

About this release

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

Corrections to the Regional Trade Statistics (RTS)

On 14 February 2023, HMRC announced <u>corrections to Regional Trade in Goods Statistics (RTS)</u>. These corrections have been applied to RTS data in this 2022 Q4 release. Further information can be found in the explanatory notes.

In this publication

Overview Exports p2
Overview Imports p3
Regional goods trade with EU
and Non-EU p4
Map of UK Regions p6
Explanatory Notes p7



Coverage: United Kingdom Theme: Business and Energy Released: 16 March 2023 Next release: 15 June 2023

UK Regional Trade in Goods Statistics Quarter 4 2022

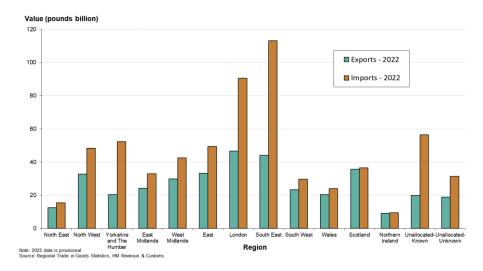
Summary

In 2022, the overall value of UK trade in goods increased by 19% for exports and by 37% for imports compared with the previous year.

On a regional basis:

- All UK countries saw an increase in the value of exports. There was also an increase in annual export value for all English regions.
- All UK countries saw an increase in the value of imports. There was also an increase in annual import value for all English regions.

Figure 1: UK Exports and Imports by Region, 2022



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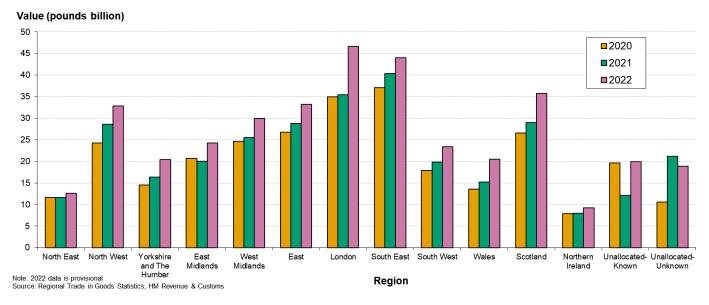
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Overview Exports

The total value of UK exports increased by £60 billion (19%) to £371 billion in 2022 compared with the previous year.

Figure 2 shows the total value of UK exports by region for the 3 annual periods of 2020, 2021, and 2022.

Figure 2: UK Exports by Region, 2020 to 2022



When comparing 2022 with 2021:

- The value of exports from England, Wales, Scotland and Northern Ireland increased by 18%, 35%, 23%, and 15% respectively.
- All English regions experienced increases in the value of exports.

When comparing 2022 with 2020, there was an increase in the value of UK exports of £81 billion (28%).

- The value of exports from England, Wales, Scotland, and Northern Ireland increased by 26%, 52%, 34%, and 17% respectively.
- All English regions experienced increases in the value of exports.

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

When comparing the total number of exporting businesses in 2022 with 2021:

- The number of businesses exporting from the UK decreased by 0.1% to 126,668.
- The number of businesses exporting increased for England, Scotland, and Northern Ireland, but decreased for Wales.
- According to the whole number method for counting multi-branch businesses, the number
 of exporting businesses increased for the North West, East Midlands, and West Midlands
 but decreased for all other English regions.

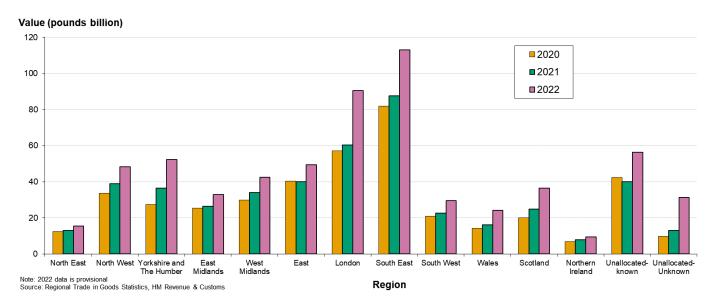
This can be seen in more detail in Table 3 of the accompanying tables.

Overview Imports

The total annual value of UK imports increased by £171 billion (37%) to £632 billion in 2022 compared with the previous year.

