

# Regional Trade Statistics – Fourth Quarter 2011

**Coverage:**  
United Kingdom

**Theme:**  
Business and Energy

**Released:**  
08 March 2012

**Next Release:**  
07 June 2012

**Frequency of release:**  
Quarterly

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## **Summary**

- Growth in exports trade in goods during 2011 was less than in 2010 for England and Wales, but growth increased for Scotland and Northern Ireland. Growth in imports trade was less than in 2010 for England, but growth increased for the rest of the UK. Wales had the highest growth rate of the UK countries for imports during 2011 and Scotland had the highest growth rate for exports.
- Exports increased more than imports in the fourth quarter of 2011. For exports, the North West and Wales were the only regions with a decrease between Quarter 3 and Quarter 4 of 2011. For imports all regions increased apart from the East Midlands, the West Midlands, the South West, Wales and Northern Ireland.
- For each region of England and for Wales, Scotland and Northern Ireland, the number of importers for Quarter 4 2011 decreased compared with Quarter 4 2010. The number of exporters decreased in all regions apart from Yorkshire & Humberside and the West Midlands. The South East had the largest percentage decrease in number of importers, and the South West had the largest percentage decrease in number of exporters.
- For England, Germany was the country with the largest value increase in exports in 2011; for Scotland and Wales exports to the USA increased the most, while for Northern Ireland exports to the Irish Republic increased most. For imports, the largest increases were in goods from Norway (England), Canada (Wales), Nigeria (Scotland) and China (Northern Ireland). China became England's top partner for imports during 2011; this marks a turning point with the goods from China now exceeding those from the USA in value.
- For exports from England and Wales, the commodity group with the largest value increase in 2011 was 'Petroleum, petroleum products & related materials'. For Scotland the largest increase was in 'Beverages' and for Northern Ireland 'Electrical machinery, apparatus & appliances' increased most in value.
- For imports to England and Scotland the largest value increase in 2011 was in 'Petroleum, petroleum products & related materials'. For Wales the largest increase was in 'Metalliferous ores & metal scrap' and for Northern Ireland 'Articles of apparel & clothing accessories' increased most in value.

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HM Revenue & Customs (HMRC) are 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 are published quarterly showing trade at summary product and country level, split by UK government office regions and devolved administrations.

RTS data is compiled by linking trade data collected by HMRC with Office for National Statistics postcode data to obtain the region in which the VAT registered trader (importer or exporter) is based. Because the trade is regionalised according to the location of the VAT registered trader some of the trade may be allocated to the region where the head office of the trader is located<sup>1</sup>.

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 mainly at partner country and SITC section (1-digit) level, with references to specific SITC divisions where appropriate.

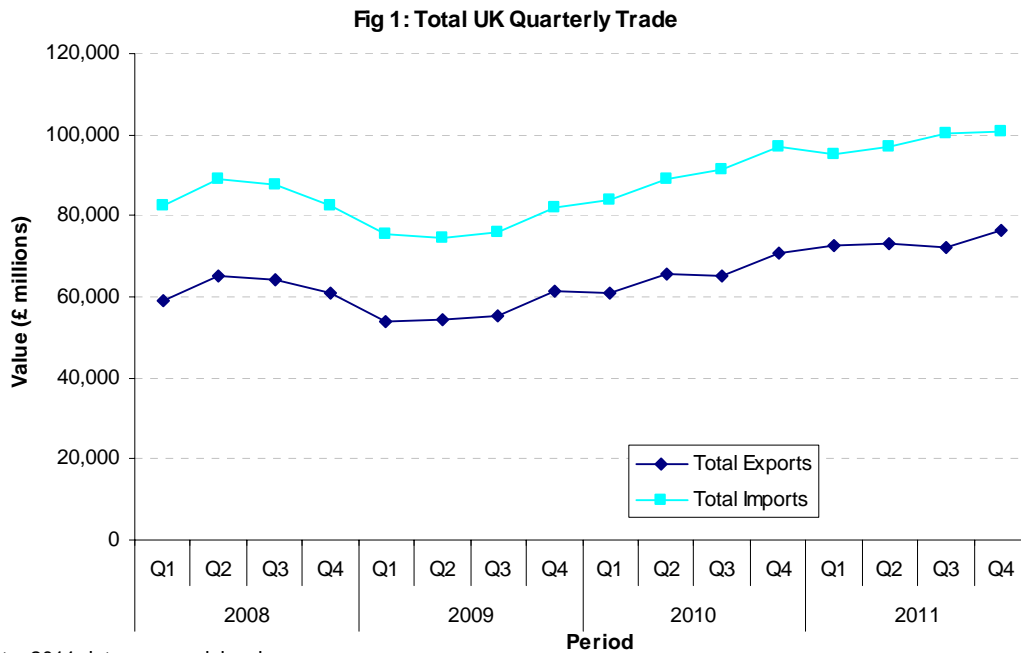
You can find details of how users interested in import and export markets for specific goods make use of the detailed RTS data in '[The Customer Story](#)'. You can also access the detailed data in our interactive database [here](#).

## Overview of UK trade

Figure 1 shows the quarterly values of imports to and exports from the UK since 2008. The value of UK exports increased more than the value of imports during the fourth quarter of 2011, reducing the trade deficit to £24.2 billion for the quarter. This 13 per cent decrease in trade deficit is the second largest in the last four years, the largest being the 14 per cent decrease during quarter 1 of 2011.

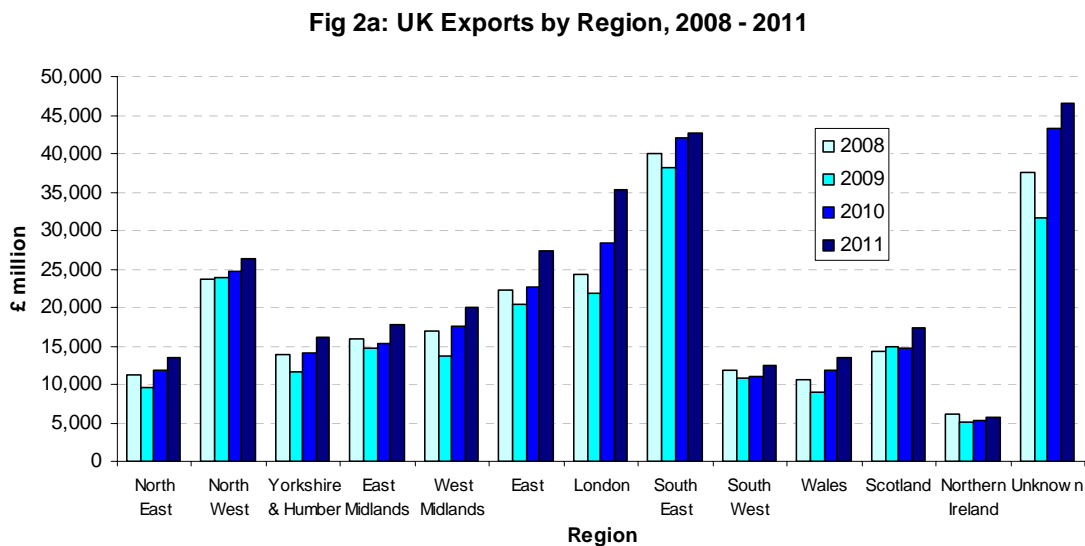
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<sup>1</sup> See note 3 page 43



## Overview - Exports

Figure 2a shows the total value of UK exports by region for the four annual periods ending December 2008, December 2009, December 2010 and December 2011.



- The total value of UK exports increased by 12.2 per cent to £294.5 billion between December 2010 and December 2011. This increase is well in excess of

the Export Price Index<sup>2</sup> rise of 5.6 per cent for the period which suggests that the volume of exports, as well as their price, has increased. There was a rise in export value for every English region and for Wales, Scotland and Northern Ireland during 2011. The total value of exports from England rose by 12.8 per cent to £211.5 billion, mainly due to an increase in the value of goods exported from the 'Machinery and transport equipment' sector. Exports from Scotland rose by 18.4 per cent to £17.4 billion, the largest percentage increase of the four UK countries; this was largely a result of increases in the 'Beverages and tobacco' sector. Exports from Wales rose by 13.8 per cent to £13.4 billion, with growth declining during the fourth quarter of 2011; most of the overall value increase during 2011 came from the 'Mineral Fuels' sector. Exports from Northern Ireland rose by 7.9 per cent to £5.7 billion, with the 'Machinery and transport equipment' sector contributing most of the value increase.

- The South East continues to have the largest total export value of all the English regions, £42.8 billion for the year 2011; this is despite only a 1.9 per cent value increase in 2011 compared with 2010, the smallest percentage increase of all the English regions. This was due to a decline in export growth for the South East in quarter 4, where exports were 2.1 per cent lower than for the same period in 2010.
- Year on year, the largest percentage increase in the English regions was for London, whose exports increased by 23.9 per cent to £35.3 billion during 2011. This maintained the sustained growth seen in London's exports during 2010; London's export value rose by 60 per cent over the two year period, in contrast with a more modest rise of 12 per cent for the South East.
- The South West had the smallest total value of exports of £12.4 billion for 2011, 5.9 per cent of England's total. The South West was the only region of the UK for which growth in exports did not slow during the fourth quarter of 2011, with an annual growth rate of 11.9 per cent maintained throughout the year.

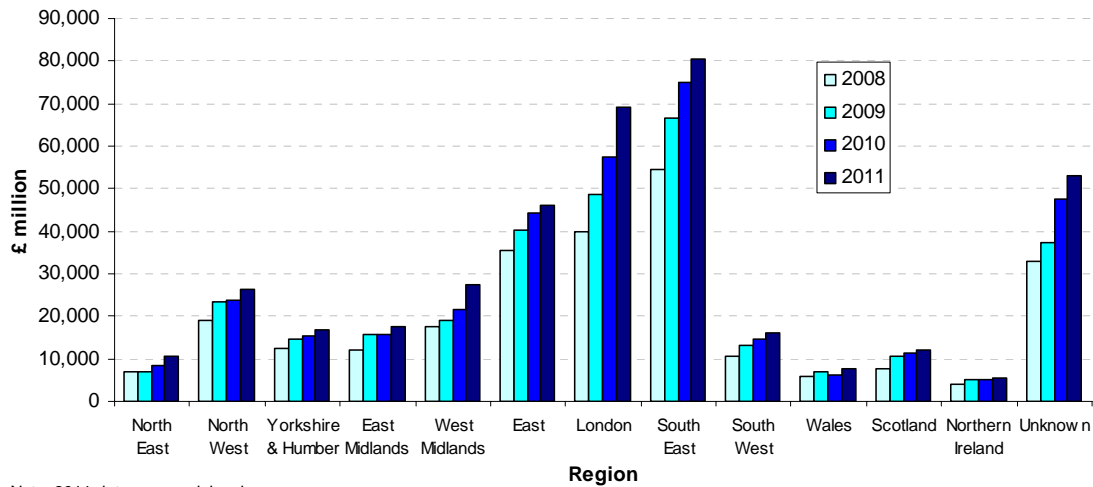
## Overview - Imports

Figure 2b shows the total value of UK imports by region for the four annual periods ending December 2008, December 2009, December 2010 and December 2011.

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<sup>2</sup> From Monthly Review of External Trade Statistics (December 2011 edition, Office for National Statistics)

**Fig 2b: UK Imports by Region, 2008 - 2011**



- The total value of UK imports for the year 2011 increased by 8.8 per cent to £393.0 billion compared with 2010. This increase is higher than the Import Price Index<sup>3</sup> rise of 5.8 per cent for the period which suggests there has been a rise in the volume of goods being imported during the period, although this rise is less obvious than for exports. There was a rise in import value during the year for every English region and for Wales, Scotland and Northern Ireland. The total value of imports to England rose by 9.9 per cent to £316.0 billion, and imports to Scotland rose by 8.4 per cent to £12.2 billion; for both England and Scotland these changes are largely accounted for by rises in the 'Mineral fuels, lubricants & related materials' sector. The total value of imports to Wales rose by 23.9 per cent to £8.0 billion, the highest increase of the four UK countries; this was driven by growth in the 'Crude materials' and 'Manufactured goods' sectors. Total imports to Northern Ireland increased by 8.4 per cent to £5.6 billion; here, growth was largely fuelled by the 'Food & live animals' sector.
- Within England, the South East continues to have the largest total value of imports. For the year 2011 this was £81.4 billion, 25.8 per cent of England's total. Imports to the South East increased moderately in value by 5.9 per cent during 2011, whereas imports to London increased by 14.7 per cent. However, both of these regions saw reduced growth rates for the fourth quarter of 2011 compared with the fourth quarter of 2010, as did most other regions of the UK.

