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# HM Revenue and Customs

## Regional Trade in Goods

### Statistics

## Third Quarter 2017

#### *Introduction*

These statistics provide a useful breakdown of the flows of goods imported and exported between regions of the UK and other countries. This supports the economic decision-making of the devolved administrations and other regional bodies in the UK.

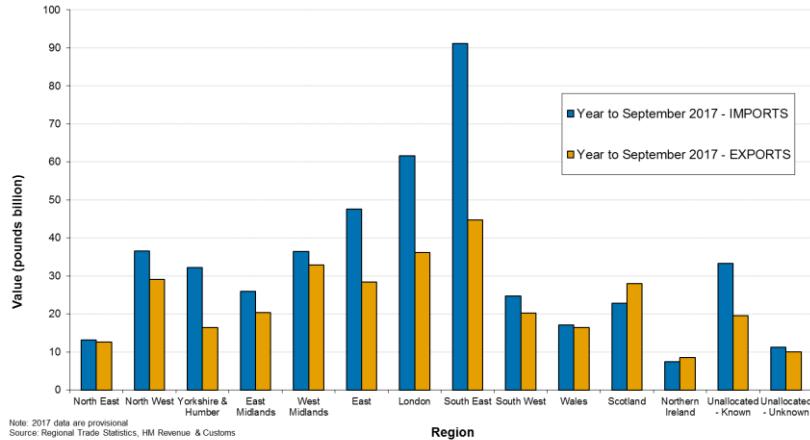
#### *Summary*

In the year to September 2017, the overall value of UK trade in goods exports increased by 16 per cent compared with the same period last year. Similarly, the overall value of imports increased by 12 per cent.

On a regional basis:

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

Figure 1: UK Imports and Exports by Region, year to September 2017



## Overview – Exports

The total annual value of UK exports increased by 16 per cent to £324 billion in the year ending September 2017 compared with the same period the previous year.

**Figure 2: UK Exports by Region, years to September 2015, 2016 and 2017**

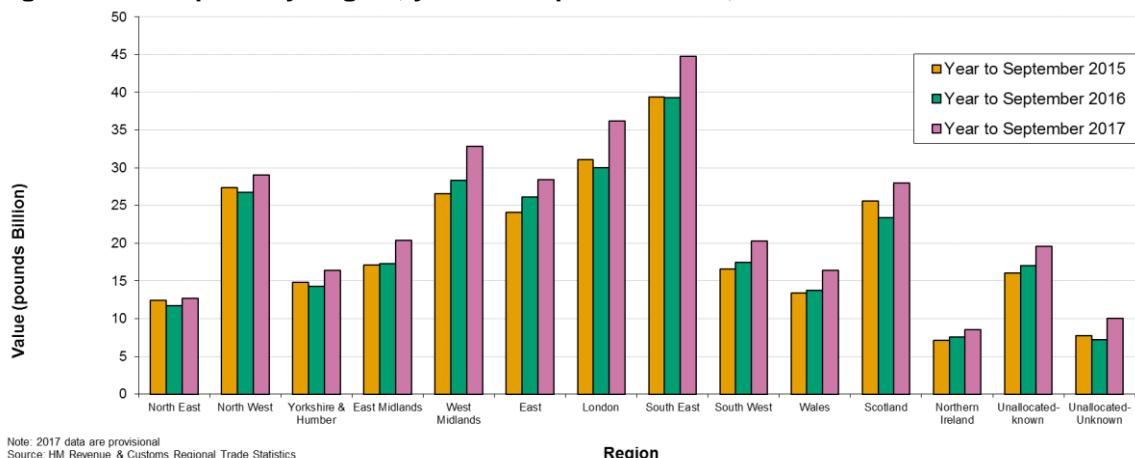


Figure 2 shows the total value of UK exports by region for the three annual periods ending September 2015, September 2016 and September 2017.

Comparing the annual period ending September 2017 with the annual period ending September 2016:

- The value of exports increased from England, Wales, Scotland and Northern Ireland by 14 per cent, 19 per cent, 20 per cent and 13 per cent respectively.
- All nine English regions experienced an increase in the value of exports, the smallest percentage increase being the North East, by 8.4 per cent whilst the largest percentage increase was London, by 21 per cent.

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

Table 3 in the accompanying tables shows the total number of exporting businesses by region. The total number of UK businesses exporting increased by 2.6 per cent, between the quarters Q3 2016 and Q3 2017. According to both methods used for counting a multi-branch business, the number of businesses exporting rose across all UK countries and the nine English regions, with the exception of the East Midlands which was unchanged.