Figure 3 shows the total value of UK imports by region for the 3 annual periods of 2020, 2021, and 2022.

Figure 3: UK Imports by Region, 2020 to 2022



When comparing 2022 with 2021:

- The value of imports from England, Wales, Scotland, and Northern Ireland increased by 32%, 49%, 47%, and 21% respectively.
- All English regions experienced increases in the value of imports.

When comparing 2022 with 2020, there was an increase in the value of UK imports of £209 billion (49%).

- The value of imports from England, Wales, Scotland, and Northern Ireland increased by 44%, 69%, 83%, and 37% respectively.
- All English regions experienced increases in the value of imports.

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

When comparing the total number of importing businesses in 2022 with 2021:

- The number of businesses importing to the UK increased by 1.7% to 252,415.
- The number of businesses importing decreased for England but increased for all other UK countries.
- According to the whole number method for counting multi-branch businesses, the number
 of businesses importing increased for East Midlands and London but decreased for all other
 English regions.

This can be seen in more detail in Table 4 of the accompanying tables.

Trends in UK's regional goods trade with EU and Non-EU

Figure 4: England's goods trade, 2019 to 2022

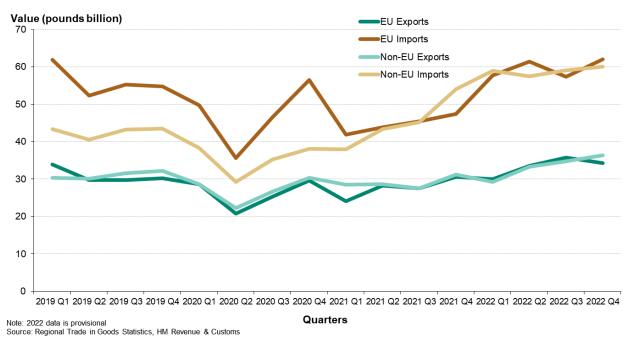


Figure 4 shows England's goods trade with EU and non-EU countries. In the latest quarter, **Exports** to the EU fell by £1.6bn (4.4%), whereas non-EU rose by £1.6bn (4.6%), when compared with the previous quarter. **Imports** from the EU and non-EU rose by £4.7bn (8.1%) and £0.9bn (1.6%) respectively.

Figure 5: Wales' goods trade, 2019 to 2022

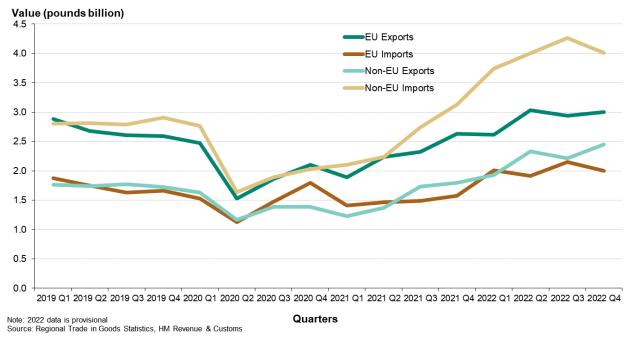


Figure 5 shows Wales' goods trade with EU and non-EU countries. In the latest quarter, **Exports** to the EU and non-EU rose by £60m (2.0%) and £233m (11%) respectively, when compared with the previous quarter. **Imports** from the EU and non-EU fell by £153m (7.1%) and £256m (6.0%) respectively.

Figure 6: Scotland's goods trade, 2019 to 2022

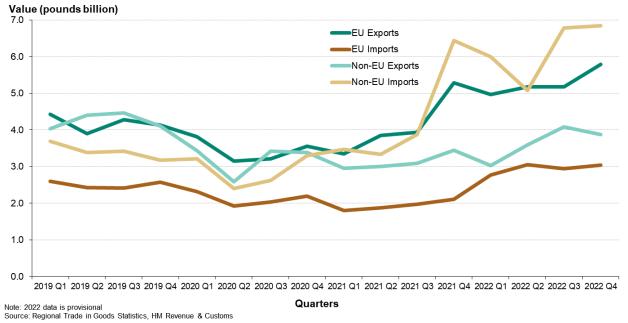


Figure 6 shows Scotland's goods trade with EU and non-EU countries. In the latest quarter, **Exports** to the EU rose by £604m (12%), whereas non-EU fell by £209m (5.1%), compared with the previous quarter. **Imports** from the EU and non-EU rose by £93m (3.2%) and £62m (0.9%) respectively.