<sup>3</sup> From Monthly Review of External Trade Statistics (December 2011 edition, Office for National Statistics)

- The largest year-on-year increase among the English regions was for the West Midlands, where imports increased by 29.4 per cent to £29.3 billion. The West Midlands and the North West were the only English regions where the growth rate in imports increased during the fourth quarter of 2011 compared with the same quarter of 2010.
- The smallest percentage increase in imports during 2011 was for the East region, with a 0.4 per cent rise compared with 2010. The East and the South West were the only regions where trade decreased in the fourth quarter of 2011 compared with the same quarter of 2010.
- The North East continues to have the smallest total value of imports of £11.1 billion; imports to the North East have risen in value by 19.1 per cent during 2011, increasing its share of England's total imports to 3.5 per cent.

## Rolling 12 Month Overview - Exports

The following analysis of a rolling 12 month period smoothes the seasonal quarterly variation of trade. This serves to better illustrate the longer term trend in the value of exports within the regions.

### *Partner country analysis - England*

Table 1a: England - main export partners

|              |                | Year ending<br>December<br>2011 Total<br>£ millions | Year ending<br>December<br>2010 Total<br>£ millions | % Change<br>from<br>December<br>2010 | % Total Trade<br>in year<br>ending<br>December<br>2011 |
|--------------|----------------|---|---|--------------------------------------|--|
| Country      |                |   |   |                                      |  |
| Top<br>5     | USA            | 28,698.2  | 29,429.8  | -2.5                                 | 13.6   |
|              | Germany        | 23,407.3  | 19,146.6  | 22.3                                 | 11.1   |
|              | France         | 16,603.6  | 13,866.4  | 19.7                                 | 7.8  |
|              | Netherlands    | 13,168.4  | 11,030.0  | 19.4                                 | 6.2  |
|              | Irish Republic | 10,319.7  | 9,482.9   | 8.8                                  | 4.9  |
| Others       |                | 119,316.3   | 104,557.7   | 14.1                                 | 56.4   |
| Total EU     |                | 106,465.2   | 92,387.1  | 15.2                                 | 50.3   |
| Total Non-EU |                | 105,048.3   | 95,126.2  | 10.4                                 | 49.7   |
| Grand Total  |                | 211,513.5   | 187,513.3   | 12.8                                 | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

During the fourth quarter of 2011 a resurgence in exports to the Irish Republic has re-established its position as England's fifth largest export partner. The rise of 9 per cent in exports to the Irish Republic in 2011 was largely due to increased exports of goods within SITC division 33 'Petroleum, petroleum products & related materials' (up £629 million).

England's top export partner, the USA, is the only one of its top five partners to have seen a decrease in export value over the last 12 months. This has reduced the USA's share of England's export market from 16 per cent in 2010 to 14 per cent in 2011. This has mainly been caused by a decline in exports within SITC division 54 'Medicinal and pharmaceutical products' (down £1.5 billion).

The partner countries where exports from England have decreased in value the most over the last 12 months are the USA (down £732 million), Libya (down £182 million) and Greece (down £143 million). The partner countries with the largest increase in exports over the 12 months were Germany (up £4.3 billion) and France (up £2.7 billion); in both cases most of the growth came from SITC division 33. Other partner countries outside the top five whose exports from England have increased significantly during the year are China (up £1.4 billion), India (up £1.4 billion) and Russia (up £1.3 billion); for China and Russia these rises stemmed from an increase in exports of goods within SITC division 78 'Road vehicles' whereas for India the main contributor was division 68 'Non-ferrous metals'.

### ***Partner country analysis - English regions***

Table 2a: Top 5 export partners for the English regions in 2011

|                                   | Top 5 partner countries |             |         |                |                |
|-----------------------------------|-------------------------|-------------|---------|----------------|----------------|
|                                   | 1                       | 2           | 3       | 4              | 5              |
| <b>North East</b>                 | USA                     | Netherlands | Russia  | France         | Germany        |
| <b>North West</b>                 | USA                     | Germany     | France  | China          | Spain          |
| <b>Yorkshire &amp; Humberside</b> | USA                     | France      | Germany | Irish Republic | Netherlands    |
| <b>East Midlands</b>              | USA                     | Germany     | Belgium | Irish Republic | France         |
| <b>West Midlands</b>              | USA                     | Germany     | China   | France         | Netherlands    |
| <b>East</b>                       | Germany                 | France      | USA     | Belgium        | Netherlands    |
| <b>London</b>                     | USA                     | Germany     | Belgium | India          | Netherlands    |
| <b>South East</b>                 | USA                     | Germany     | France  | Netherlands    | Irish Republic |
| <b>South West</b>                 | Germany                 | France      | USA     | Netherlands    | Irish Republic |

Source: HM Revenue & Customs Regional Trade Statistics

The value of exports increased for all English regions during 2011. The South East and London continue to dominate England's export trade, accounting for 20 per cent and 17 per cent of export value respectively. London saw the largest increase in export value (up 24 per cent to £35.3 billion) of all the English regions, driven mainly by increased exports to India (up £1.2 billion) and the Netherlands (up £1.0 billion). The South East had the smallest increase in export value (up 2 per cent to £42.8 billion), mainly due to a decline in goods going to the USA (down £1.0 billion).

Table 2a shows the top five export trading partners for each of the English regions in the year 2011. There is some regional variation in the relative proportions of export trade going to EU and non-EU countries. For the Eastern region 64 per cent of export trade goes to EU Member States; conversely, the South East and West Midlands regions exported 55 per cent of goods to non-EU countries. For other regions the difference is not as pronounced and the relative proportions of EU and non-EU export trade vary over time.

The majority of the English regions follow a similar pattern to England as a whole, with the USA featuring as the top export partner for seven of the nine regions. The East and the South West stand out as being the only English regions where exports to Germany and France exceed those going to the USA. In contrast to the general decline in the value of exports from England to the USA during 2011, the North East and East Midlands stand out as being the only English regions where the share of exports going to the USA has increased compared with 2010.

India now features as London's fourth largest export partner, accounting for over 7 per cent of London's exports by value. This follows a rise of 88 per cent in the value of London's exports to India. In contrast, London's largest decline in export value was in goods going to Switzerland, moving Switzerland from London's fourth largest export partner in 2010 to only sixth largest in 2011.

Exports to France have increased for every English region during 2011. Exports to China and Russia have also increased consistently across the English regions apart from in the South West where exports to Russia declined. Exports to Greece have consistently declined for every English region during 2011, possibly as a result of the Eurozone crisis. Exports to Libya have also decreased dramatically, with a loss of over 65 per cent in every English region in 2011; this is undoubtedly an effect of the

conflict in the Middle East during the year, which caused almost a complete cessation of trade with Libya during the middle of 2011. Exports to Libya began to recover in the fourth quarter of 2011.

### ***Partner country analysis - Wales***

Table 3a: Wales - main export partners

|          | <b>Country</b>          | <b>Year ending<br/>December<br/>2011 Total<br/>£ millions</b> | <b>Year ending<br/>December<br/>2010 Total<br/>£ millions</b> | <b>% Change<br/>from<br/>December<br/>2010</b> | <b>% Total Trade<br/>in year<br/>ending<br/>December<br/>2011</b> |
|----------|-------------------------|---|---|--|---|
| Top<br>5 | USA                     | 3,370.5   | 2,995.8   | 12.5   | 25.1  |
|          | Irish Republic          | 1,396.1   | 1,136.3   | 22.9   | 10.4  |
|          | Germany                 | 1,008.3   | 837.7   | 20.4   | 7.5   |
|          | Netherlands             | 793.2   | 699.3   | 13.4   | 5.9   |
|          | United Arab<br>Emirates | 683.3   | 516.2   | 32.4   | 5.1   |
|          | Others                  | 6,177.9   | 5,614.5   | 10.0   | 46.0  |
|          | Total EU                | 5,664.1   | 4,971.1   | 13.9   | 42.2  |
|          | Total Non-EU            | 7,765.1   | 6,828.8   | 13.7   | 57.8  |
|          | Grand Total             | 13,429.3  | 11,799.9  | 13.8   | 100.0   |

Source: HM Revenue & Customs Regional Trade Statistics

Table 3a shows that total export value from Wales in 2011 has increased by around 14 per cent compared with 2010. Growth in exports to all the top partner countries apart from Germany slowed in the fourth quarter of 2011 following the rapid growth seen in the 12 months to September 2011. Germany is the only top five partner country for which the year on year growth rate of exports from Wales increased compared with the position at the end of the third quarter of 2011.

The United Arab Emirates remains Wales' fifth largest export partner, with a strong annual growth rate despite a decline in export value in the fourth quarter of 2011 compared with the same period in 2010. Most of the increase in export value for the year came from SITC division 71 'Power generating machinery & equipment' (up £127 million).

Non-EU partner countries continue to dominate the export market in Wales, receiving almost 58 per cent of goods exported. The USA remains the dominant export partner

for Wales, taking over one quarter of goods exported by value; the majority of the value comes from SITC divisions 33 'Petroleum, petroleum products & related materials' (up £259 million) and 71 'Power generating machinery & equipment' (up £128 million).

Partner countries for whom export value has increased most are the USA (up £375 million, largely due to growth in SITC divisions 33 'Petroleum, petroleum products & related materials' and 71 'Power generating machinery & equipment') and the Irish Republic (up £260 million, mainly due to growth in exports of 'Petroleum, petroleum products & related materials'). Both of these increases are well in excess of the average year on year growth rates for UK exports to these countries (4.1 per cent and 5.2 per cent respectively).

The biggest decreases in export value during the year were in goods going to Saudi Arabia (down £86 million, with exports from SITC division 71 'Power generating machinery & equipment' down £56 million) and Turkey (down £58 million, with exports from SITC division 71 down £49 million).

### ***Partner country analysis – Scotland***

Table 4a: Scotland - main export partners

|                |             | Year ending<br>December<br>2011 Total £<br>millions | Year<br>ending<br>December<br>2010 Total<br>£ millions | % Change<br>from<br>December<br>2010 | % Total Trade in<br>year ending<br>December 2011 |
|----------------|-------------|---|--|--------------------------------------|--|
| <b>Country</b> |             |   |  |                                      |  |
| Top<br>5       | USA         | 2,986.6   | 2,313.8  | 29.1                                 | 17.2   |
|                | France      | 1,235.5   | 1,087.3  | 13.6                                 | 7.1  |
|                | Germany     | 930.4   | 738.3  | 26.0                                 | 5.4  |
|                | Norway      | 845.0   | 769.4  | 9.8                                  | 4.9  |
|                | Netherlands | 770.0   | 834.0  | -7.7                                 | 4.4  |
| Others         |             | 10,592.4  | 8,914.6  | 18.8                                 | 61.0   |
| Total EU       |             | 6,231.8   | 5,422.7  | 14.9                                 | 35.9   |
| Total Non-EU   |             | 11,128.1  | 9,234.8  | 20.5                                 | 64.1   |
| Grand Total    |             | 17,359.9  | 14,657.5   | 18.4                                 | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

Exports from Scotland have increased in value by over 18 per cent during 2011 (Table 4a), a higher growth rate than for any other UK country. Export trade in

Scotland is dominated by partner countries outside the EU, with only 36 per cent of trade going to EU countries. Most of the growth during 2011 has come from increased exports to the USA (up £673 million, with exports from SITC division 11 'Beverages' up £314 million), which continues to dominate Scotland's export market; much of the growth has been in the fourth quarter of 2011 where exports to the USA were £220 million higher than in the same period of 2010. Norway continues to feature as Scotland's fourth largest export partner, the most valuable commodity group being SITC division 87 'Professional, scientific & controlling instruments & apparatus'. Scotland contributes around 25 per cent of the UK's total exports to Norway.

