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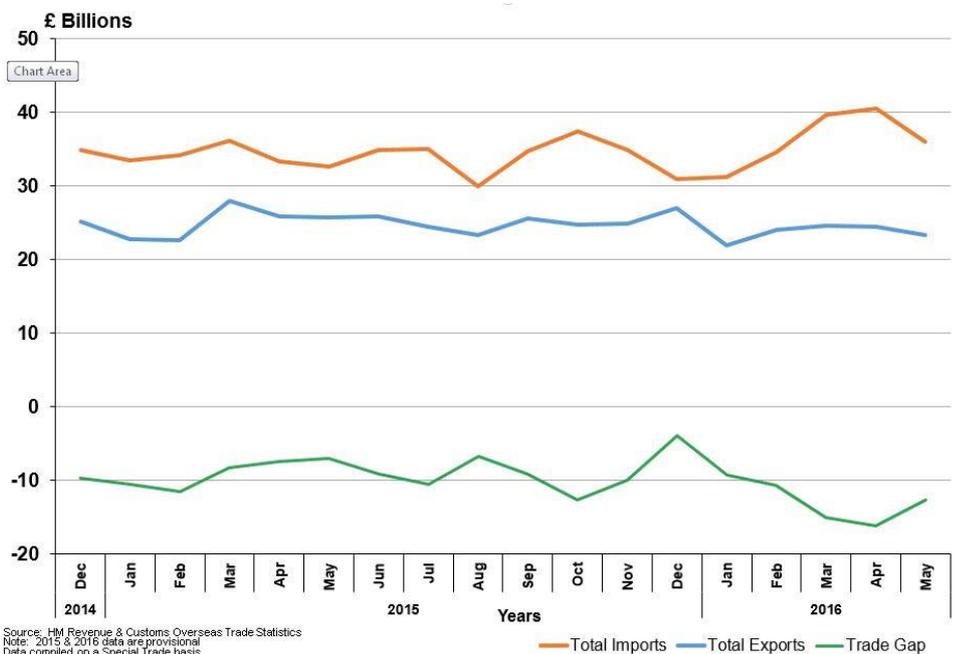
UK Overseas Trade Statistics May 2016

From the May 2016 month of account, there is a methodological change to the way our trade-in-goods statistics are compiled. Following a change in legislation from 1 May 2016, our trade-in-goods statistics has switched from the 'General Trade' system of compilation to the 'Special Trade' system. Comparisons to previous periods in this release have all been done on a Special Trade basis.

Summary

- Total trade exports for May 2016 were £23.4 billion. This was a decrease of £1.1 billion (4.3 per cent) compared with last month and a decrease of £2.3 billion (9.1 per cent) compared with May 2015.
- Total trade imports for May 2016 were £36.1 billion. This was a decrease of £4.5 billion (11.1 per cent) compared with last month and an increase of £3.3 billion (10.2 per cent) compared with May 2015.
- The UK was a net importer this month, with imports exceeding exports by £12.7 billion.

