual reports on the **operation of the UK internal market** (OIM)." - [Trade Survey for Wales: quality and methodology information | GOV.WALES](#)

which findings would have been published in 2025), with a view to restarting TSW data collection in future years.

- 2.16 In October 2023, we [responded jointly with the CMA's Microeconomics Unit](#) to a [NISRA consultation on proposed changes to some of their statistical outputs](#). These included proposals to suspend, scale back and delay a number of outputs in response to budget constraints.
- 2.17 We welcomed NISRA's stated intention to ensure that the proposed changes would not affect underlying data collection, highlighted outputs of particular importance to our work and outlined the risks associated with scaling back publications analysing this key data. We identified the NIETS, Input-Output Analytical Tables, Supply-Use Tables and the Northern Ireland Annual Business Inquiry as key outputs for building a picture of the economic structure of Northern Ireland and its linkages with the rest of the UK.
- 2.18 NISRA's response to the consultation noted the importance of the NIETS in building 'a picture of how effectively the UK internal market is operating over time, enabling analysts and policy makers to identify and monitor trends and draw them to the attention of policy makers, parliamentarians and other stakeholders'.⁸

Use of data in the 2023-24 OIM Annual Report

- 2.19 The OIM's [2023-24 Annual Report](#) assesses how the UK internal market is operating. The report draws on the available data to quantify the value of intra-UK trade and assess which types of business are most likely to trade between two or more UK nations, and in which sectors. It also seeks to identify trends in these indicators.
- 2.20 To do so, it uses the Devolved Governments' intra-UK trade statistics, as well as the ONS's Business Insights and Conditions Survey (BICS) and HMRC customs data on the movement of goods from Great Britain to Northern Ireland.⁹
- 2.21 The BICS is a voluntary fortnightly business survey that delivers real-time information to help assess issues affecting UK businesses. In summer 2023, the ONS agreed to add regular questions on cross-UK supply chains to the survey on a six-weekly cycle. These cover: whether businesses have purchased goods or services from another UK nation in the preceding 12 months; if so, what those goods/services were; and what, if any, challenges they faced in doing so. Results are broken down by region, sector and business size.

⁸ [NISRA Outputs Consultation Response Report](#)

⁹ Noting HMRC caveats about using the customs data to identify year-on-year trends, given that the data reports when goods were cleared, not when they were moved.

2.22 Overall, the OIM's Annual Report finds that analysing current intra-UK trade flows remains challenging, with only three of the four UK nations publishing intra-UK trade statistics, and methodological differences between those statistics. However, we note that the improvements discussed in this Roadmap update are underway. The BICS data provided valuable insights, and next year, when the above-mentioned questions have been included in the survey for longer, we will be able to draw on more data points to discuss trends.

Investigating additional indicators

2.23 In the Data Strategy Roadmap, we said that we would consider drawing upon a range of other indicators beyond governments' trade statistics that may help us to understand the UK internal market. This year, we have conducted research and engaged with stakeholders to explore potential sources of data on:

- (a) Levels of supply chain integration across the UK;
- (b) Volumes of freight moved between nations; and
- (c) Business-to-business and business-to-consumer parcel movements across the UK.

2.24 **Levels of supply chain integration:** the BICS (see para 2.21) is a useful source of data on whether businesses in one UK nation buy and sell from a different UK nation, and how this varies by sector, region and business size. In addition, the OIM's 2023-24 annual report includes case studies based on conversations with businesses in the food and drink sector potentially affected by developments that are likely to create regulatory difference between UK nations. The case studies provided insights into how these businesses think about, and respond to, regulatory impacts on their supply chains. The OIM is keen to better understand the relationship between supply chain structures and the internal market and will look more at this in the coming year.

2.25 **Volumes of freight:** DfT produces road freight statistics based on a survey of hauliers, collecting information about trips made in the days of the surveyed week.¹⁰ These informed the ONS's methodology for producing consistent estimates of interregional trade. The road freight statistics include a breakdown of freight moved between UK nations and regions, and this provides valuable insights into the movement of goods within and between nations. However, figures on movement between devolved nations specifically are often suppressed because there are too few journeys. This could be a reflection of freight behaviour, with freight typically travelling via multi-stage journeys between warehouses rather than single journeys between devolved nations. This may relate to the length of the

¹⁰ Link to [survey & stats](#)

drive, which can often be over the legal limit for an HGV driver's working hours. The OIM will continue to work with DfT over the coming year to understand whether and how the road freight statistics can inform our work.