The Netherlands is Scotland's only top five partner to see a decrease in exports over the 12 month period; despite this 8 per cent decrease there was some recovery in the fourth quarter of 2011. The year-on-year decrease was mainly due to a £161 million reduction in goods exported under SITC division 33 'Petroleum, petroleum products & related materials'.

Apart from the USA, the partner countries with the largest increases in exports from Scotland over the 12 months were Chile (up £221 million, a ten-fold increase). The rapid growth in exports to Chile has been due to a new export market in SITC division 33 'Petroleum, petroleum products & related materials' which has continued to grow during the year and was worth £214 million at the end of 2011.

The biggest value decreases in exports from Scotland were in goods going to Angola (down £167 million, with SITC division 74 'General industrial machinery & equipment & machine parts' down £95 million) and Libya (down £81 million, with SITC division 77 'Electrical machinery, apparatus & appliances' down £42 million). In the case of Libya this is likely to be due to the Middle East conflict which caused trade between the UK and Libya to stop almost entirely during the middle part of 2011 before resuming in the fourth quarter.

## Partner country analysis – Northern Ireland

Table 5a: Northern Ireland - main export partners

| Country      |                | Year ending<br>December<br>2011 Total<br>£ millions | Year ending<br>December<br>2010 Total<br>£ millions | % Change<br>from<br>December<br>2010 | % Total Trade in<br>year ending<br>December 2011 |
|--------------|----------------|---|---|--------------------------------------|--|
| Top 5        | Irish Republic | 2,139.8   | 2,058.3   | 4.0                                  | 37.5   |
|              | Canada         | 524.3   | 502.8   | 4.3                                  | 9.2  |
|              | USA            | 476.7   | 427.2   | 11.6                                 | 8.3  |
|              | France         | 216.1   | 189.5   | 14.0                                 | 3.8  |
|              | Germany        | 204.8   | 198.7   | 3.0                                  | 3.6  |
| Others       |                | 2,150.6   | 1,915.4   | 12.3                                 | 37.6   |
| Total EU     |                | 3,242.4   | 3,111.2   | 4.2                                  | 56.8   |
| Total Non-EU |                | 2,469.9   | 2,180.7   | 13.3                                 | 43.2   |
| Grand Total  |                | 5,712.3   | 5,291.9   | 7.9                                  | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

Exports from Northern Ireland have increased in value by 8 per cent during 2011 (Table 5a). This is a smaller increase than that seen in England, Scotland and Wales. Growth in Northern Ireland's exports waned during the second half of 2011, as in other regions of the UK: the first half of 2011 saw growth in exports of over 12 per cent but this declined to 4 per cent for the second half of the year, in comparison with the corresponding periods in 2010. Northern Ireland's exports continue to be dominated by goods going to the Irish Republic, which accounts for over 37 per cent of export value.

The partner countries with the largest increase in exports from Northern Ireland during the 12 months were the Irish Republic (up £82 million, with SITC division 02 'Dairy products & birds' eggs' up £35 million), the USA (up £50 million, with SITC division 72 'Machinery specialized for particular industries' up £32 million) and Australia (up £37 million, with SITC division 72 up £23 million). Exports to Canada slowed in the fourth quarter of 2011 after strong growth earlier in the year.

The partner countries experiencing the biggest decreases in exports from Northern Ireland during the period were Greece (down £22 million, a fall of 65 per cent, with SITC division 12 'Tobacco' down £21 million) and Belgium (down £18 million, with

SITC division 12 down £23 million). This decline in exports of tobacco may be the result of the high excise duty rates for tobacco in some EU countries.

### **Commodity analysis - England**

Table 6a: Top 5 commodities for England's exports, year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to<br>December 2011<br>Total £ millions | Year to<br>December 2010<br>Total £ millions | %<br>Change<br>from<br>Dec<br>2010 | % Total<br>Trade<br>in year<br>ending<br>Dec<br>2011 |
|--------------|---|--|--|------------------------------------|--|
| 7            | Machinery & transport equipment                   | 81,872.7                                     | 72,969.3                                     | 12.2                               | 38.7   |
| 5            | Chemicals & related products                      | 38,751.6                                     | 38,719.3                                     | 0.1                                | 18.3   |
| 8            | Miscellaneous manufactured articles               | 27,450.1                                     | 25,848.3                                     | 6.2                                | 13.0   |
| 6            | Manufactured goods classified chiefly by material | 26,694.9                                     | 22,384.4                                     | 19.3                               | 12.6   |
| 3            | Mineral fuels, lubricants & related materials     | 19,712.1                                     | 12,916.7                                     | 52.6                               | 9.3  |
| Other SITCs  |   | 17,032.1                                     | 14,675.3                                     | 16.1                               | 8.1  |
| All SITCs    |   | 211,513.5                                    | 187,513.3                                    | 12.8                               | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

Table 6a shows that SITC section 7 'Machinery & transport equipment' continues to dominate exports from England, making up 39 per cent of export value. Section 7 also accounted for the largest value increase of any SITC section during 2011 (up £8.9 billion), mainly due to increased exports of goods from divisions 78 'Road vehicles' (up £3.4 billion) and 71 'Power generating machinery & equipment' (up £2.6 billion). Exports from section 7 saw a year-on-year increase of 12 per cent, a lower growth rate than the 16 per cent increase between 2009 and 2010.

Of the sixty-five SITC divisions, all but six increased in export value during the period. The SITC division experiencing the biggest decrease was division 54 'Medicinal & pharmaceutical products', which declined in value by £696 million (down 4 per cent). This marked a slight recovery in the fourth quarter of 2011 following the £1.2 billion year-on-year decrease at the end of the third quarter. The decrease for division 54

was offset by increases in division 59 'Chemicals materials & products' (up £447 million) and division 55 'Essential oils & perfume materials' (up £277 million). The overall value of exports from SITC section 5 'Chemicals & related products' has consequently remained fairly static over the 12 month period.

The SITC section that had the biggest percentage increase was section 3 'Mineral fuels, lubricants & related materials' (up £6.8 billion), the main contributor being division 33 'Petroleum, petroleum products & related materials' (up £6.7 billion). This year-on-year increase of 53 per cent was double the percentage increase between 2009 and 2010. The growth was largely due to increased exports to France (up £1.9 billion) and the Netherlands (up £1.3 billion).

### ***Commodity analysis – English regions***

Table 7a - Top 5 commodities for export from English regions - 12 months ending December 2011

| Region                 | Top 5 SITC Sections                                   |   |   |   |   |
|------------------------|---|---|---|---|---|
|                        | 1   | 2   | 3   | 4   | 5   |
| North East             | 7 - Machinery & transport equipment                   | 5 - Chemicals & related products                      | 6 - Manufactured goods classified chiefly by material | 8 - Miscellaneous manufactured articles           | 3 - Mineral fuels, lubricants & related materials     |
| North West             | 5 - Chemicals & related products                      | 7 - Machinery & transport equipment                   | 6 - Manufactured goods classified chiefly by material | 2 - Crude materials, inedible, except fuels       | 8 - Miscellaneous manufactured articles               |
| Yorkshire & Humberside | 7 - Machinery & transport equipment                   | 3 - Mineral fuels, lubricants & related materials     | 6 - Manufactured goods classified chiefly by material | 5 - Chemicals & related products                  | 8 - Miscellaneous manufactured articles               |
| East Midlands          | 7 - Machinery & transport equipment                   | 8 - Miscellaneous manufactured articles               | 6 - Manufactured goods classified chiefly by material | 5 - Chemicals & related products                  | 0 - Food & live animals                               |
| West Midlands          | 7 - Machinery & transport equipment                   | 6 - Manufactured goods classified chiefly by material | 8 - Miscellaneous manufactured articles               | 5 - Chemicals & related products                  | 2 - Crude materials, inedible, except fuels           |
| East                   | 7 - Machinery & transport equipment                   | 5 - Chemicals & related products                      | 3 - Mineral fuels, lubricants & related materials     | 8 - Miscellaneous manufactured articles           | 6 - Manufactured goods classified chiefly by material |
| London                 | 6 - Manufactured goods classified chiefly by material | 8 - Miscellaneous manufactured articles               | 3 - Mineral fuels, lubricants & related materials     | 7 - Machinery & transport equipment               | 5 - Chemicals & related products                      |
| South East             | 7 - Machinery & transport equipment                   | 5 - Chemicals & related products                      | 8 - Miscellaneous manufactured articles               | 3 - Mineral fuels, lubricants & related materials | 6 - Manufactured goods classified chiefly by material |
| South West             | 7 - Machinery & transport equipment                   | 8 - Miscellaneous manufactured articles               | 6 - Manufactured goods classified chiefly by material | 5 - Chemicals & related products                  | 0 - Food & live animals                               |

Source: HM Revenue & Customs Regional Trade Statistics

Table 7a shows the top five export SITC section commodity groups by value for the English regions. The top five commodity groups for the English regions are similar to those for England overall although the ordering of the top five commodities shows some regional variation. There has been no change in the order of the top five commodity groups in the last quarter with the exception of the London region, where section 3 has replaced section 7 as the third highest SITC section by value.

Table 7a shows that SITC section 7 'Machinery & transport equipment' is the top export section by value for seven out of the nine English regions. In the South West, West Midlands and East Midlands this section continues to dominate the market, accounting for over 60 per cent of goods exported. For the North East a large rise in exports from SITC section 7 over the last 12 months has increased this section's share of the North East's total exports from 52 per cent to 58 per cent.

The North West is the top English region for exports within section 5 'Chemicals and related products', accounting for one third of England's total exports in this section by value. This was despite a decrease in exports from the North West from this section in 2011. Decreases in section 5 were also seen in London, the East and Yorkshire & Humberside.

London is the most important region for exports within SITC section 3 'Mineral fuels, lubricants & related materials', accounting for 22 per cent of the value of England's exports from this section. London and the East have seen large increases in export value within section 3 during 2011 (up £3.7 billion and £2.3 billion respectively); in both cases this was largely due to SITC division 33 'Petroleum, petroleum products & related materials' where exports have more than doubled over the period, mainly in goods going to the Netherlands, France, Germany and Belgium. Yorkshire & Humberside also saw its largest increase in export value coming from SITC section 3 (up £1.4 billion), primarily in exports from division 33 going to France and the Irish Republic. In contrast, the North East and South East saw large reductions in exports from section 3 (down £432 million and £334 million respectively). Again, this was driven by a decrease in exports from division 33; for the North East this was from goods going to the Netherlands whereas for the South East the reduction was in goods going to the USA. The increases seen in division 33 are not purely a result of growth in volume of exports and have been inflated by price rises for petroleum products during 2011.

For SITC section 6 'Manufactured goods classified chiefly by material' and SITC section 8 'Miscellaneous manufactured articles' London is the dominant exporting region, accounting for around one third of England's total exports. For SITC section 6 London has seen a large increase of 28 per cent in export value (up £2.1 billion). This is largely due to increases in SITC division 68 'Non-ferrous metals' (up £1.1 billion) and division 66 'Non-metallic mineral manufactures' (up £0.8 billion), where exports to India and Belgium respectively have increased during the year.

The South West and East Midlands are the only regions with SITC section 0 'Food & live animals' in their top five; even for these two regions, section 0 accounts for only around 5 per cent of total export value. The South West has seen a steady 15 per cent increase in exports within SITC section 0 'Food & live animals' during 2011, a considerably larger rise than during 2010. The North West and West Midlands are the only regions with SITC section 2 'Crude materials' in their top five; although these regions have experienced increases of 16 per cent and 26 per cent respectively in section 2 during 2011, these increases are lower than those seen in 2010.