Figure 1: Total UK monthly trade



Trade Trends

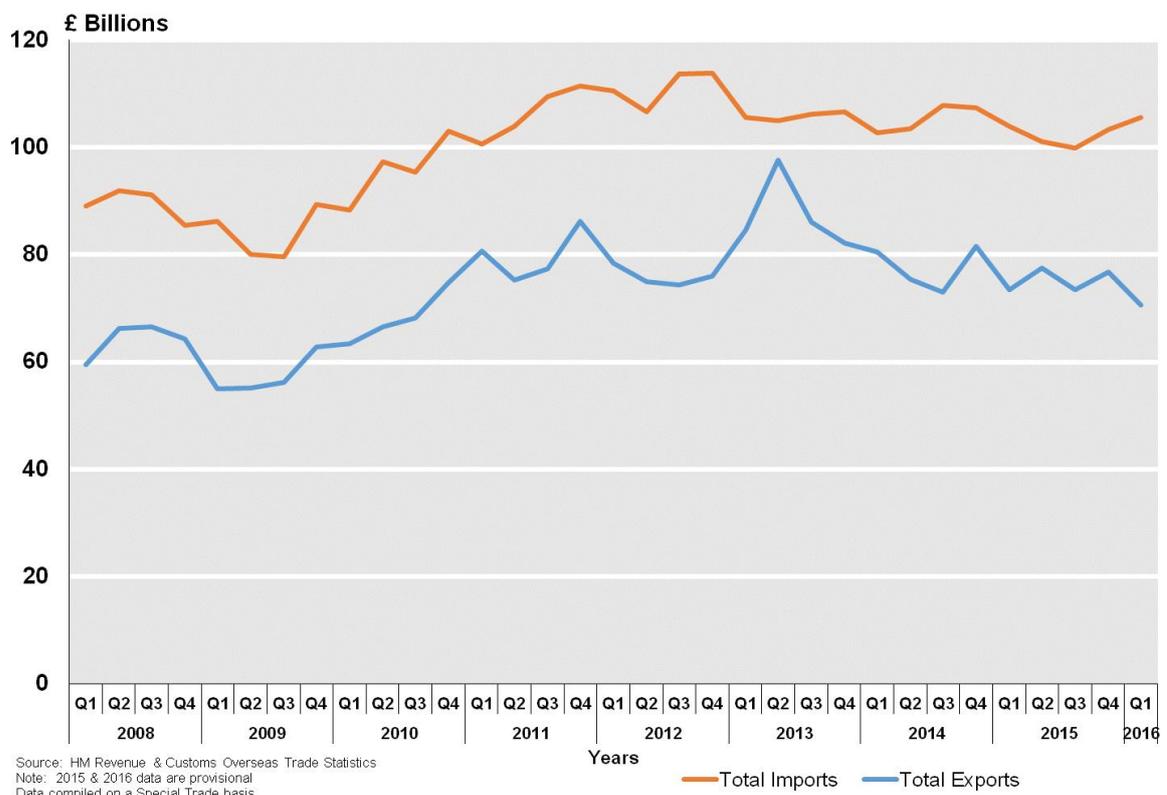
- Following the global economic crisis, UK trade dropped in 2009. Both imports and exports then steadily increased until 2012. From the start of 2013, imports remained relatively flat, while exports peaked in Q2 of 2013.
- The total **export** trade for Q1 of 2016 was £70.5 billion, which was a decrease of 4.0 per cent compared with £73.5 billion for Q1 of 2015.
- The total **import** trade for Q1 of 2016 was £106 billion, which was an increase of 1.6 per cent compared with £104 billion for Q1 of 2015.
- There was a trade deficit of £35.0 billion for Q1 of 2016, which was an increase of 15.0 per cent on the £30.4 billion deficit for Q1 of 2015. These values were strongly influenced by trade in non-monetary gold.
- For many years Germany has been our largest trading **import** partner by value. The USA has been the dominant trading partner for **exports** for many years.
- Mechanical appliances and Motor vehicles have generally been the largest **import** commodities by value. For **exports**, Mechanical appliances has also predominantly been the largest valued commodity, but has been surpassed by Precious metals in recent months.

Exports down
4.0% for Q1 2016
on Q1 2015

Imports up
1.6% for Q1 2016
on Q1 2015

Trade deficit
increased by
15.0% for Q1 2016
on Q1 2015

Figure 2: Quarterly UK trade, 2009 – 2016



Non-EU & EU Trade

- **Non-EU Exports** for May 2016 were £12.1 billion. This was a decrease of £0.5 billion (4.4 per cent) compared with last month, and a decrease of £2.4 billion (16.3 per cent) compared with May 2015.
- **Non-EU Imports** for May 2016 were £17.5 billion. This was a decrease of £4.1 billion (18.8 per cent) compared with last month, and an increase of £2.2 billion (14.1 per cent) compared with May 2015.
- In **Non-EU trade** the UK was a net importer this month, with imports exceeding exports by £5.4 billion.
- **EU Exports** for May 2016 were £11.4 billion. This was a decrease of £0.5 billion (4.3 per cent) compared with last month. This has remained unchanged compared with May 2015.
- **EU Imports** for May 2016 were £18.6 billion. This was a decrease of £0.5 billion (2.4 per cent) compared with last month, and a rise of £1.2 billion (6.8 per cent) compared with May 2015.
- In **EU trade** the UK was a net importer this month, with imports exceeding exports by £7.2 billion.
- The proportion of total exports to the EU was 49 per cent in May 2016. Over the past 18 months, this has ranged from 38 per cent to 49 per cent. The proportion of total imports from the EU was 51 per cent in May 2016. Over the same period, this has ranged between 47 per cent and 56 per cent.