## Overview – Imports

The total annual value of UK imports increased by 12 per cent to £461 billion in the year ending September 2017 compared to the same period the previous year.

**Figure 3: UK Imports by Region, years to September 2015, 2016 and 2017**

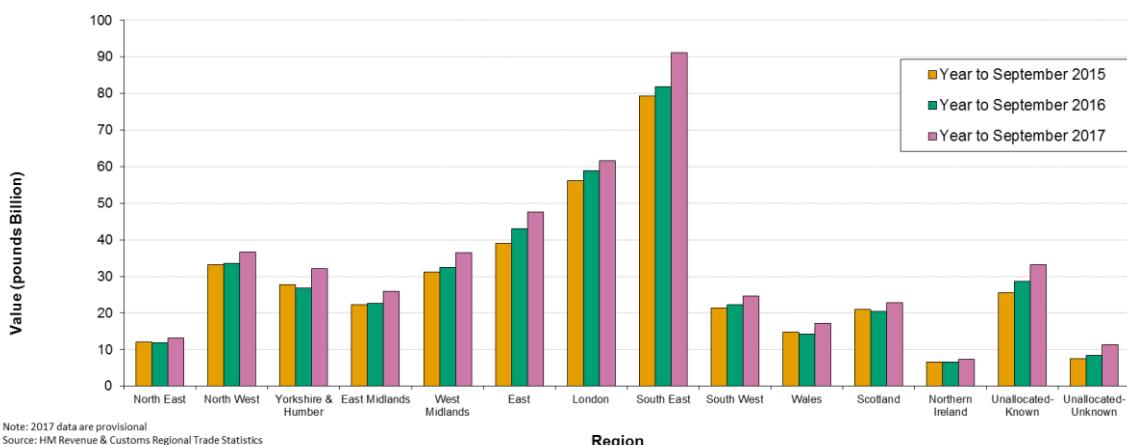


Figure 3 shows the total value of UK imports by region for the three annual periods ending September 2015, September 2016 and September 2017.

When comparing the annual period ending September 2017 with the annual period ending September 2016:

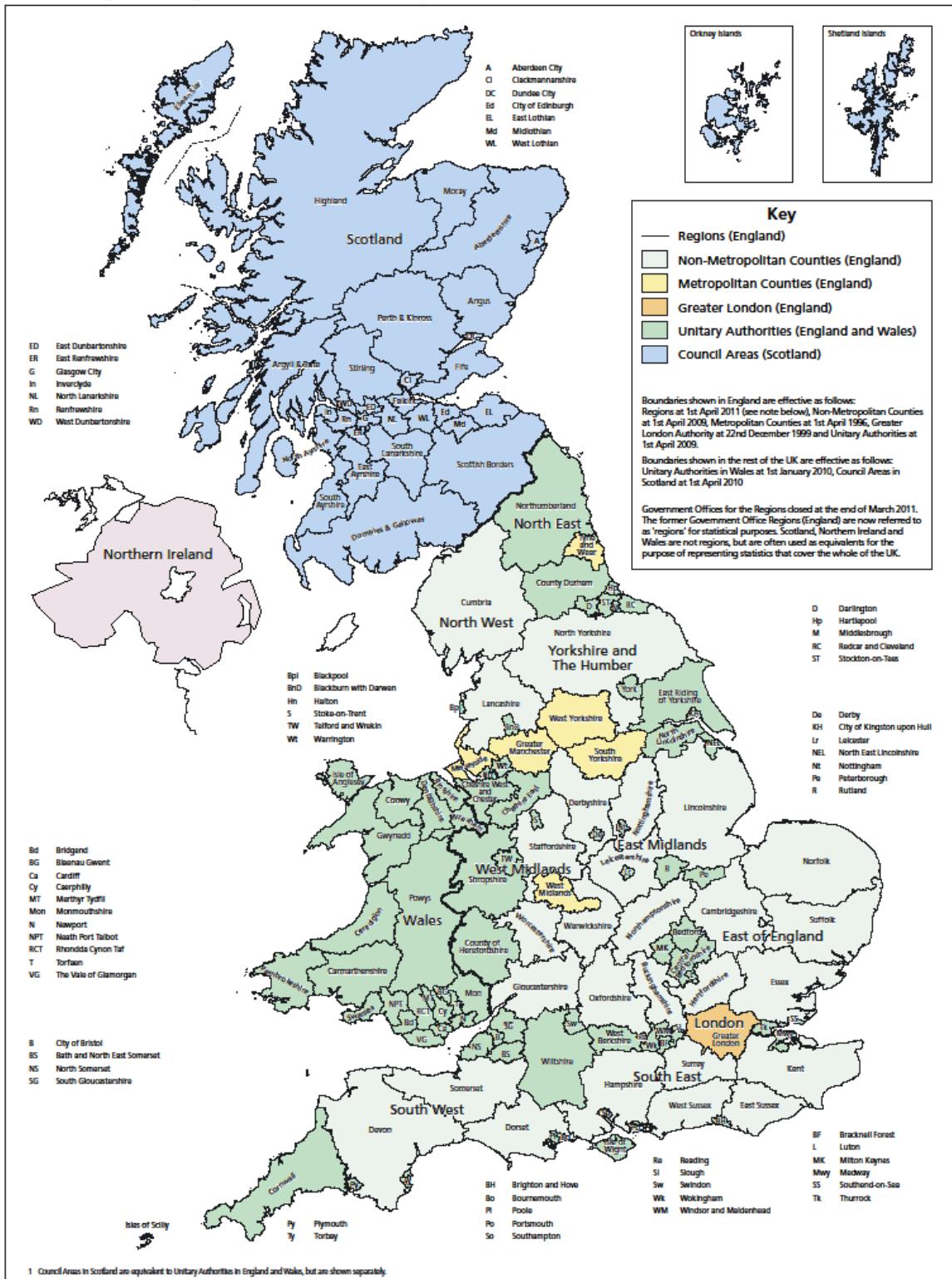
- Imports into England, Wales, Scotland and Northern Ireland increased during this period by 11 per cent, 20 per cent, 12 per cent and 11 per cent respectively.
- All nine English regions experienced an increase in the value of imports, the smallest percentage increase being London, by 4.5 per cent, whilst the largest percentage increase was Yorkshire and Humber, by 20 per cent.