All English regions saw a rise in export value for the majority of the sixty-five SITC divisions. For the North East, North West and West Midlands division 78 'Road vehicles' was the division that increased the most in value; this was mainly fuelled by a growth in exports to Russia, Germany and China. For the South East and South West, division 79 'Other transport equipment' was the division with the largest value increase, mainly due to a growth in exports to Kazakhstan and Algeria. While the East, Yorkshire & Humberside and London saw their biggest increases in division 33, by far the largest growth for the East Midlands was in division 71 'Power generating machinery & equipment' (up £1.4 billion, with exports to Germany up £627 million).

At division level the greatest losses to export value for England as a whole were in division 54 'Medicinal & pharmaceutical products', division 75 'Office machines & adp machines' and division 52 'Inorganic chemicals'. The decrease in division 54 was predominantly felt in the South East (down £584 million) and Yorkshire & Humberside (down £308 million); in these regions the reduction was mainly due to a decline in goods going to the Netherlands. For division 75 the region contributing most to the reduction was the South East (down £558 million) where the losses were triggered by a decline in exports to the Netherlands. For division 52 the region losing the most export value during the year was the North West (down £327 million), mainly due to a reduction in goods going to the USA and South Korea.

## Commodity analysis - Wales

Table 8a: Top 5 commodities for Wales exports year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to December 2011 Total £ millions | Year to December 2010 Total £ millions | % Change from Dec 2010 | % Total Trade in year ending Dec 2011 |
|--------------|---|--|--|------------------------|---------------------------------------|
| 7            | Machinery & transport equipment                   | 4,827.0                                | 4,500.3                                | 7.3                    | 35.9                                  |
| 3            | Mineral fuels, lubricants & related materials     | 3,969.7                                | 2,933.8                                | 35.3                   | 29.6                                  |
| 6            | Manufactured goods classified chiefly by material | 2,159.8                                | 1,853.8                                | 16.5                   | 16.1                                  |
| 5            | Chemicals & related products                      | 1,349.2                                | 1,449.1                                | -6.9                   | 10.0                                  |
| 8            | Miscellaneous manufactured articles               | 780.9                                  | 698.1                                  | 11.9                   | 5.8                                   |
| Other SITCs  |   | 342.7                                  | 364.9                                  | -6.1                   | 2.6                                   |
| All SITCs    |   | 13,429.3                               | 11,799.9                               | 13.8                   | 100.0                                 |

Source: HM Revenue & Customs Regional Trade Statistics

Table 8a shows that exports from Wales are dominated by goods from SITC section 7 'Machinery & transport equipment' and section 3 'Mineral fuels, lubricants & related materials'. After sustained growth in the first half of 2011 exports from section 7 declined in the second half of the year, mainly in goods exported from division 71 'Telecomms & sound recording & reproducing apparatus & equipment' going to Saudi Arabia, Turkey and China. The largest increase in exports was from section 3, mainly in goods from division 33 (up £1.0 billion) going to the USA and the Irish Republic.

The commodity group with the biggest decrease in exports from Wales over the 12 months is SITC section 5 'Chemicals & related products', which has reduced in value by 7 per cent (down £100 million). Much of this decrease occurred during the second half of 2011, largely due to decreases in exports of goods from divisions 57 'Plastics

in primary forms' and 54 'Medicinal & pharmaceutical products' which declined in value by £58 million and £40 million respectively during the year. The largest percentage decrease was in exports from SITC section 1 'Beverages & tobacco', with a 55 per cent decline in value. This was driven by a decrease of over 50 per cent in exports from SITC division 11 'Beverages', where goods going to Cyprus have reduced in value by £11 million during 2011.

### **Commodity analysis - Scotland**

Table 9a: Top 5 commodities for Scotland exports year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to December 2011<br>Total £ millions | Year to<br>December<br>2010 Total<br>£ millions | %<br>Change<br>from<br>Dec<br>2010 | % Total<br>Trade<br>in year<br>ending<br>Dec<br>2011 |
|--------------|---|---|---|------------------------------------|--|
| 7            | Machinery & transport equipment                   | 5,305.6                                   | 4,788.4   | 10.8                               | 30.6%  |
| 1            | Beverages & tobacco                               | 4,255.2                                   | 3,312.3   | 28.5                               | 24.5%  |
| 6            | Manufactured goods classified chiefly by material | 2,063.8                                   | 1,912.4   | 7.9                                | 11.9%  |
| 5            | Chemicals & related products                      | 1,571.8                                   | 1,084.1   | 45.0                               | 9.1%   |
| 8            | Miscellaneous manufactured articles               | 1,432.3                                   | 1,365.1   | 4.9                                | 8.3%   |
| Other SITCs  |   | 2,731.2                                   | 2,195.2   | 24.4                               | 15.7   |
| All SITCs    |   | 17,359.9                                  | 14,657.5  | 18.4                               | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

Table 9a shows that Scotland's exports are dominated by goods from SITC section 7 'Machinery & transport equipment' and section 1 'Beverages & tobacco'. In section 7 exports rallied during 2011 after the slowing of growth in 2010. This was mainly due to increases within SITC divisions 74 'General industrial machinery & equipment & machine parts' (up £212 million) and 71 'Power generating machinery & equipment' (up £196 million) in goods going to the USA and Germany. SITC section 1 has seen sustained growth throughout 2011, building on the increases seen in 2010; the £943 million increase during 2011 was entirely due to division 11 'Beverages', where exports to the USA increased by £314 million during the period. Scotland is the only region of the UK to have 'Beverages & tobacco' among its top five export sections; in

2011 Scotland accounted for 63 per cent of the UK's export value in division 11 'Beverages', up from 59 per cent in 2010.

Exports from Scotland under SITC section 5 'Chemicals & related products' have seen a large increase in value of 45 per cent during 2011 (up £488 million); this was a much greater percentage increase than in any other region of the UK and was mainly due to increased exports in divisions 51 'Organic chemicals' and 57 'Plastics in primary forms', which together more than trebled over the 12 month period. These increases were mainly due to growth in exports to Germany (up £85 million for division 51) and Belgium (up £78 million for division 57).

None of Scotland's SITC sections decreased in export value during the 12 months and there were no significant declines at division level during the period. All of the top five SITC sections showed an increase in export value in the fourth quarter of 2011 compared with the fourth quarter of 2010.

### ***Commodity analysis – Northern Ireland***

Table 10a: Top 5 commodities for Northern Ireland exports year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to December 2011 Total £ millions | Year to December 2010 Total £ millions | % Change from Dec 2010 | % Total Trade in year ending Dec 2011 |
|--------------|---|--|--|------------------------|---------------------------------------|
| 7            | Machinery & transport equipment                   | 2,371.1                                | 2,126.9                                | 11.5                   | 41.5                                  |
| 0            | Food & live animals                               | 890.3                                  | 760.7                                  | 17.0                   | 15.6                                  |
| 8            | Miscellaneous manufactured articles               | 697.6                                  | 619.7                                  | 12.6                   | 12.2                                  |
| 5            | Chemicals & related products                      | 599.7                                  | 539.7                                  | 11.1                   | 10.5                                  |
| 6            | Manufactured goods classified chiefly by material | 483.7                                  | 500.5                                  | -3.4                   | 8.5                                   |
| Other SITCs  |   | 670.0                                  | 744.4                                  | -10.0                  | 11.7                                  |
| All SITCs    |   | 5,712.3                                | 5,291.9                                | 7.9                    | 100.0                                 |

Source: HM Revenue & Customs Regional Trade Statistics

Table 10a shows that Northern Ireland's exports are dominated by goods from SITC section 7 'Machinery & transport', with 42 per cent of exports coming from this commodity group. Despite the 12 per cent year on year rise in export value for section 7, there was virtually no growth in the fourth quarter of 2011 compared with the same period in 2010. Most of the growth in the first three quarters of 2011 was due to increased exports from divisions 77 'Electrical machinery, apparatus & equipment' (up £92 million, with exports to Thailand and Malaysia up £47 million and £42 million respectively) and 71 'Power generating machinery & equipment' (up £86 million, with exports to Saudi Arabia up £30 million). This was balanced to some extent by a large decrease in exports from division 75 'Office machine & adp machines' (down £71 million).

Northern Ireland is the only UK country to have SITC section 0 'Food & live animals' among its top five sections by value. Despite a decline in growth in the fourth quarter of 2011 this section's share in Northern Ireland's total export value rose to almost 16 per cent in 2011 (up from 14 per cent in 2010). The most important subgroups for Northern Ireland within section 0 are division 01 'Meat & meat preparations' (up £46 million, with exports to the Irish Republic up £24 million) and division 02 'Dairy products & birds' eggs' (up £42 million, with exports to the Irish Republic up £35 million).

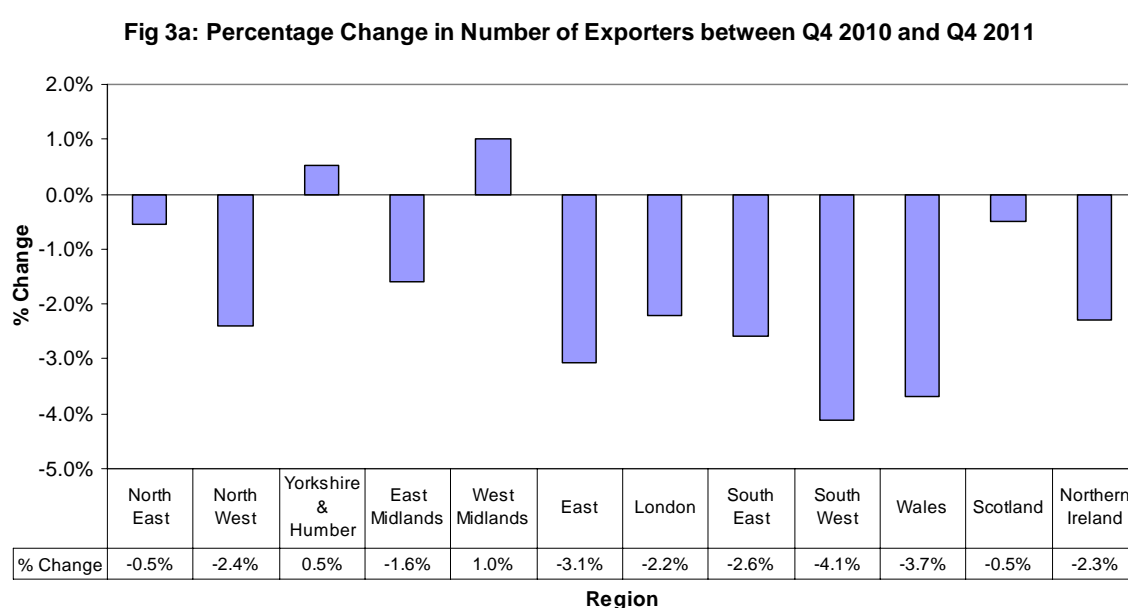
While SITC section 7 showed the largest increases in export value during 2011, the largest section level decrease was in section 1 'Beverages & tobacco' (down £110 million to £289 million, the lowest annual export value for Northern Ireland since 2007). This was caused by a reduction in the value of goods exported within division 12 'Tobacco & tobacco manufactures' which suffered a 97 per cent loss during the year, mainly in exports to Germany (down £43 million) and Belgium (down £23 million).

### **Number of Traders - Exports**

The following analysis compares the number of active exporters in Quarter 4 2011 with the number in Quarter 4 2010. A quarterly analysis is more appropriate here than an annual analysis, as summing the number of active traders over a year could

produce ambiguous results. A quarter-on-quarter comparison enables us to measure seasonal movement of traders, such as the increase/decrease in number of active traders over the Christmas season (Quarter 4). The number of traders counted excludes traders with the EU whose trade is below the Intrastat Exemption Threshold (see note 6).

Figure 3a shows the percentage change in number of exporters per region between Quarter 4 2010 and Quarter 4 2011.



Source: Regional Trade Statistics, HM Revenue & Customs

For the UK as a whole, the number of exporting traders decreased by 1.9 per cent between Quarter 4 2010 and Quarter 4 2011 from 51,411 to 50,433. This was a smaller decrease than the 3.1 per cent fall in trader numbers between the third quarter of 2010 and the third quarter of 2011.