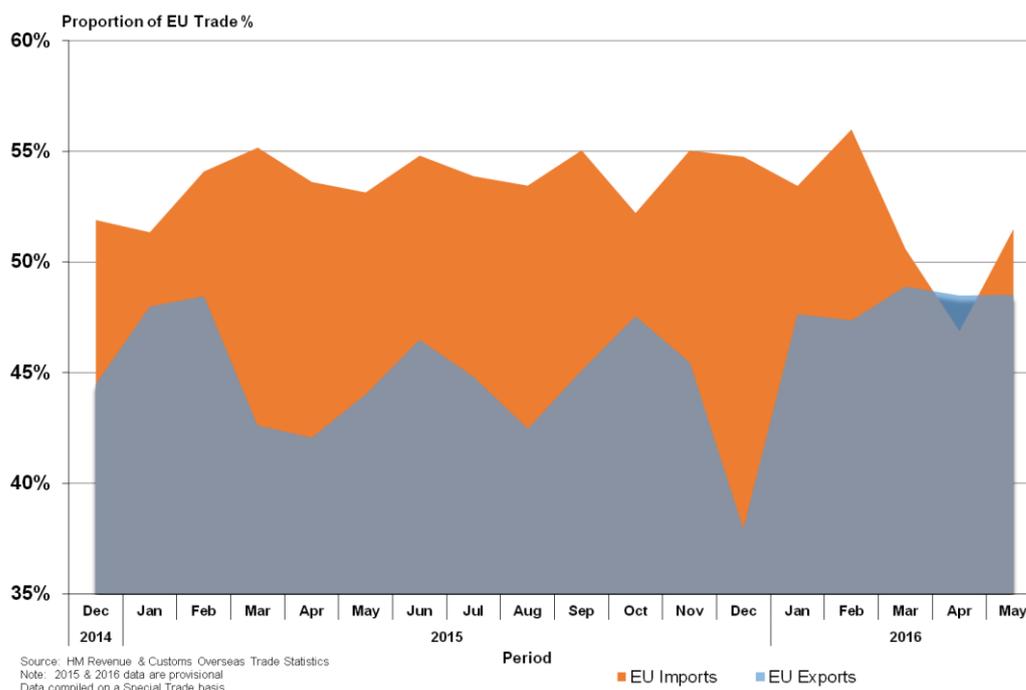
Non-EU exports decreased 4.4% on last month

Non-EU imports up 14.1% on May 2015

EU exports down 4.3% on last month

EU imports increased 6.8% on May 2015

Figure 3: Proportion of Total UK Trade with the EU, May 2016



Exports

Country Analysis

Table 1: UK exports to top 10 partner countries, May 2016

Partner Country	May 2016 Total (£ millions)	Change from April 2016 (%)	Change from May 2015 (%)	Rank April 2016	Rank May 2015
USA	3,710	-13.0	0.9	1	1
Germany	2,575	-4.3	-0.3	2	2
France	1,512	-12.8	0.2	3	5
Irish Republic	1,386	4.1	7.3	5	7
Netherlands	1,337	-14.1	-23.0	4	4
China	1,161	14.4	-38.1	6	3
Belgium	993	1.0	-1.2	7	8
Spain	856	11.2	11.8	9	10
Italy	735	-7.9	11.1	8	11
Hong Kong	606	41.1	49.2	13	13
Others	8,538	-4.0	-16.6	-	-
Total Non-EU	12,053	-4.4	-16.3	-	-
Total EU	11,356	-4.3	0.2	-	-
Total Exports	23,408	-4.3	-9.1	-	-

Source: HM Revenue & Customs Overseas Trade Statistics

Note: 2015 & 2016 data are provisional

Data compiled on a Special Trade basis

- The ordering of the top ten export partner countries (ranked by value) has changed compared with both last month and with May 2015. Most notably, Hong Kong has climbed to tenth place.
- Five of the top ten countries have experienced increases in value compared with last month. Six countries showed an increase compared with May 2015.
- The USA was the largest export partner country, but experienced the largest value decrease compared with last month, down £555 million (13 per cent). However, it saw a small increase compared with May 2015, up £33 million (0.9 per cent).