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

Table 4 in the accompanying tables shows the total number of businesses importing by region. When comparing Q3 2017 with Q3 2016, the total number of businesses importing into the UK increased by 1.7 per cent. According to both methods used for counting with a multi-branch business, the number of businesses importing rose across the four UK countries.

Regarding the nine English regions; seven regions experienced an increase according to the Whole number method, the West Midlands experienced a slight decrease while the East Midlands was unchanged. Eight regions experienced an increase according to the Proportion number method, the slight decrease in the West Midlands being the exception.

## United Kingdom: Regions, Counties and Unitary Authorities,<sup>1</sup> 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 Statistics (OTS)' and the 'Regional Trade 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 were released on 7 December 2017 by HM Revenue & Customs under arrangements set out in the [Code of Practice for Official Statistics](#). This release includes the first provisional estimates of trade-in-goods for quarter 3 2017. At the same time revisions for all previously published regional data from 2017 are also 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 of Exports (EU / Non-EU) by Region

Table 2 Value of Imports (EU / Non-EU) by Region

Table 3 Count of Exporters (EU / Non-EU) by Region

Table 4 Count of Importers (EU / Non-EU) by Region

Table 5 Value of Trade by SITC Section and Country Group (separate tables for each region)

### **Overseas Trade Statistics**

5. Data is taken primarily from Customs systems (for non-EU trade) and the Intrastat survey (for EU trade). HMRC does not receive information in respect of goods that move wholly within the UK, nor in intangibles and services such as banking or tourism.
6. The Overseas Trade Statistics (OTS) were published on a Special Trade basis from May 2016 account onwards, as described on [uktradeinfo](#). This change has been reflected in the RTS from 2016 Q2 release onwards. All data in this release has been compiled on a Special Trade basis to allow comparisons across periods to be made.

7. Trade in non-monetary gold (NMG) is now included in OTS data, however this trade will continue to be excluded from RTS data. This is because the majority of NMG trade would be assigned to the London region and this would distort the RTS figures. The following reconciliation table shows the differences at total trade level between OTS and RTS by quantifying the elements of OTS that are excluded from RTS:

**Table A: RTS/OTS Reconciliation Table Quarter 3, 2017**

	EU Exports £ millions	Non-EU Exports £ millions	EU Imports £ millions	Non-EU Imports £ millions
<b>OTS total value</b>	40,951.9	43,655.5	64,455.5	62,779.9
<b>RTS total value</b>	40,168.8	40,011.9	63,285.6	52,863.1
Allocated to a region	36,674.2	35,705.8	57,644.5	47,055.0
Unallocated region	3,494.6	4,306.1	5,641.1	5,808.1
<b>Late response estimates</b>	611.2		883.2	
<b>Non-monetary gold</b>	171.9	3,643.60	286.8	9,916.9
<b>RTS total plus exclusions</b>	40,951.9	43,655.5	64,455.5	62,779.9

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

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

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

Note 4: 2017 data is provisional and subject to update.