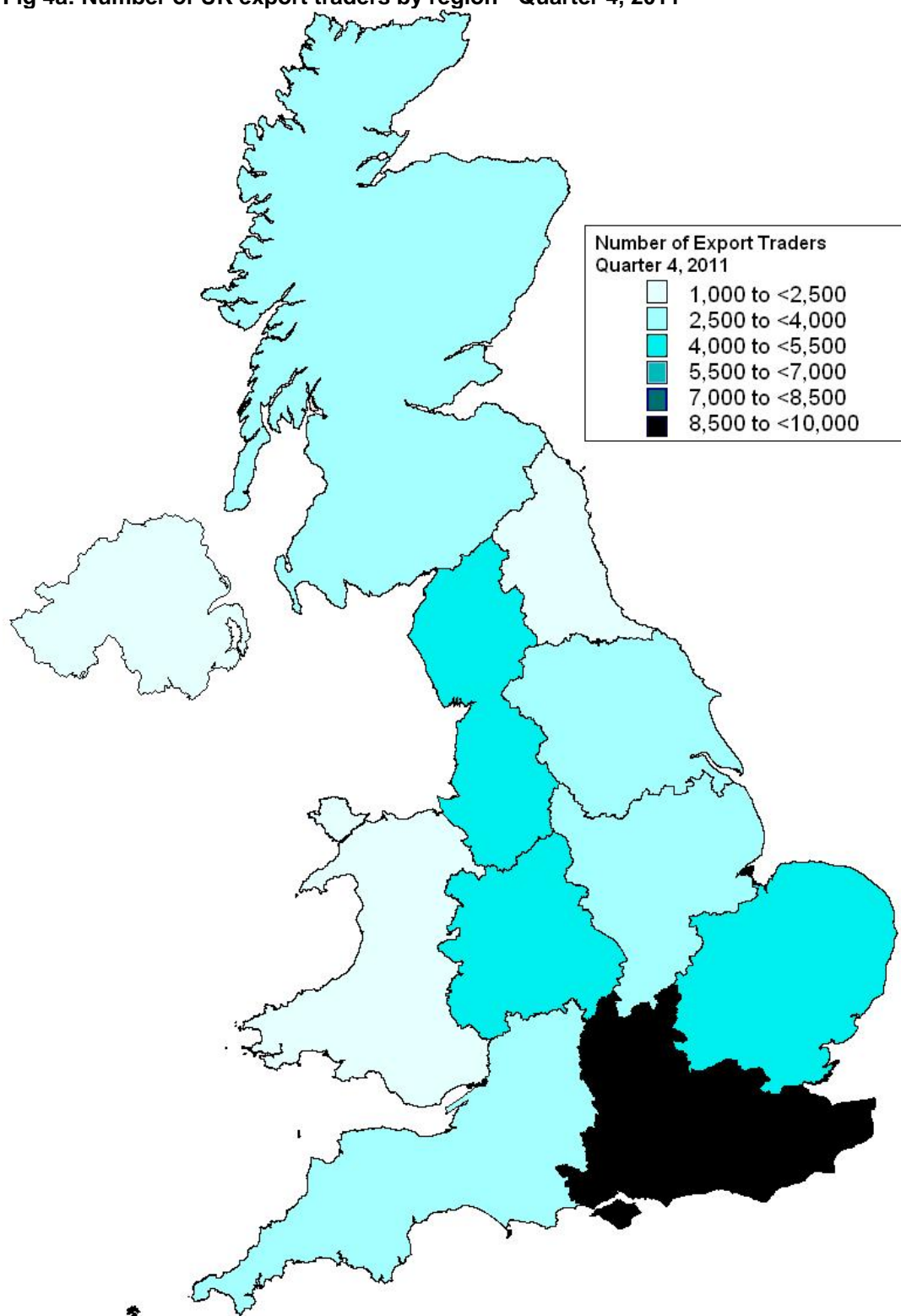
Figure 3a shows that the number of active exporters has decreased in all regions of the UK apart from Yorkshire & Humberside and the West Midlands between Quarter 4 2010 and Quarter 4 2011. The South West experienced the largest percentage drop in trader numbers, 4.1 per cent, whereas the number of exporters in the West Midlands increased by 1.0 per cent.

Most regions saw a smaller decrease in trader numbers between the fourth quarters of 2010 and 2011 than between the third quarters of 2010 and 2011. Trader numbers increased for both the West Midlands and Yorkshire & Humberside in Quarter 4 of 2011 compared with the same period of 2010, an improvement following the decreases for both these regions in the previous quarter.

For the South West and Wales trader numbers declined further in Quarter 4 2011 following the decreases reported in Quarter 3, whereas for the North East the number of traders was down slightly in Quarter 4 2011 following the rise seen in Quarter 3.

Figure 4a shows the total number of UK export traders in each region for Quarter 4 2011. The South East, London and the East are the three regions with the largest count of traders, accounting respectively for 17.7 per cent, 17.1 per cent and 11.0 per cent of all UK traders. For London this is an increase from the 16.7 per cent reported for Quarter 3 2011.

**Fig 4a: Number of UK export traders by region - Quarter 4, 2011**



Source: Regional Trade Statistics, HM Revenue & Customs

## Rolling 12 Month Overview – Imports

The following analysis of a rolling 12 month period smoothes the seasonal quarterly variation of trade. This serves to better illustrate the longer term trend in the value of imports within the regions.

### *Partner country analysis – England*

Table 1b: England - main import partners

|              |             | Year<br>ending<br>December<br>2011 Total<br>£ millions | Year ending<br>December<br>2010 Total<br>£ millions | % Change<br>from<br>December<br>2010 | % Total Trade in<br>year ending<br>December 2011 |
|--------------|-------------|--|---|--------------------------------------|--|
| Country      |             |  |   |                                      |  |
| Top 5        | Germany     | 40,004.4   | 37,436.3  | 6.9                                  | 12.7   |
|              | China       | 26,127.7   | 24,071.2  | 8.5                                  | 8.3  |
|              | USA         | 25,546.6   | 26,072.1  | -2.0                                 | 8.1  |
|              | Norway      | 20,943.3   | 14,593.8  | 43.5                                 | 6.6  |
|              | Netherlands | 19,532.3   | 18,079.1  | 8.0                                  | 6.2  |
| Others       |             | 183,894.1  | 167,432.2   | 9.8                                  | 58.2   |
| Total EU     |             | 149,539.0  | 139,828.2   | 6.9                                  | 47.3   |
| Total Non-EU |             | 166,509.5  | 147,856.5   | 12.6                                 | 52.7   |
| Grand Total  |             | 316,048.5  | 287,684.7   | 9.9                                  | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

With England receiving over 92 per cent of the UK's allocated imports by value, the pattern of imports to England determines that for the UK as a whole. Germany remains the top import partner for England, but China has moved from third to second highest import partner during 2011, with England now importing more goods from China than from the USA. This marks an important turning point with the USA having been England's top non-EU import partner since regional trade records began in 1999. Imports from the USA decreased during the fourth quarter of 2011 compared with the same period in 2010, giving a year-on-year decrease of 2 per cent. Imports from Norway increased by 44 per cent during 2011, making Norway England's fourth largest import partner (up from sixth largest in 2010, overtaking the Netherlands and France). This increase was mainly due to goods from SITC division 33 'Petroleum, petroleum products & related materials' (up £6.7 billion). Price rises within this division during the year contributed to this increase: the volume of imports from

Norway within SITC 33 rose by a mere 21 per cent in comparison with a value increase of 64 per cent.

Overall, England's imports increased by nearly 10 per cent over the 12 month period. The value of imports from outside the EU has risen at almost double the rate of that from EU countries, with the balance of imports increasingly in favour of non-EU partner countries. Apart from Norway, the countries that contributed most to the overall increase were Germany (up £2.6 billion, with SITC division 78 'Road vehicles' up £1.4 billion), Qatar (up £2.2 billion, with SITC 34 'Gas, natural & manufactured' up £2.0 billion) and China (up £2.0 billion, with SITC division 77 'Electrical machinery, apparatus & appliances' up £469 million).

The partner countries where the value of imports decreased the most were South Africa (SITC division 66 'Non-metallic mineral manufactures' down £1.4 billion) and Libya (SITC division 33 'Petroleum, petroleum products & related materials' down £873 million). In the case of Libya, this was almost certainly due to the conflict in the Middle East that led to imports from Libya being suspended between April and September of 2011 before resuming in the fourth quarter of the year.

### ***Partner country analysis – English regions***

Table 2b: Top 5 import partners for the English regions in the year ending December 2011

|                                   | Top 5 partner countries |         |             |             |                |
|-----------------------------------|-------------------------|---------|-------------|-------------|----------------|
|                                   | 1                       | 2       | 3           | 4           | 5              |
| <b>North East</b>                 | Japan                   | USA     | Norway      | France      | Belgium        |
| <b>North West</b>                 | China                   | Germany | Netherlands | USA         | Belgium        |
| <b>Yorkshire &amp; Humberside</b> | China                   | Germany | Netherlands | USA         | France         |
| <b>East Midlands</b>              | Germany                 | China   | USA         | Netherlands | France         |
| <b>West Midlands</b>              | Norway                  | Germany | China       | France      | USA            |
| <b>East</b>                       | Germany                 | USA     | France      | Netherlands | Irish Republic |
| <b>London</b>                     | Norway                  | China   | USA         | Germany     | Qatar          |
| <b>South East</b>                 | Germany                 | USA     | Belgium     | China       | Netherlands    |
| <b>South West</b>                 | USA                     | China   | Germany     | Japan       | Netherlands    |

Source: HM Revenue & Customs Regional Trade Statistics

Every region of England saw an increase in the value of imports during 2011. The largest percentage increase was in the West Midlands, where imports were up 29 per

cent due to a sharp rise in goods coming from Norway (up £4.2 billion); this was mainly due to SITC division 33 'Petroleum, petroleum products & related materials', where imports increased by £4.1 billion. The East had the smallest increase in import value (up only 0.4 per cent), mainly due to a decrease in goods coming from the USA (down £1.8 billion); this was largely because of a reduction in imports from SITC division 79 'Other transport equipment' (down £2.2 billion). England's import trade is dominated by the South East and London, which together receive over 48 per cent of England's imports. London's imports increased by 15 per cent in value during the year, while the South East saw a more modest increase of 6 per cent.

The South East, the East and the North West are the only regions where the balance of imports is with the EU; of these, the East is the region where imports from the EU are the most dominant, claiming 63 per cent of import value. For the other five regions, the majority of imports come from outside the EU. London, the North East and the South West are the three regions where non-EU imports are most prevalent; for these regions around two-thirds of goods come from outside the EU, mainly from Norway, the USA and China.

London stands out as being the region whose imports come from a diverse range of countries, with two-thirds of goods being received from countries outside the top five. Important partner countries outside London's top five include France, the Netherlands, Switzerland and Hong Kong, with Botswana now the tenth highest import partner following a four-fold increase during 2011; the increase for Botswana was almost entirely due to growth in imports within SITC division 66 'Non-metallic mineral manufactures' (up £1.9 billion). Qatar has become London's fifth largest import partner by value during 2011 (up from 12<sup>th</sup> largest in 2010) after imports here more than doubled during the year; this was largely due to an increase in goods received from SITC division 34 'Gas, natural & manufactured' (up £1.8 billion).

Table 2b shows that the USA features among the top five import partners for every English region, while Germany is in the top five for every region except the North East. Imports from the USA have increased for all regions apart from the East and the North West. For the East, imports from the USA fell by one third (down £1.8 billion), mainly as a result of decreases within SITC division 79 'Other transport equipment'. Imports from Germany rose for all regions apart from London, where there was a 2 per cent reduction in 2011; this was a result of a decrease in goods coming from SITC division 79 (down £264 million).

The North East and the East are the only English regions without China among their top five partners. Imports from China have increased in 2011 for every region apart from the East where they remained static during the year. The region receiving the largest percentage of its overall imports from China is Yorkshire & Humberside, where China contributes over 14 per cent of import value; here much of the value comes from SITC divisions 84 and 89 'Miscellaneous manufactured articles'. The fact that China has overtaken the USA, becoming England's most dominant non-EU partner for imports, is due predominantly to the large rise in imports from China in London and the South East during the year, together with the decline in imports from the USA seen in the East.