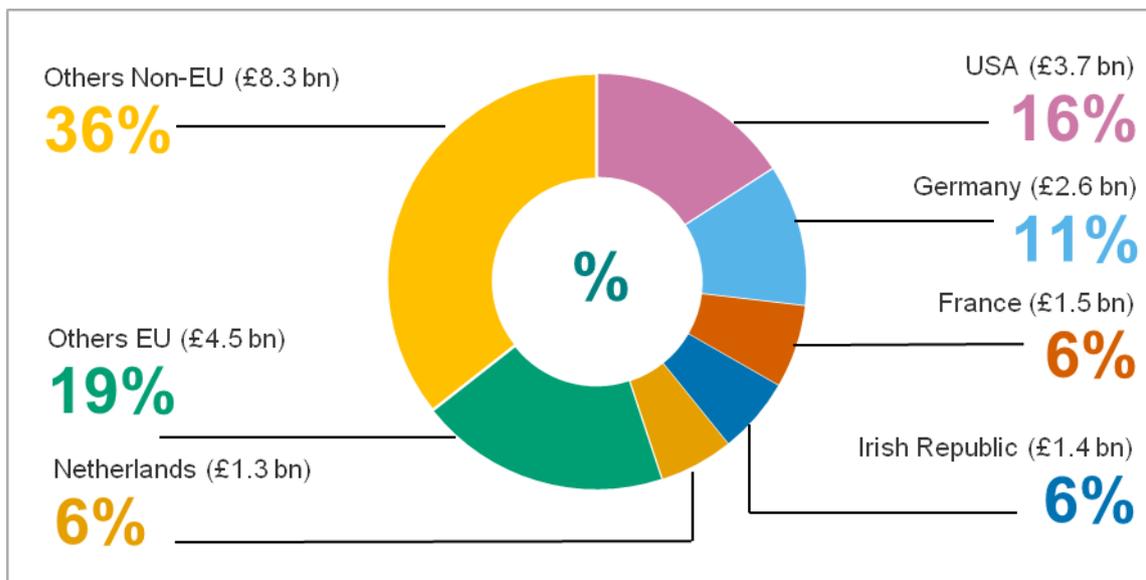
Top export country, USA, down 13% on last month

- Hong Kong experienced the largest value increase compared with last month, up by £176 million (41 per cent). It also saw the largest value increase compared with May 2015, a rise of £200 million (49 per cent).
- France experienced the second largest decrease compared with last month, down £221 million (13 per cent).
- China saw the second largest value increase compared with last month, up by £146 million (14 per cent), but it saw the second largest fall compared to May 2015, down £714 million (38 per cent).
- Switzerland experienced the largest value decrease compared with May 2015, a loss of £930 million (71 per cent), falling to thirteenth place.

Hong Kong exports up 41% on last month

Exports to Switzerland down 71% on May 2015

Figure 4: UK exports to top 5 countries, May 2016



Source: HM Revenue & Customs Overseas Trade Statistics
 Note: 2015 & 2016 data are provisional
 Data compiled on a Special Trade basis

- The USA accounted for 16 per cent of the total value of exports from the UK compared with 14 per cent in May 2015.
- Germany has the second largest proportion of total exports, accounting for 11 per cent compared with 10 per cent in May 2015.
- The top five export partners accounted for 45 per cent of total exports this month compared with 42 per cent in May 2015.

The USA accounts for 16% of total UK exports

Commodity Analysis

Table 2: UK exports by top 5 commodities, May 2016

Commodity Description	May 2016 Total (£ millions)	Change from April 2016 (%)	Change from May 2015 (%)	Rank April 2016	Rank May 2015
Mechanical appliances	3,489	-8.0	0.6	1	1
Motor vehicles	3,246	-0.5	17.0	2	2
Pharmaceutical products	1,872	-7.9	3.1	3	5
Aircraft	1,569	11.3	53.5	6	7
Electronic equipment	1,520	-4.3	-1.7	4	6
Others	11,712	-5.4	-22.5	-	-
Total Exports	23,408	-4.3	-9.1	-	-

Source: HM Revenue & Customs Overseas Trade Statistics

Note: 2015 & 2016 data are provisional

Data compiled on a Special Trade basis

- The ordering of the top five export commodities (ranked by value) has changed compared with both last month and May 2015. Most notably, Aircraft rose to fourth place.
- Mechanical appliances was the largest export commodity by value, accounting for 15 per cent of total exports. However, the commodity experienced the largest value decrease compared with last month, down £302 million (8 per cent).
- Aircraft saw the largest value increases compared with both last month and May 2015, up by £160 million (11 per cent) and £547 million (53 per cent) respectively.
- Organic chemicals (in tenth place) experienced the second largest value decrease compared with last month, down £171 million (24 per cent).
- Motor vehicles saw the second largest value increase compared with May 2015, rising by £472 million (17 per cent).
- Precious metals experienced the largest value decrease compared with May 2015, down £1,888 million (74 per cent).
- The top five export commodities accounted for 50 per cent of total UK trade exports compared with 41 per cent in May 2015.