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

## Balance of Payments

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

## Methodology

9. Following an informal public consultation on Regional Trade Statistics (RTS), releases from the 2016 Q3 release incorporates changes to the methodology and presentation that resulted from this consultation. The main changes were:
- Allocating a business' trade to a region based on their proportion of employees in that region rather than where the location of the Head Office of the business is.
  - Dividing trade that cannot be allocated to a region into 'Known' and 'Unknown'.
  - For specific energy goods using data received by HMRC direct from interconnector and rig operators rather than the business doing the trade.
  - The number of businesses now includes all VAT Registered traders rather than just those who are required to make full declarations to HMRC for their EU trade.

- Shorter commentary for publications relating to Quarters 1, 2 and 3; followed by fuller report for Quarter 4.

Further details on the Consultation can be found [here](#).

10. RTS data is compiled by merging trade data collected by HMRC with employment data from the Interdepartmental Business Register (IDBR). A business' trade is allocated to a region based on the proportion of its employees employed in that region. Where a trader is not matched with the IDBR, its trade is matched with Office for National Statistics postcode data to obtain the region in which the Head Office of the VAT registered business (importer or exporter) is based.
  11. Not all trade can be assigned to one of the 9 English Regions, Wales, Scotland and Northern Ireland. Where appropriate, this is referred to in the tables as the 'Unallocated Trade'. Unallocated Trade is split into:
    - i. 'Unallocated – Known': where we have virtually full details of the trade but it is not appropriate to allocate it to a region. This covers:
      - Trade going into or out of the Channel Islands or the Isle of Man;
      - Trade carried out by the UK Government;
      - Trade carried out by overseas based traders who have a VAT presence in the UK; and
      - Parcel post trade that is dealt with centrally (trade with non-EU countries only).
    - ii. 'Unallocated – Unknown': This includes:
      - Trade where business details submitted are invalid
      - Un-registered businesses (Non-EU only)
      - Private Individuals (non-EU only); and
      - Low Value Trade (non-EU only).
  12. For specific energy goods only, trade is allocated to the region where the goods enter or leave the UK rather than the location / employment of the business doing the trade. This is because HMRC receives details of the trade in these goods directly from grid operators rather than the business. The goods concerned are Electrical energy, Natural Gas in a gaseous state and Crude Oil exported directly from offshore oil rigs. Crude Oil imported to the UK and exported from terminals is still allocated to the region of the business.
  13. The business count is derived from trade declarations and is a count of all VAT Registered businesses importing and exporting.
- Where businesses have branches in multiple regions, there are two ways of deriving the count:
- **Whole Number Method:** A business will be counted as one in every region they have employees. This represents the actual count of businesses in any region.

However, it will mean the sum of the trader count for each region will be greater than that for the UK.

- **Proportion Method:** A business will be counted as a fraction in each region they trade based on the proportion of their employees in each region. An individual business counts as one business in the UK. The sum of businesses (whole and fractions) gives the total business count for a region.

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

14. RTS data is categorised by partner country and [Standard International Trade Classification, Rev.4](#). (SITC) at division level (2-digit). The SITC is a relatively broad classification of goods and is not as detailed as the commodity classification available in the OTS. In this release RTS data is analysed at partner country and SITC section (1-digit) level, with references to SITC divisions where appropriate.
15. More information can be found in the [RTS methodology document](#).
16. Northern Ireland Statistics and Research Agency (NISRA) publish the Broad Economic Sales and Exports Statistics (BESES). These are an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland. Due to methodological differences, the BESES and the RTS are not directly comparable. Statisticians in NISRA and HMRC are working together to understand the differences.

## Governance

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

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

18. The Regional Trade in Goods figures undergo regular quality assurance reviews to ensure they meet customer needs. These reviews are published as a [Government Statistical Service Quality report](#).
19. The RTS has been reviewed as part of an assessment made of Overseas Trade Statistics by the [UK Statistics Authority](#). The report of that assessment can be found [here](#).
20. There is a limited service to provide RTS outputs directly from HMRC Trade Statistics where the data cannot be obtained from other sources. This service is subject to HMRC standard disclosure rules applied to previously un-published data. Further details can be found on the [User Support page of uktradeinfo](#).

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*The OTS and RTS data series are published in HMRC's trade data website [www.uktradeinfo.com](http://www.uktradeinfo.com). Detailed data is available within an [interactive database](#) and '[The Customer Story](#)' explains how users utilise it to analyse import and export markets.*

Next release: 08 March 2018 at 9:30am

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