The North East and South West are the only regions with Japan among their top five. For the South West, imports from Japan have fallen by over 5 per cent during 2011, whereas for the North East imports from Japan have risen sharply (up 57 per cent), mainly due to increases in goods coming from SITC division 78 'Road vehicles' (up £404 million). This has increased Japan's share of the North East's imports from 13 per cent in 2010 to 17 per cent in 2011.

### ***Partner country analysis – Wales***

Table 3b: Wales - main import partners

|              |         | Year<br>ending<br>December<br>2011 Total<br>£ millions | Year ending<br>December<br>2010 Total<br>£ millions | % Change<br>from<br>December<br>2010 | % Total Trade in<br>year ending<br>December 2011 |
|--------------|---------|--|---|--------------------------------------|--|
| Country      |         |  |   |                                      |  |
| Top 5        | Canada  | 929.9  | 198.6   | 368.3                                | 11.6   |
|              | USA     | 732.3  | 699.9   | 4.6                                  | 9.1  |
|              | Germany | 694.2  | 590.4   | 17.6                                 | 8.7  |
|              | Brazil  | 660.9  | 660.1   | 0.1                                  | 8.2  |
|              | China   | 622.8  | 619.9   | 0.5                                  | 7.8  |
| Others       |         | 4,383.9  | 3,705.2   | 18.3                                 | 54.6   |
| Total EU     |         | 2,740.2  | 2,301.9   | 19                                   | 34.2   |
| Total Non-EU |         | 5,283.7  | 4,172.1   | 26.6                                 | 65.8   |
| Grand Total  |         | 8,023.9  | 6,474.0   | 23.9                                 | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

During 2011 imports to Wales increased in value by almost 24 per cent compared with 2010; this was over double the rate of increase seen in England, Scotland and Northern Ireland. Imports from Canada have increased almost five-fold during 2011, making it Wales' top import partner for the year (up from only 12<sup>th</sup> largest in 2010); this rise was driven by a large increase in goods from SITC 28 'Metalliferous ores & metal scrap' in the second half of 2011, marking a return to the levels imported from this division in 2007. Brazil has moved down the rankings from being Wales' top import partner in the year ending September 2011 to only fourth largest by the end of 2011; this decline in the fourth quarter of 2011 followed large increases in the first half of the year, the fluctuations coming mainly from within SITC division 28.

Two thirds of imports into Wales come from non-EU partner countries, this share having increased in the last year. Imports from China declined in the fourth quarter of 2011 (compared with the same period in 2010) after rising in the first half of the year; this was caused by fluctuations in imports from SITC divisions 52 'Inorganic chemicals' and 77 'Electrical machinery, apparatus & appliances'. As a result imports for the year ending December 2011 from China were relatively static compared with the same period in 2010.

The partner countries whose imports to Wales decreased the most during the 12 month period were Australia, where imports declined by one third (SITC division 32 'Coke, coal & briquettes' down £134 million) and Thailand (down £27 million, with SITC division 01 'Meat & meat preparations' down £10 million).

## Partner country analysis – Scotland

Table 4b: Scotland - main import partners

|       | Country      | Year ending December 2011 Total £ millions | Year ending December 2010 Total £ millions | % Change from December 2010 | % Total Trade in year ending December 2011 |
|-------|--------------|--|--|-----------------------------|--|
| Top 5 | USA          | 2,000.8                                    | 1,910.7                                    | 4.7                         | 16.4                                       |
|       | Norway       | 1,212.8                                    | 1,016.4                                    | 19.3                        | 9.9  |
|       | China        | 1,049.6                                    | 1,142.8                                    | -8.2                        | 8.6  |
|       | Nigeria      | 750.2                                      | 499.8                                      | 50.1                        | 6.2  |
|       | Netherlands  | 713.3                                      | 683.1                                      | 4.4                         | 5.9  |
|       | Others       | 6,463.0                                    | 5,991.0                                    | 7.9                         | 53.0                                       |
|       | Total EU     | 3,670.6                                    | 3,504.8                                    | 4.7                         | 30.1                                       |
|       | Total Non-EU | 8,519.2                                    | 7,739.0                                    | 10.1                        | 69.9                                       |
|       | Grand Total  | 12,189.8                                   | 11,243.8                                   | 8.4                         | 100.0                                      |

Source: HM Revenue & Customs Regional Trade Statistics

Imports to Scotland have increased in value by over 8 per cent during 2011, almost double the rate of increase seen between 2009 and 2010. The USA remains Scotland's top import partner by a wide margin; imports from the USA recovered in the fourth quarter of 2011 after a decrease in the early part of the year. Imports from the USA that decreased most during the year were in SITC division 75 'Office machines & adp machines'; those that increased the most were from SITC division 74 'General industrial machinery & equipment & machine parts'.

Scotland's imports from China decreased in 2011 compared with 2010, with most of the decline coming in the fourth quarter of 2011. The annual decrease of 8 per cent was against the general trend for the UK, where there was an average value increase of 7 per cent in imports from China during 2011. The decline was mainly due to reductions in goods coming from SITC division 75 'Office machines & adp machines' (down £176 million). Imports from the Netherlands also declined in the fourth quarter of 2011 following a large rise in the first three quarters of 2011; the decrease was largely due to reduced imports from within SITC division 75 'Office machine & adp machines' (down £56 million). Apart from China, the partner countries whose imports to Scotland have decreased most in value in 2011 are Poland (SITC division 75 down by £139 million) and Argentina (SITC division 08 'Feeding stuff for animals' down £81 million).

Around 70 per cent of Scotland's imports came from non-EU countries in 2011; this proportion has increased slightly in comparison with 2010, in line with England, Wales and Northern Ireland. Imports from Nigeria have increased in value by over 50 per cent (up £250 million) during 2011, the largest value increase of any partner country. As a result of this Nigeria has become Scotland's fourth largest import partner in 2011, compared with only seventh largest in 2010; the main contributor to the increase was SITC division 33 'Petroleum, petroleum products & related materials' (up £273 million).

Apart from Nigeria, partner countries whose imports to Scotland have increased the most are Norway (up £196 million, with SITC division 33 'Petroleum, petroleum products & related materials' up £174 million) and Russia (up £168 million, with SITC division 32 'Coal, coke & briquettes' up £210 million). In the last 12 months Norway has overtaken China as Scotland's second largest import partner.

### ***Partner country analysis – Northern Ireland***

Table 5b: Northern Ireland - main import partners

|              |                | Year<br>ending<br>December<br>2011 Total<br>£ millions | Year ending<br>December<br>2010 Total<br>£ millions | % Change<br>from<br>December<br>2010 | % Total Trade in<br>year ending<br>December 2011 |
|--------------|----------------|--|---|--------------------------------------|--|
| Country      |                |  |   |                                      |  |
| Top 5        | Irish Republic | 1,646.10   | 1,631.80  | 0.9                                  | 29.4   |
|              | China          | 909.8  | 807.4   | 12.7                                 | 16.3   |
|              | USA            | 413.4  | 388   | 6.5                                  | 7.4  |
|              | Germany        | 312.3  | 258.6   | 20.8                                 | 5.6  |
|              | France         | 269.8  | 237.5   | 13.6                                 | 4.8  |
| Others       |                | 2,038.20   | 1,834.30  | 11.1                                 | 36.5   |
| Total EU     |                | 3,208.50   | 2,978.90  | 7.7                                  | 57.4   |
| Total Non-EU |                | 2,381.10   | 2,178.80  | 9.3                                  | 42.6   |
| Grand Total  |                | 5,589.60   | 5,157.60  | 8.4                                  | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

Table 5b shows that Northern Ireland has seen an 8 per cent increase in the value of its imports in 2011, a similar growth rate to that seen in England and Scotland. Imports to Northern Ireland continue to be dominated by goods from the Irish Republic, although the proportion of imports coming from here has decreased from 32 per cent to 29 per cent over the 12 months, with the value of imports from the Irish

Republic remaining fairly static; this was mainly the result of a decline in imports from SITC division 89 'Miscellaneous manufactured articles' (down £53 million). SITC section 0 'Food & live animals' accounts for nearly one third of Northern Ireland's imports from the Irish Republic. Due to the Irish Republic's monopoly, Northern Ireland is the only UK country whose balance of imports is with the EU.

Northern Ireland had the largest percentage increase in imports from China (up 13 per cent) of all the UK countries during the 12 month period; this stemmed from the growth in imports from SITC division 84 'Articles of apparel & clothing accessories' (up £78 million). However, there was a decline in imports from China during the fourth quarter of 2011 compared with the same period in 2010. Imports from the USA also declined during the fourth quarter, mainly due to a reduction in goods within SITC section 0 'Food & live animals'.

The largest decreases in imports to Northern Ireland during 2011 were from India (SITC division 84 'Articles of apparel & clothing accessories' down £32 million) and Canada (SITC division 71 'Power generating machinery & equipment' down £27 million).

### ***Commodity analysis - England***

Table 6b: Top 5 commodities for England imports year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to<br>December 2011<br>Total £ millions | Year to<br>December 2010<br>Total £ millions | % Change<br>from Dec<br>2010 | % Total<br>Trade<br>in year<br>ending<br>Dec<br>2011 |
|--------------|---|--|--|------------------------------|--|
| 7            | Machinery & transport equipment                   | 103,841.5                                    | 103,434.8                                    | 0.4                          | 32.9   |
| 8            | Miscellaneous manufactured articles               | 50,208.8                                     | 47,556.1                                     | 5.6                          | 15.9   |
| 3            | Mineral fuels, lubricants & related materials     | 47,131.9                                     | 31,323.0                                     | 50.5                         | 14.9   |
| 6            | Manufactured goods classified chiefly by material | 39,746.9                                     | 35,602.1                                     | 11.6                         | 12.6   |
| 5            | Chemicals & related products                      | 38,221.2                                     | 34,670.1                                     | 10.2                         | 12.1   |
| Other SITCs  |   | 36,898.1                                     | 35,098.7                                     | 5.1                          | 11.7   |
| All SITCs    |   | 316,048.5                                    | 287,684.7                                    | 9.9                          | 100.0  |

Source: HM Revenue & Customs Regional Trade Statistics

Table 6b shows that SITC section 7 'Machinery & transport equipment' dominates England's imports, accounting for one third of total import value during 2011. Growth in section 7 has been fairly static over the past year (up 0.4 per cent), largely due to a reduction of £5.0 billion in imports received from SITC division 79 'Other transport equipment', mainly in goods coming from the USA (down £2.7 billion).

The only SITC section that decreased in value during the 12 months was section 9 'Commodities/transactions' not classified elsewhere'. The largest section-level value increase over the year was in section 3 'Mineral fuels, lubricants & related materials', which rose by £15.8 billion; this 50 per cent increase was mainly due to division 33 'Petroleum, petroleum products & related materials' (up £13.0 billion, with imports from Norway up £6.7 billion). This increase was partly due to large price rises within division 33 during the year, with the volume of imports in this division up by only 13 per cent compared with a value increase of 51 per cent.

All but twelve of the sixty-five SITC divisions increased in import value over the 12 months. Apart from division 33, the largest increases were in division 78 'Road vehicles' (up £2.2 billion, with imports from Germany up £1.4 billion) and division 34 'Gas, natural & manufactured' (with imports from Qatar up £2.0). Apart from division 79, the commodity group experiencing the biggest decrease during the 12 months was division 76 'Telecomms & sound recording & reproducing apparatus & equipment' (down £1.0 billion, with imports from Hungary and the Netherlands reducing in value the most).