Exports of Mechanical appliances down 8% on last month

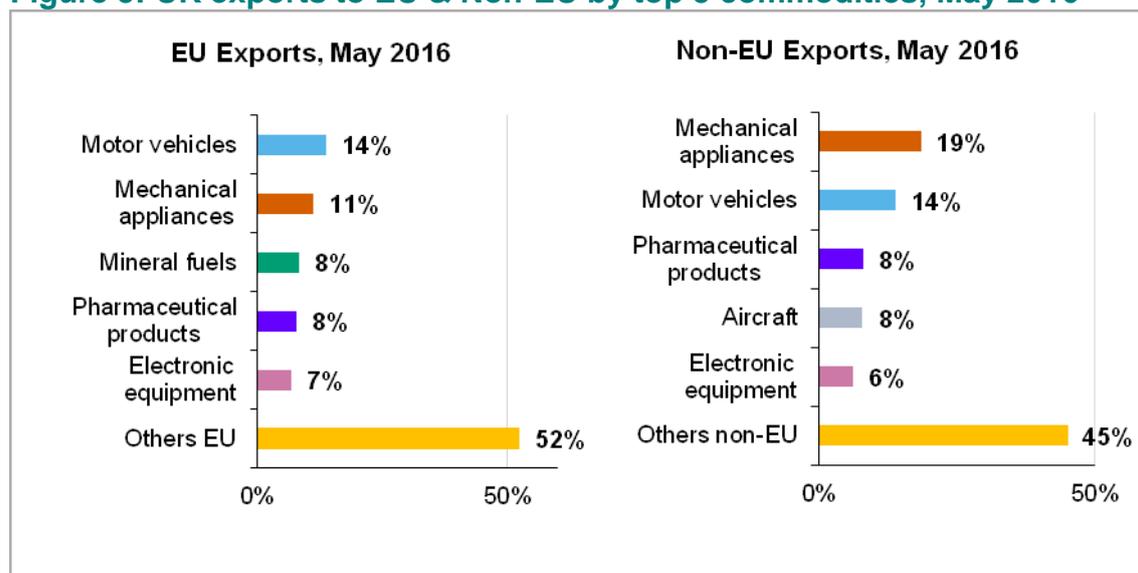
Exports of Aircraft up 53% on May 2015

Exports of Motor vehicles up 17% on May 2015

Precious metals exports down 74% on May 2015

Combined Commodity and Country Analysis

Figure 5: UK exports to EU & Non-EU by top 5 commodities, May 2016



Source: HM Revenue & Customs Overseas Trade Statistics
 Note: 2015 & 2016 data are provisional
 Data compiled on a Special Trade basis

- Mechanical appliances, Motor vehicles, Electronic equipment and Pharmaceutical products were in the top five export commodities for both EU and non-EU countries.
- The falls in exports to the USA compared with last month was led by a decrease of Art and Antiques, down by £205 million (54 per cent), Organic Chemicals, down by £164 million (56 per cent), and Mechanical appliances, down by £152 million (21 per cent). However, the country experienced large increases in exports of Motor vehicles compared with May 2015, a rise of £215 million (58 per cent).
- The increase in exports to China compared with last month was led by an increase of Mineral fuels, up £132 million (a twofold increase). However, the falls in exports to the country compared with May 2015 was led by decreases of Precious metals, down by £780 million (99 per cent), and Motor vehicles, down by £108 million (24 per cent).
- The increase in exports of Aircraft compared with May 2015 was led by increases to USA and Russia, rises of £249 million (a twofold increase) and £149 million (an increase from £6.4 million) respectively.
- The fall in exports of Precious metals compared with May 2015 was led by decreases in trade to Switzerland, down £984 million (96 per cent).
- The rise in exports to Hong Kong compared with both last month and May 2016 was led by increases of Art and Antiques, up £183 million (from £19.6 million) and £157 million (a fourfold increase) respectively.

Exports of Arts and Antiques to the USA down 54% on last month

Exports of Precious metals to Switzerland down 96% on May 2015

Exports of Aircraft to USA up twofold on May 2016

Imports Country Analysis

Table 3: UK imports from top 10 countries, May 2016

Partner Country	May 2016 Total (£ millions)	Change from April 2016 (%)	Change from May 2015 (%)	Rank April 2016	Rank May 2015
Germany	5,082	-2.3	10.0	1	1
China	2,889	3.9	14.3	4	4
USA	2,763	-16.0	-11.2	2	2
Netherlands	2,439	-12.2	-6.9	5	3
Switzerland	2,244	-26.3	378.4	3	17
France	1,980	3.4	7.0	6	5
Belgium	1,691	-8.5	5.3	7	6
Spain	1,455	9.6	31.9	8	8
Italy	1,408	8.3	5.7	9	7
Irish Republic	969	-1.3	-1.3	12	9
Others	13,145	-18.5	5.2	-	-
Total Non-EU	17,494	-18.8	14.1	-	-
Total EU	18,571	-2.4	6.8	-	-
Total Imports	36,065	-11.1	10.2	-	-

Source: HM Revenue & Customs Overseas Trade Statistics

Note: 2015 & 2016 data are provisional

Data compiled on a Special Trade basis

- The ordering of the top ten import partners (ranked by value) has changed compared with both last month and May 2015.
- Four of the top ten import partners increased in value compared with last month. Seven of the top ten increased in value compared with May 2015.
- Imports from Switzerland experienced the largest value decrease compared with last month, down £799 million (26 per cent) but the largest increase compared to May 2015, up £1,775 million (a more than threefold increase).
- Turkey saw the largest value increase compared with last month, up £270 million (40 per cent).