Figure 7: Northern Ireland's goods trade, 2019 to 2022

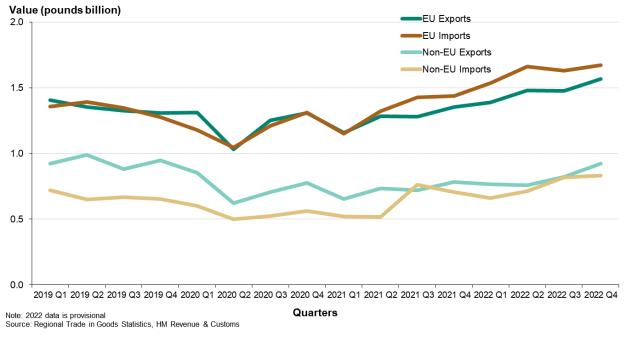
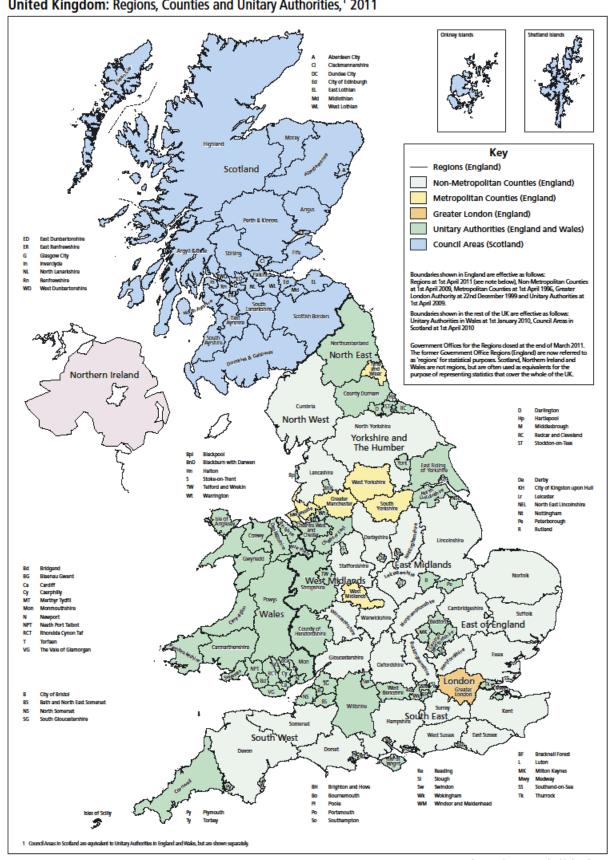


Figure 7 shows Northern Ireland's goods trade with EU and non-EU countries. In the latest quarter, **Exports** to the EU and non-EU rose by £93m (6.3%) and £102m (12%) respectively, compared with the previous quarter. **Imports** from the EU and Non-EU rose by £43m (2.7%) and £16m (2.0%) respectively.

Map of UK Regions

United Kingdom: Regions, Counties and Unitary Authorities, 2011



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 in Goods Statistics (OTS)' and the 'Regional Trade in Goods Statistics (RTS)'. The RTS is published quarterly showing trade at summary product and country level, split by UK regions and devolved administrations.
- 2. The latest statistics on Regional Trade in Goods were released by HMRC under arrangements set out in the <u>Code of Practice for Statistics</u>. This release includes the first provisional estimates of trade in goods for Q3 2022. At the same time, revisions for previously published regional data for 2022 Q1 and Q2 are being released.
- 3. Aggregated tables are produced to allow time series analysis; these tables are provided in a separate document released in conjunction with this release.
- 4. The following tables can be found in the 'Accompanying Tables' document.
 - Table 1 Value (£ millions) of Exports (EU / Non-EU) by Region
 - Table 2 Value (£ millions) of Imports (EU / Non-EU) by Region
 - Table 3 Count of Exporters (EU / Non-EU) by Region for both Whole Number method and Proportion method
 - Table 4 Count of Importers (EU / Non-EU) by Region for both Whole Number method and Proportion method
 - Table 5 Value (£ millions) of Trade by SITC Section and Country Group (separate tables for each region)

Data source changes

5. From 31 December 2020, the free movement of people and goods and services between the UK and the European Union (EU) ended. This meant the way HMRC collected trade in goods statistics was revised.