## Commodity analysis – English regions

Table 7b - Top 5 commodities for import to English regions - 12 months ending December 2011

| Region                 | Top 5 SITC Sections                               |   |   |   |   |
|------------------------|---|---|---|---|---|
|                        | 1   | 2   | 3   | 4   | 5   |
| North East             | 7 - Machinery & transport equipment               | 3 - Mineral fuels, lubricants & related materials | 8 - Miscellaneous manufactured articles               | 5 - Chemicals & related products                      | 6 - Manufactured goods classified chiefly by material |
| North West             | 5 - Chemicals & related products                  | 8 - Miscellaneous manufactured articles           | 7 - Machinery & transport equipment                   | 6 - Manufactured goods classified chiefly by material | 3 - Mineral fuels, lubricants & related materials     |
| Yorkshire & Humberside | 7 - Machinery & transport equipment               | 8 - Miscellaneous manufactured articles           | 6 - Manufactured goods classified chiefly by material | 5 - Chemicals & related products                      | 0 - Food & live animals                               |
| East Midlands          | 7 - Machinery & transport equipment               | 8 - Miscellaneous manufactured articles           | 6 - Manufactured goods classified chiefly by material | 5 - Chemicals & related products                      | 0 - Food & live animals                               |
| West Midlands          | 7 - Machinery & transport equipment               | 3 - Mineral fuels, lubricants & related materials | 6 - Manufactured goods classified chiefly by material | 8 - Miscellaneous manufactured articles               | 0 - Food & live animals                               |
| East                   | 7 - Machinery & transport equipment               | 5 - Chemicals & related products                  | 8 - Miscellaneous manufactured articles               | 3 - Mineral fuels, lubricants & related materials     | 0 - Food & live animals                               |
| London                 | 3 - Mineral fuels, lubricants & related materials | 8 - Miscellaneous manufactured articles           | 6 - Manufactured goods classified chiefly by material | 7 - Machinery & transport equipment                   | 0 - Food & live animals                               |
| South East             | 7 - Machinery & transport equipment               | 5 - Chemicals & related products                  | 3 - Mineral fuels, lubricants & related materials     | 8 - Miscellaneous manufactured articles               | 6 - Manufactured goods classified chiefly by material |
| South West             | 7 - Machinery & transport equipment               | 8 - Miscellaneous manufactured articles           | 6 - Manufactured goods classified chiefly by material | 0 - Food & live animals                               | 5 - Chemicals & related products                      |

Source: HM Revenue & Customs Regional Trade Statistics

Table 7b shows the top five import sections by value for the English regions. There has been no change in the order of the top five sections in the last quarter except for the South East, where section 6 has moved into fifth highest position ahead of section 0, and Yorkshire & Humberside where section 7 has moved into top position ahead of section 8. SITC section 7 'Machinery & transport equipment' is the most valuable import section for seven of the English regions. This commodity group is particularly dominant in the South West (52 per cent of import value), the South East (48 per cent), the East (43 per cent) and the North East (43 per cent). London and the East have seen a marked decrease in imports from section 7 in the last year, while imports from section 7 to the South East and South West have been static. In contrast, there was a large increase (41 per cent) in the value of section 7 imports to the North East.

SITC section 5 'Chemicals & related products' is the top-ranking import commodity group by value for the North West, which accounts for 21 per cent of England's total import value in this section. Apart from the North West the top importing regions for section 5 are the South East (accounting for 29 per cent of England's total for section 5) and the East (18 per cent). Of all the English regions the North West saw the largest value increase for section 5 in 2011 (up £1.1 billion, mainly due to a doubling in value of goods coming from Israel).

London is the most important region for imports within section 3 'Mineral fuels, lubricants & related materials', accounting for 36 per cent of England's import total in this section. The majority of regions saw large increases in the value of imports within section 3 during 2011; this was partly due to price rises in division 33 'Petroleum, petroleum products & related materials'. The largest increases in section 3 were in the London region (up £5.2 billion) and the West Midlands (up £4.5 billion); For London a large part of the growth was in imports from division 34 'Gas, natural & manufactured' coming from Qatar (up £1.8 billion), whereas for the West Midlands the vast majority of the growth was from imports of division 33 coming from Norway (up £4.1 billion).

For imports from SITC sections 6 'Manufactured goods classified chiefly by material' and 8 'Miscellaneous manufactured articles' London is by far the most important region, accounting for one third of England's imports by value. Both these sections have increased in value in most regions during the period, more so for London than any other region; this was mainly due to increased imports of goods within divisions 66 'Non-metallic mineral manufactures' (with imports from Botswana up £1.9 billion) and 89 'Miscellaneous manufactured articles' (with large increases in imports from the USA, Georgia and Switzerland). For Yorkshire & Humberside section 8 has decreased in prominence during the year (down 2 per cent), moving from highest-valued to only second highest-valued section; this was largely caused by a reduction in imports from divisions 89 'Miscellaneous manufactured articles' and 82 'Furniture'. The North East also saw a value decrease in section 8 during 2011, mainly due to reductions in division 89 'Miscellaneous manufactured articles'. The East is the only English region without section 6 in its top five.

The North East, North West and South East are the only regions without section 0 'Food & live animals' in their top five, whereas for Yorkshire & Humberside this section makes up around 13 per cent of imports, the highest share of all the English

regions; a sizeable portion of these imports come from Spain and the Netherlands. While most regions saw moderate increases in imports from section 0 during 2011, for the North East the value of goods imported from this section dropped by 20 per cent, and for the East there was virtually no increase. Despite the fact that section 0 has now fallen out of the top five commodity types for the South East, the region remains an important recipient of goods from this section; London and the South East together are responsible for 45 per cent of England's imports of 'Food & live animals' by value, a large proportion of the goods coming from the Netherlands, France, Germany and Spain.

All regions experienced a rise in import value for the majority of the sixty-five SITC divisions, although both the North East and South West saw decreases in 40 per cent of divisions. While division 33 'Petroleum, petroleum products & related materials' yielded the largest value increases for five of the regions (the East, London, the South East, the North West and the West Midlands), the biggest growth for the East Midlands and the South West was in division 71 'Power generating machinery & equipment' where imports from the USA contributed much of the increase. The North East saw its largest value increase in division 78 'Road vehicles' (up £790 million with imports from Japan up £404 million) while for Yorkshire & Humberside the biggest increase was in division 32 'Coal, coke & briquettes' (up £254 million, with imports from the USA up £143 million).

At division level the greatest reductions in import value for England as a whole were in divisions 79 'Other transport equipment' and 76 'Telecomms & sound recording & reproducing apparatus & equipment'. The decrease in division 79 was predominantly felt in the East (down £3.4 billion) and London (down £906 million); this was largely due to a reduction in goods coming from the USA. For division 76 the regions contributing most of the reduction were the South East (down £444 million) and South West (down £193 million); here, the decreases came mainly in goods from Hungary, Slovakia and the Irish Republic.

## Commodity analysis – Wales

Table 8b: Top 5 commodities for Wales imports - year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to December 2011 Total £ millions | Year to December 2010 Total £ millions | % Change from Dec 2010 | % Total Trade in year ending Dec 2011 |
|--------------|---|--|--|------------------------|---------------------------------------|
| 2            | Crude materials, inedible, except fuels           | 1,996.5                                | 1,043.7                                | 91.3                   | 24.9                                  |
| 6            | Manufactured goods classified chiefly by material | 1,863.1                                | 1,283.7                                | 45.1                   | 23.2                                  |
| 7            | Machinery & transport equipment                   | 1,552.8                                | 1,474.4                                | 5.3                    | 19.4                                  |
| 5            | Chemicals & related products                      | 1,017.7                                | 950.1                                  | 7.1                    | 12.7                                  |
| 8            | Miscellaneous manufactured articles               | 735.2                                  | 690.3                                  | 6.5                    | 9.2                                   |
|              | Other SITCs                                       | 858.4                                  | 1,031.8                                | -16.8                  | 10.7                                  |
|              | All SITCs   | 8,023.9                                | 6,474.0                                | 23.9                   | 100.0                                 |

Source: HM Revenue & Customs Regional Trade Statistics

Table 3b shows that, for Wales, two thirds of import value is split fairly evenly between the top three SITC sections: section 2 'Crude materials, inedible, except fuels', section 6 'Manufactured goods classified chiefly by material' and section 7 'Machinery & transport equipment'. During 2011 imports from section 2 almost doubled in value, making this section the top import group for the year, overtaking section 6. Wales is the only region of the UK to have section 2 among its top five. This section's prominence is mainly due to imports from division 28, 'Metalliferous ores & metal scrap', which have doubled during 2011 (up £941 million); this increase was driven by growth in imports from Canada (up £668 million).

Wales saw its other large value increase in section 6 (up £579 million) where the growth was mainly triggered by a rise in divisions 67 'Iron & steel' (up £278 million, with imports from the Netherlands and Russia increasing sharply) and 68 'Non-ferrous metals' (up £179 million, with imports from South Africa and Canada contributing most of this).

Both section 7 'Machinery & transport equipment' and section 5 'Chemicals & related products' declined in value in Quarter 4 2011 compared with the same period in 2010, although year on year both these sections showed moderate increases. The only notable value decrease for Wales at division level was in imports from division 32 'Coal, coke & briquettes' (down £213 million, with a decline in goods from Australia and the USA).

### **Commodity analysis – Scotland**

Table 9b: Top 5 commodities for Scotland imports - year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to December 2011 Total £ millions | Year to December 2010 Total £ millions | % Change from Dec 2011 | % Total Trade in year ending Dec 2011 |
|--------------|---|--|--|------------------------|---------------------------------------|
| 7            | Machinery & transport equipment                   | 4,790.6                                | 4,950.2                                | -3.2                   | 39.3                                  |
| 3            | Mineral fuels, lubricants & related materials     | 2,184.8                                | 1,492.7                                | 46.4                   | 17.9                                  |
| 6            | Manufactured goods classified chiefly by material | 1,537.5                                | 1,257.1                                | 22.3                   | 12.6                                  |
| 8            | Miscellaneous manufactured articles               | 1,477.9                                | 1,385.9                                | 6.6                    | 12.1                                  |
| 0            | Food & live animals                               | 966.0                                  | 1,117.0                                | -13.5                  | 7.9                                   |
| Other SITCs  |   | 1,233.0                                | 1,040.9                                | 18.5                   | 10.1                                  |
| All SITCs    |   | 12,189.8                               | 11,243.8                               | 8.4                    | 100.0                                 |

Source: HM Revenue & Customs Regional Trade Statistics

Table 9b shows that Scotland's imports are dominated by goods from SITC section 7, which accounts for 39 per cent of total import value; this share has reduced from 44 per cent in the previous 12 months due to a £160 million decrease in import value, contributed mainly by goods from division 75 'Office machines & adp machines' (down £394 million, with imports from China down £176 million).

The SITC section with the largest increase in import value is section 3 'Mineral fuels, lubricants & related materials' (up £692 million) with imports from division 33 up £397 million, primarily due to growth in imports from Nigeria (up £273 million) as

mentioned above. SITC division 32 'Coal, coke & briquettes' has also seen a large increase of 73 per cent (up £300 million) in import value during the period, with goods from Russia increasing in value by £210 million.

Scotland's top five import sections have remained the same over the past year apart from section 6 'Manufactured goods classified chiefly by material' moving to third highest section by value ahead of section 8 'Miscellaneous manufactured articles'. The relatively large increase in import value of 22 per cent in section 6 (up £280 million) was driven by SITC divisions 69 'Manufactures of metal' and 67 'Iron & steel', mainly in goods imported from China and Japan respectively.

Apart from section 7, the section with the largest decline in value during 2011 was section 0 'Food & live animals' which went down by £151 million, much of the decrease occurring during the fourth quarter; the annual decrease was mainly attributable to division 08 'Feeding stuff for animals' (down £114 million) and division 02 'Dairy products & birds' eggs' (down £70 million) where there were reductions in goods coming from Argentina and France respectively.