Imports from
Switzerland down
26% on last
month

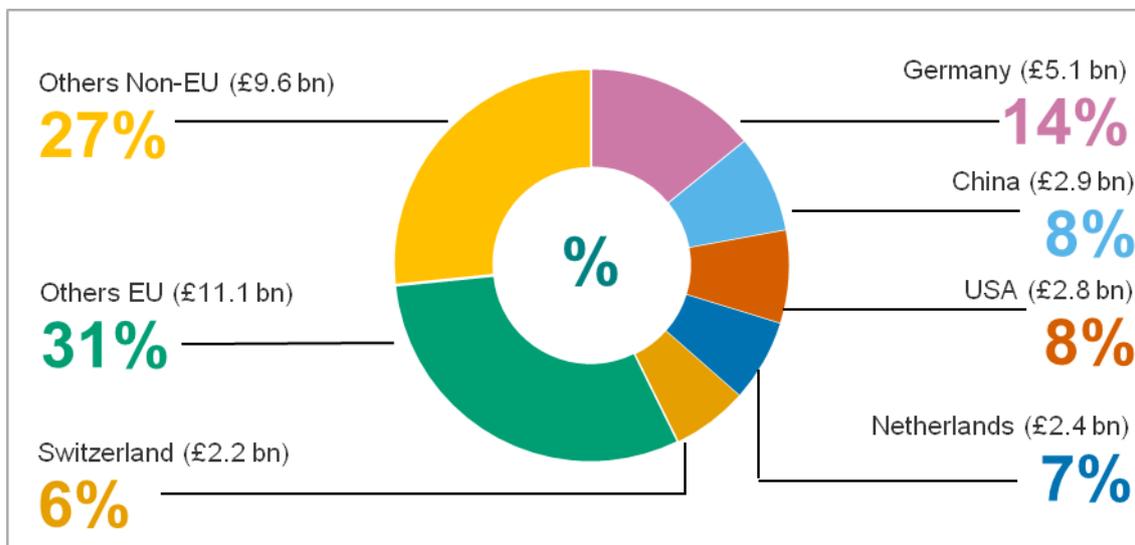
Imports
from Turkey up
40% on last
month

- The USA experienced large value decreases compared with both last month and May 2015, down by £525 million (16 per cent) and £349 million (11 per cent) respectively.
- The Netherlands saw large value decreases compared with both last month and May 2015, falling by £339 million (12 per cent) and £181 million (6.9 per cent) respectively.
- China experienced large value increases compared with both last month and May 2015, up £108 million (3.9 per cent) and £362 million (14 per cent) respectively.

Imports from the USA down 16% on last month

Imports from China up 14% on May 2015

Figure 6: UK imports from top 5 countries, May 2016



Source: HM Revenue & Customs Overseas Trade Statistics
 Note: 2015 & 2016 data are provisional
 Data compiled on a Special Trade basis

- Germany accounted for 14 per cent of the total value of imports to the UK, unchanged from May 2015.
- China accounted for 8 per cent of total exports, an increase in market share compared with May 2015.
- The top five partner countries accounted for 43 per cent of total UK import value this month, compared with 41 per cent for May 2015.

Germany accounts for 14% of total UK imports for this month

Commodity Analysis

Table 4: UK imports by top 5 commodities, May 2016

Commodity Description	May 2016 Total (£ millions)	Change from April 2016 (%)	Change from May 2015 (%)	Rank April 2016	Rank May 2015
Motor vehicles	4,540	-4.9	11.1	3	2
Mechanical appliances	4,302	-12.8	5.2	2	1
Precious metals	4,157	-31.7	173.7	1	6
Electronic equipment	3,185	-4.7	5.1	4	3
Mineral fuels	1,750	-19.8	-36.8	5	4
Others	18,131	-5.9	5.3	-	-
Total Imports	36,065	-11.1	10.2	-	-