UK to EU exports

- 6. Up to 31 December 2020, UK to EU export statistics were collected via the Intrastat statistical survey, which required traders to declare the value and volume of commodities exported to EU Member States within the relevant month of physical goods movement.
- 7. For goods moving from 1 January 2021, GB to EU export statistics are compiled directly from customs export declarations made according to the requirements of the Taxation (Cross Border Trade) Act. The customs declaration requirements are more complex than the single monthly aggregated Intrastat return and can result in differences between dates of declaration and actual movement of the goods out of the country.
- 8. The OTS compilation methodology relies upon the acceptance date of the customs export declaration for its inclusion within the relevant month of account, rather than the declared physical movement date used from the Intrastat survey.
- 9. Intrastat survey returns continue to be collected for goods exported from Northern Ireland to the EU, under the terms of the Northern Ireland Protocol.
- 10. Both the GB to EU customs export declaration data and Northern Ireland Intrastat export (dispatch) data are incorporated into the overall UK to EU export dataset.

11. As a result of the changes and differences outlined above, there is a break in the timeseries for published UK to EU export statistics from January 2021. Users are advised to note this change when making comparisons to previous quarters/years.

UK imports from EU

- 12. For UK imports from the EU, the Intrastat survey continued to operate in 2021 for all UK (GB and NI) imports (arrivals) from the EU, to mitigate the effects of staged customs controls, and to comply with the Northern Ireland Protocol.
- 13. However, from 1 January 2022, Intrastat only applied for movements of goods between Northern Ireland and the EU. Statistics on movements into GB from the EU have been compiled directly from customs import declarations.
- 14. Therefore, from January 2022, the UK's goods imports from EU dataset incorporates two data sources: GB's goods imports from EU data that is collected via Customs declarations and NI's goods imports from EU data, collected via Intrastat declarations.
- 15. As announced in the Borders Control Statement (UIN HLWS473) on 15 December 2021, the Government extended the current arrangements for moving goods from the island of Ireland to Great Britain for as long as discussions on the Protocol are ongoing. These temporary arrangements enable Irish traders to continue relying on staged customs controls for the foreseeable future. While these measures are in place, import statistics for trade between GB and Ireland are reported as declared and may not reflect the period in which the goods have been traded.
- 16. As a result of the changes and differences outlined above, there was a break in the timeseries for published EU to UK import statistics from January 2022.
- 17. Please note that customs import declarations of non-controlled goods imported into GB from Ireland can be deferred for up to 175 days. This may affect the accuracy of trade data for GB imports from Ireland and associated aggregations.
- 18. More information of recent changes to trade in goods statistics can be found on uktradeinfo.

Statistical value threshold in Customs declarations

19. Customs declarations with commodity line values that fall under the statistical value threshold of £873 (in value) and 1,000kg (in net mass) are aggregated into 'low value aggregates'. We do not receive business, product, or partner country information on these movements. As a result, we cannot assign this trade to a UK region, therefore the value is assigned to the Unallocated-unknown region. This applies to goods exports from GB to EU countries from 2021, and imports to GB from EU countries from 2022. This is consistent with the RTS methods used for trade with non-EU countries, which are also sourced from customs declarations. As a result of this change, a value increase will be apparent for Unallocated-Unknown for EU flows from the dates specified above.

Re-introduction of EU business counts

- 20. Due to the recent changes to data sources outlined above, as well as changes to the VAT data source, a new method for EU business counts was introduced in the 2022 Q1 publication, which resulted in a break in series from previous RTS EU business counts. EU and total business counts from the 2021 data period onwards are therefore not be comparable with RTS business counts published prior to 2021.
 - Prior to 2021, EU business counts were compiled from Intrastat declarations, while businesses trading below the Intrastat threshold were captured through VAT data.
 Businesses trading below the Intrastat threshold made up a small percentage of the total trade value but accounted for most of the businesses trading.
 - From January 2021, changes were made to the VAT data which means that only
 movements between Northern Ireland and EU countries are accurately recorded.
 Further, following EU Exit, trade between GB and EU countries is now reported through
 customs declarations rather than Intrastat. Customs declarations therefore became the
 main data source for GB exports to EU countries from January 2021, and GB imports
 from EU countries from January 2022.
 - As a result of the changes outlines above, a new time series for EU business counts begins from the data period of 2021 Q1. EU business counts are now compiled in the following way:
 - EU exporters
 - From 2021 onwards:
 - GB exports to EU countries via customs export declarations.
 - NI exports to EU countries via Intrastat (above threshold) and VAT data (below threshold).
 - EU importers
 - For 2021:
 - UK imports from EU countries were collected via Intrastat.
 - NI imports from EU countries for those below the Intrastat threshold collected via VAT data.
 - Additional raw customs import declaration data to better capture the GB imports from EU countries. Throughout 2021, businesses could defer their EU imports declarations for up to 175 days, this may impact data quality.
 - For 2022:
 - GB imports from EU countries via customs import declarations.
 - NI imports from EU countries via Intrastat (above threshold) and VAT data (below threshold).