- 2.26 **Parcel movements:** the OIM wanted to explore whether data on business-to-business and business-to-consumer parcel movements between different parts of the UK could be used as a partial proxy for data on trade in goods between these areas. Ofcom raised doubts about the nature of the data that parcel operators store (for example, this is likely to vary considerably between operators) and its commercial sensitivity. Ofcom also identified limitations of parcel movements as a proxy for internal market trade, due to the difficulty of distinguishing between sales and returns in parcel data, and the increasingly blurred line between businesses and private individuals on online sales platforms. In light of the above, the OIM does not intend to further pursue work to gather data on parcel movements between parts of the UK.

International comparators

- 2.27 In conjunction with the OIM's work to explore additional indicators, we researched how other nations monitor and measure interregional trade. While only a small number of countries with the potential for internal regulatory difference systematically attempt to monitor the operation of their internal market, our research identified that Statistics Canada publishes detailed [interprovincial trade statistics](#). It has also used innovative methods to make this data accessible, including a quarterly [infographic](#).
- 2.28 In December 2023, we met with colleagues from Statistics Canada to discuss further. This meeting provided valuable insights into their approach to measuring interprovincial trade, based on administrative data sources including tax returns, as well as survey data. To ensure that these insights are shared with the wider community working on UK inter-regional trade, we have invited Statistics Canada to speak at the event that OIM is hosting in June (see para 1.8 of the introduction) for stakeholders with an interest in this space, including the ONS and the four governments.
- 2.29 Cumulatively, this work to explore a range of indicators and international approaches to measuring internal markets has improved our understanding of potential indicators. However, it is clear that there are no 'quick wins' to improve our understanding of the UK internal market.

Stocktake and forward look

- 2.30 It remains the case that experimental estimates of intra-UK trade covering all four nations are expected to become available in autumn 2024, as noted in last year's Roadmap. This is highly positive. We also welcome the ONS's willingness to

continue improving the quality of its experimental data on business-to-business payment flows over the coming year, especially its interest in developing a regional breakdown.

- 2.31 More broadly, the trajectory of work to measure intra-UK trade is mixed. As noted earlier in the Update, the Welsh Government will pause the TSW for the 2023 reference year, which would have been released in 2025. As such, it will not be possible to generate experimental estimates of UK interregional trade for 2023, as the estimates are dependent on the devolved governments' trade statistics. There will therefore be a smaller evidence base on intra-UK trade in 2025 than there is at present. We welcome the ongoing close collaboration between the ONS and the four governments, and we would strongly support any initiatives by these key partners to address these challenges.
- 2.32 Alongside the trade statistics, it is important that we develop other indicators and data sources to illuminate the operation of the UK internal market at both macro and market-specific levels, considering private sector datasets as well as government data and statistics. We will draw on lessons learned from our exploration of indicators to date and our engagement with international partners. Many businesses and consumers do not perceive the internal market as four nations that trade with each other: other indicators may therefore highlight other aspects of its functioning, including offering a better sense of levels of integration, how experiences differ between sectors and between regions, and whether the UK internal market functions differently if we look at trade in goods, trade in services and use of professional qualifications across internal borders. Alternative data sources may also help to increase the resilience of the evidence base, providing a fuller picture faster than a survey.
- 2.33 As well as continuing to monitor development of the evidence base on intra-UK trade and maintaining relationships with key stakeholders in this area, the OIM will focus in the coming year on the experience of businesses within the UK internal market, building on existing evidence from the BICS and research in our annual reports to date.¹¹ In particular, we are interested in understanding better how business structure and supply chains influence how goods and services are traded.
- 2.34 As mentioned in the introduction, we are hosting an event in June to bring together a cross-section of stakeholders from different sectors with an interest in this area. The event will aim to stimulate discussion of potential novel sources of evidence on the functioning of the UK internal market and techniques for using data for

¹¹ See qualitative research with businesses conducted for our [2022-23 Annual Report](#), and case studies on the impact of regulatory developments on businesses in our 2023-24 Annual Report.

modelling and analysis to better understand its operation, and those discussions may inform the OIM's future priorities in relation to data.

ANNEX A: STAKEHOLDERS WITH WHOM WE HAVE ENGAGED

- Department for Business and Trade (DBT)
- Department for Transport (DfT)
- His Majesty's Revenue and Customs (HMRC)
- Northern Ireland Statistics and Research Agency (NISRA)
- Ofcom
- Office for National Statistics (ONS)
- Scottish Government
- Statistics Canada
- Welsh Government