Source: HM Revenue & Customs Overseas Trade Statistics

Note: 2015 & 2016 data are provisional

Data compiled on a Special Trade basis

- All of the top five commodity groups decreased in import value compared with last month. The ordering of the top five commodity groups changed compared with both last month and May 2015.
- Motor vehicles was the top import commodity by value, with a 13 per cent share of the total. The commodity experienced a large increase compared with May 2015, up by £452 million (11 per cent) however, it fell by £235 million (4.9 per cent) compared with last month.
- Precious metals experienced the largest decrease by value compared with last month, down £1,930 million (32 per cent). In contrast, the commodity saw the largest increase by value compared with May 2015, a rise of £2,638 million (more than double).
- Mineral fuels saw large value decreases compared with both last month and May 2015, down £431 million (20 per cent) and £1,020 million (37 per cent) respectively.
- Mechanical appliances saw a large decrease compared with last month, down by £631 million (13 per cent).
- The top five import commodities accounted for 50 per cent of total UK trade imports for this month, compared with 47 per cent for May 2015.

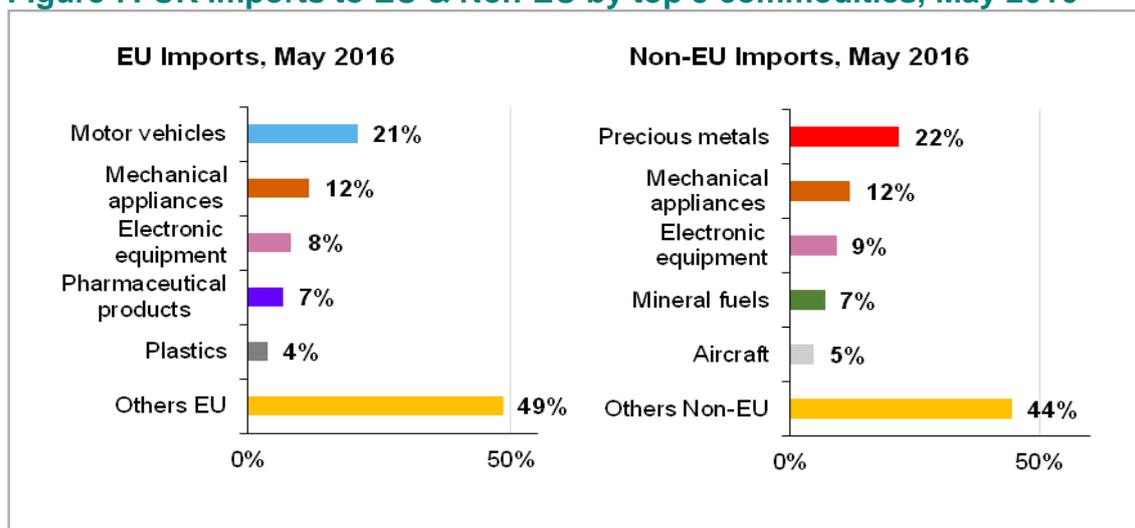
Precious metals
down 32% on last
month

Mechanical
appliances down
13% on last
month

Motor
vehicles imports
up 11% on May
2015

Combined Commodity and Country Analysis

Figure 7: UK imports to EU & Non-EU by top 5 commodities, May 2016



Source: HM Revenue & Customs Overseas Trade Statistics
 Note: 2015 & 2016 data are provisional
 Data compiled on a Special Trade basis

- Mechanical appliances and Electronic equipment were in the top five import commodities from both EU and non-EU countries.
- The decrease in imports from Switzerland compared with last month was led by a fall in Precious metals, down by £656 million (27 per cent). In contrast, the country saw large increases in imports compared with May 2015 led by the same commodity, up by £1,734 million (up from £23.7 million last year).
- The decrease in imports from the USA compared with last month was led by falls in Precious metals, Mechanical appliances and Aircraft, down £268 million (62 per cent), £127 million (16 per cent) and £102 million (26 per cent) respectively. Large decreases were also seen in imports from the country compared with May 2015 which were also led Aircraft and Precious metals, down by £344 million (54 per cent) and £152 million (48 per cent) respectively.
- The decrease in imports from the Netherlands compared with both last month and May 2015, was led by falls in Pharmaceutical products, down £139 million (39 per cent) and £160 million (42 per cent) respectively.
- The decrease in imports of Mineral fuels compared with May 2015 was led by falls from Norway, Russia and Algeria, down £214 million (28 per cent), £175 million (49 per cent) and £157 million (95 per cent) respectively.
- The increase in imports of Motor vehicles compared with May 2015 was led by rises from Belgium and Spain, up £130 million (37 per cent) and £122 million (34 per cent) respectively. In contrast, compared with last month, the decrease in imports of the commodity was led by falls from Belgium and Turkey, down £78 million (14 per cent) and £60 million (33 per cent).