Overseas Trade in Goods Statistics

- 21. Data is taken primarily from Customs systems (for UK imports from and exports to non-EU trade and GB imports from and exports to EU countries) and the Intrastat survey (for Northern Ireland imports from and exports to EU countries). 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.
- 22. The Overseas Trade in Goods Statistics (OTS) were published on a Special Trade basis from May 2016 account onwards. This change has been reflected in the RTS from 2016 Q2 release onwards. All data in this release has been compiled on a Special Trade basis to allow comparisons across periods to be made. More information on general and special trade systems can be found in the <u>OTS and RTS methodologies</u>.
- 23. Updates to the 2022 trade figures as published in the January 2023 OTS release on 10 March 2023 have not been applied in this RTS 2022 Q4 release due to production lead in times.
- 24. On 14 February 2023, HMRC announced <u>corrections to Regional Trade Statistics (RTS)</u>. These corrections are applied from the RTS 2022 Q4 release. They include:
 - <u>Corrections that were applied</u> to Overseas Trade in Goods Statistics (OTS) data in December 2022. This affects UK imports from January 2021 to September 2022.
 - Minor corrections in 2019 trade value and net mass data, affecting "Unallocated Known" and "Unallocated Unknown" regions only. These corrections do not apply to OTS as it is a result of moving a small part of trade value and net mass data from one region to another.
 - Minor corrections in 2016 and 2017 net mass data only, which do not apply to OTS data.
- 25. Trade in non-monetary gold (NMG) is now included in OTS data, however this trade will continue to be excluded from RTS data. This is because the majority of NMG trade would be assigned to the London region and this would distort the RTS figures. The following reconciliation table shows the differences at total trade level between OTS and RTS by quantifying the elements of OTS that are excluded from RTS.

Table A: RTS/OTS Reconciliation Table Quarter 4, 2022

	EU Exports £ millions	Non-EU Exports £ millions	EU Imports £ millions	Non-EU Imports £ millions
OTS total value	51,079.2	72,527.7	81,675.2	91,172.0
RTS total value	50,278.7	48,167.5	80,440.7	84,507.7
Allocated to a region	44,603.7	43,588.7	68,783.1	71,729.7
Unallocated region	5,675.0	4,578.8	11,657.6	12,778.0
Late response estimates	62.8	-	44.0	-
Non-monetary gold	737.7	24,360.2	1,190.5	6,664.3
RTS total plus exclusions	51,079.2	72,527.7	81,675.2	91,172.0

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

Balance of Payments

26. The Balance of Payments (BoP) figures published by the Office for National Statistics (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. The ONS website provides an overview of BoP, and is where you can find their detailed monthly UK Trade Releases.

Methodology

- 27. Following an informal public consultation on Regional Trade in Goods Statistics (RTS), releases from the 2016 Q3 release incorporates changes to the methodology and presentation that resulted from this consultation. The main changes were:
 - Allocating a business' trade to a region based on their proportion of employees in that region rather than where the location of the Head Office of the business is.
 - Dividing trade that cannot be allocated to a region into 'Known' and 'Unknown'.
 - For specific energy goods using data received by HMRC direct from interconnector and rig operators rather than the business doing the trade.
 - The number of businesses now includes all VAT registered traders rather than just those who are required to make full declarations to HMRC for their EU trade. Please see explanatory note 20 above for changes to business counts from Q1 2022 release onwards.
- 28. RTS data is compiled by merging trade data collected by HMRC with employment data from the Interdepartmental Business Register (IDBR). A business' trade is allocated to a region based on the proportion of its employees employed in that region. Where a trader is not matched with the IDBR, its trade is matched with Office for National Statistics postcode data to obtain the region in which the Head Office of the VAT registered business (importer or exporter) is based.
- 29. Not all trade can be assigned to one of the 9 English Regions, Wales, Scotland and Northern Ireland. Where appropriate, this is referred to in the tables as the 'Unallocated Trade'. Unallocated Trade is split into:

Note 2: Late Response estimates are for trade between Northern Ireland and EU countries. They are excluded from RTS trade.