Imports of Precious metals from Switzerland down 27% on last month

Imports of Aircraft from the USA down 54% on May 2015

Motor vehicles imports from Belgium up 37% on last month

Annex I – Metadata

You can access the data behind this bulletin through our [uktradeinfo web site](#).

- Detailed Trade Statistics data at 8-digit commodity code level is available in our [interactive database](#).
- Aggregate OTS data is available in [pre-prepared Excel tables](#).
- Non-Monetary Gold (NMG) can form a substantial part of the non-EU Overseas Trade Statistics (OTS). For further information, see [Inclusion of Non-Monetary Gold in OTS](#). Data relating to monthly non-EU and EU import and export totals for January 2008 onwards with a breakdown of non-monetary gold and other trade is available in an [OTS time series spreadsheet](#).
- You can find details of how users interested in import and export markets for specific goods make use of the detailed OTS data in [‘The User Story’](#).
- An analytical paper comparing General and Special Trade for UK trade is available [here](#).
- Trade data compiled on a Special Trade basis at HS2 chapter level from January 2014 to April 2016, is available in [pre-prepared Excel tables](#).
- More detailed trade data compiled on a Special Trade basis this is available on the [Eurostat Comext data base](#).

Annex II – Methodological Notes

1. For May 2016 month of account and onwards, there has been a methodological change to the way our trade-in-goods statistics are compiled. Following a change in legislation from 1 May 2016, trade-in-goods statistics switched from the ‘General Trade’ system of compilation to the ‘Special Trade’ system. More information can be found [here](#).

Under the Special Trade system, goods are recorded to trade only when they enter free circulation or are accepted into Inwards Processing Relief (IPR). Goods imported into customs warehouses and free zones are only recorded once they are removed and enter free circulation or IPR. Re-exports from customs warehouses and free zones are not recorded under the Special Trade system.

The General Trade system includes all merchandise crossing the national boundary of the UK, including goods imported into and exported from customs warehouses and free zones.

2. HM Revenue & Customs released these latest statistics on Overseas Trade with countries on 08 July 2016 under arrangements set out in the [Code of Practice for Official Statistics](#). The first release is published on HMRC’s trade data website [www.uktradeinfo.com](#).
3. This release includes the first provisional estimates of trade-in-goods between the UK and both countries of the EU and those outside the EU for May 2016. At the same time revisions for all previously published non-EU and EU data for 2015 are also being released in line with the [HM Revenue & Customs Policy on Revisions](#).
4. The **EU figures** provided in this publication of the May 2016 Overseas Trade Statistics are collected from the Intrastat survey. They will include:
 - a. Estimates for businesses who have yet to submit detailed data on the trade they had with other EU Member States this month.

- b. Estimates for businesses who do not have to submit detailed data on the trade they have with other EU Member States
- c. An adjustment for trade associated with Missing Trader Intra Community fraud. More details of this can be found [here](#).

Estimates are included in all high level totals including commodity (HS2) and country totals.

5. The **Non-EU figures** provided in this publication of the May 2016 Overseas Trade Statistics are presented by customs declarations and collected by the CHIEF (Customs Handling of Import and Export Freight) system.
6. Detailed trade information is presented according to the [Harmonised System \(HS\)](#) nomenclature.
7. The aggregate estimates here will differ slightly from those that are published by the Office for National Statistics (ONS) as part of the Balance of Payments (BoP), as the two sets of data are compiled to different sets of rules. The ONS web site provides an overview of BoP at the [Guide to UK Trade](#) as well as the detailed monthly [UK Trade Releases](#). The BoP publication shows a high level picture of UK trade-in-goods, whereas the OTS publication shows a detailed picture of the UK's trade-in-goods by commodity and partner country. [uktradeinfo.com](#) provides more detail about the [differences between BoP and OTS publications](#).
8. The aggregate estimates here will differ from the Eurostat publication [Euro area external trade](#). The OTS was published up until the May 2016 month of account as 'general trade' based upon goods recorded as they enter or leave the UK. This will include goods imported into and exported from a freezone or customs warehouse, regardless of their future use. The Eurostat EU external trade data are published as 'Special Trade' where goods are recorded as trade only when they enter free circulation or are declared to specific Customs regimes such as Inward Processing (IP) or Processing under Customs Control (PCC). Imports from a free zone or customs warehouse are similarly recorded in 'Special Trade'.
9. HMRC publishes [additional information](#) to help support users of non-EU data. Information to help support users of the EU Overseas Trade Statistics can be found [here](#). This includes links to our policies on revision and suppression of data, descriptions of the methodology used to compile the OTS and information on the quality of the data published.
10. The OTS 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 at <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/assessment-report-93---uk-trade-in-goods.pdf>.
11. 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.

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