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

Note 4: 2022 data is provisional and subject to update.

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

- 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 overseas based traders who have a VAT presence in the UK;
 - Trade carried out by the UK Government; and
 - Parcel post trade that is dealt with centrally (trade collected via customs declarations).
- ii. 'Unallocated Unknown': This includes:
 - Trade where business details submitted are invalid;
 - Un-registered businesses (trade collected via customs declarations);
 - Private Individuals (trade collected via customs declarations); and
 - Low Value Trade (trade collected via customs declarations).
- 30. 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.
 - 31. The business count is derived from trade declarations and is a count of businesses importing and exporting. Please see explanatory note 20 above for changes to EU business counts from the Q1 2022 publication onwards.

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

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

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

32. RTS data is categorised by partner country and <u>Standard International Trade Classification</u>, <u>Rev.4</u>. (SITC) at division level (2-digit). The SITC is a relatively broad classification of goods and is not as detailed as the commodity classification available in the OTS. In this release RTS data is analysed at partner country and SITC section (1-digit) level, with references to SITC divisions where appropriate.

33. More information can be found in the RTS methodology document.

Related Statistics

- 34. Data in this release will not match the published <u>HMRC UK trade in goods by business characteristics 2021</u> data. This is due to different production methods:
 - Business characteristics counts businesses at the level of 'enterprise'. The RTS counts at the level of 'VAT registration' or 'EORI registration'.
 - Business characteristics includes all UK trade in goods. The RTS excludes trade in nonmonetary gold.
 - Additionally, methods for estimating EU trade below the Intrastat threshold differ.
- 35. Northern Ireland Statistics and Research Agency (NISRA) publish the Broad Economic Sales and Exports Statistics (BESES). These are an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland. Due to methodological differences, the BESES and the RTS are not directly comparable.
- 36. On 8 April 2022, HMRC released the <u>Customs Importer and Exporter Population</u> statistics. It reports on the number of importers and exporters in the calendar year 2021, who were named on a customs declaration to move goods between Great Britain (GB) and the European Union (EU), or United Kingdom (UK) and non-EU countries. These counts will differ to RTS business counts. There are several differences between the two publications, namely that RTS includes data from Intrastat and VAT (for NI only) and excludes counts of traders that consistently fall under the commodity line threshold described above.
- 37. The ONS produces the International trade in UK nations, regions and cities experimental statistics which estimates the value of exports and imports of goods and services for 2019 for International Territory Levels 1, 2 and 3, and 16 city regions. The ONS release is produced on a BoP basis while RTS are compiled on an International Merchandise Trade Statistics (IMTS) basis. There are numerous different methodologies that contribute to the compilation of each set of statistics, but the main one is that RTS are compiled based on goods physically entering or leaving the UK, while the ONS subnational trade are produced on a change of economic ownership basis.

Governance

- 38. The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics. Designation can be broadly interpreted to mean that the statistics:
 - meet identified user needs;
 - are well explained and readily accessible;
 - are produced according to sound methods, and
 - are managed impartially and objectively in the public interest.

- Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.
- 39. The Regional Trade in Goods figures undergo regular quality assurance reviews to ensure they meet customer needs. These reviews are published as a Government Statistical Service Quality report.
- 40. The RTS has been reviewed as part of an <u>assessment</u> made of the OTS by the <u>UK Statistics</u> <u>Authority</u>.
- 41. There is a limited service to provide RTS outputs directly from HMRC Trade Statistics where the data cannot be obtained from other sources. This service is subject to HMRC standard disclosure rules applied to previously un-published data.
- 42. 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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The OTS and RTS data series are published in HMRC's trade data website www.uktradeinfo.com. Detailed data is available within an interactive database.

Next release: 15 June 2023 at 9:30am

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