### ***Commodity analysis – Northern Ireland***

Table 10b: Top 5 commodities for Northern Ireland imports - year ending December 2011 compared to year ending December 2010

| SITC section | Description                                       | Year to December 2011 Total £ millions | Year to December 2010 Total £ millions | % Change from Dec 2011 | % Total Trade in year ending Dec 2011 |
|--------------|---|--|--|------------------------|---------------------------------------|
| 8            | Miscellaneous manufactured articles               | 1,535.8                                | 1,520.3                                | 1.0                    | 27.5                                  |
| 7            | Machinery & transport equipment                   | 1,077.9                                | 987.7                                  | 9.1                    | 19.3                                  |
| 0            | Food & live animals                               | 901.2                                  | 732.1                                  | 23.1                   | 16.1                                  |
| 6            | Manufactured goods classified chiefly by material | 788.0                                  | 707.4                                  | 11.4                   | 14.1                                  |
| 5            | Chemicals & related products                      | 484.1                                  | 458.4                                  | 5.6                    | 8.7                                   |
| Other SITCs  |   | 802.7                                  | 751.6                                  | 6.8                    | 14.4                                  |
| All SITCs    |   | 5,589.6                                | 5,157.6                                | 8.4                    | 100.0                                 |

Source: HM Revenue & Customs Regional Trade Statistics

Northern Ireland's top five SITC import sections have remained in the same order during the last year, the most valuable being section 8 'Miscellaneous manufactured articles' with a 28 per cent share of total import value. Northern Ireland is now the only UK region to have section 8 as its most valuable. Table 10b shows that imports from section 8 have risen by only 1 per cent during 2011, with a decline in value during the fourth quarter of the year compared with the same period in 2010; a large part of the decrease came from SITC division 89 'Miscellaneous manufactured articles' (down £56 million, with imports from the Irish Republic down £53 million).

Section 0 'Food & live animals' had the largest increase in value for the year (up £169 million); this was largely driven by a rise in imports within SITC divisions 08 'Feeding stuff for animals' and 01 'Meat & meat preparations' where goods coming from the Irish Republic increased in value.

Although the majority of SITC divisions within section 8 decreased during the year compared with 2010, division 84 'Articles of apparel & clothing accessories' increased in value by 10 per cent (up £90 million, with imports from China up £78 million); this was the largest value increase of all the sixty-five divisions. Apart from the increase in division 84, the most valuable increase at division level was for division 79 'Other transport equipment' which increased by £58 million mainly due to increases in goods from Spain.

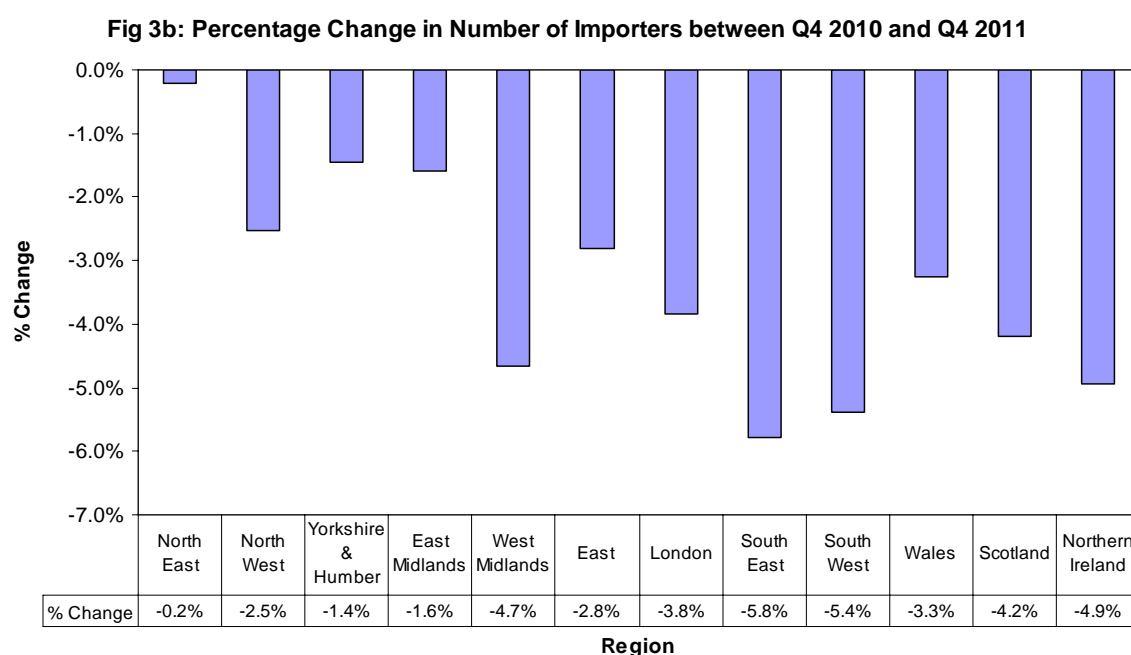
The only SITC section that decreased in import value during the period was section 9 'Commodities/transactions not classified elsewhere'. At division level, Northern Ireland saw its largest value decrease in division 72 'Machinery specialized for particular industries' (down £59 million, with imports from the USA down £39 million).

### **Number of trader – Imports**

The following analysis compares the number of active importers in Quarter 4 2011 with the number in Quarter 4 2010. A quarterly analysis is more appropriate here than an annual analysis, since summing the number of active traders over a year could produce ambiguous results. A quarter-on-quarter comparison enables us to measure seasonal movement of traders, such as the increase/decrease in number of importers over the Christmas season (Quarter 4). The number of traders counted

excludes traders with the EU whose trade is below the Intrastat Exemption Threshold (see note 6).

Figure 3b shows the percentage change in the number of importers in the UK between Quarter 4 2010 and Quarter 4 2011.



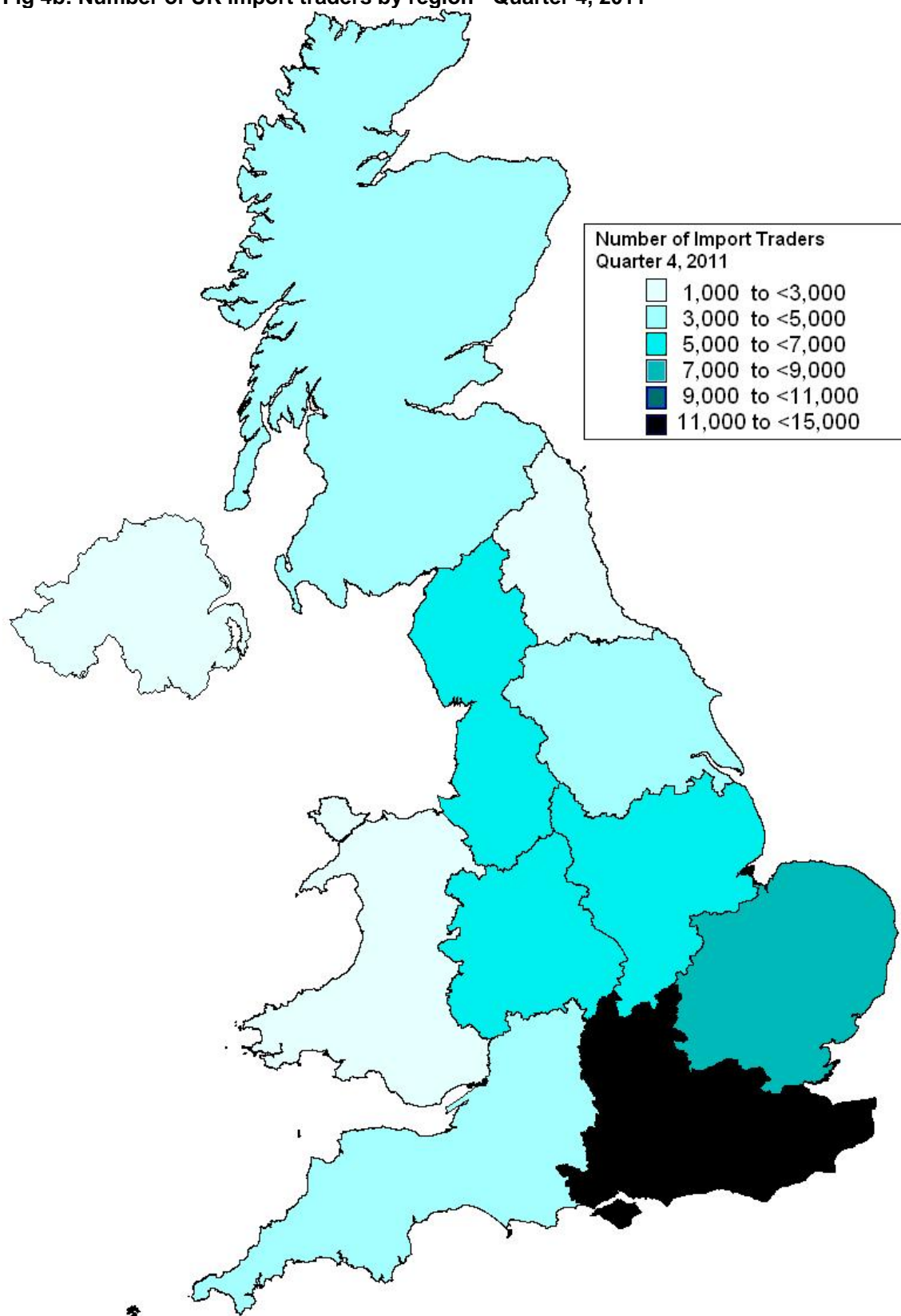
Source: Regional Trade Statistics, HM Revenue & Customs

In the UK as a whole, the number of importing traders decreased by 3.8 per cent between Quarter 4 2010 and Quarter 4 2011 to 67,910. This was a smaller decrease than the 4.4 per cent fall in trader numbers between the third quarter of 2010 and the third quarter of 2011.

Figure 3b shows that the number of active importers decreased in every region of the UK between Quarter 4 2010 and Quarter 4 2011. The South East experienced the largest drop in trader numbers, 5.8 per cent, while the North East was least affected with a decrease of 0.2 per cent. Most regions experienced smaller decreases in trader numbers than between Quarter 3 2010 and Quarter 3 2011, although there were larger percentage decreases for the West Midlands, the South East, Scotland and Northern Ireland.

Figure 4b shows the total number of UK import traders in each region for Quarter 4, 2011. London, the South East and the East are the three regions with the largest count of traders, accounting for 19.7 per cent, 17.2 per cent and 10.8 per cent of all UK traders respectively. These proportions are almost identical to those in the fourth quarter of 2010.

**Fig 4b: Number of UK import traders by region - Quarter 4, 2011**



Source: Regional Trade Statistics, HM Revenue & Customs

## Notes

1. The latest statistics on Regional Trade were released on 08 March 2012 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 4 2011. At the same time revisions for all previously published regional data for 2011 are also being released.
2. 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. Trade is mainly allocated to a region by the postcode associated with a company's VAT registration.
3. Some adjustments have been necessary in the production of export statistics by region to ensure manufacturing that takes place at branch premises is properly allocated to the region where the branch is situated. This adjustment is based on the results of periodic surveys of the top 200 traders by value of exports (both EU and non-EU), to determine the values and proportions of trade generated by each branch. Therefore, for traders who have provided a response to the survey, their trade is split by value to various regions in line with the information provided by the survey. For all other traders the region where the head office is located is used by default. For imports, such adjustments cannot be made, as traders would not be able to produce a reasonable assessment of the final regional destination for their goods. Unlike exports where the manufacture of goods is typically more regionally concentrated, imports are based on the sale of goods, which is far more regionally dispersed.
4. 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 'Unknown region' and includes:
  - a. Trade carried out by persons or entities which cannot be matched to a region.
  - b. Low Value Trade and estimates made for EU trade below the Intrastat threshold.
  - c. Goods within classification codes that have changed since the previous year are not assigned to a region but are included within Unknown region for completeness.

- d. Data relating to Natural Gas and Electricity direct from pipeline and grid operators.

More information can be found in the RTS methodology document.

<https://www.uktradeinfo.com/pagecontent/RTSdocuments/rtMethodsrevision2007v3.pdf>

5. The RTS does not include estimates for non-response or estimates for the missing EU Imports associated with Missing Trader Intra-Community VAT Fraud (MTIC Fraud).
6. The counts for traders dealing with the EU and counts for traders dealing with the non-EU do not sum to the total trader counts. Traders that are active in both EU and non-EU markets are counted once only in the total trader counts. The counts for traders dealing with the EU do not include traders where the value of their intra-EU trade is below the [Intrastat Exemption Threshold](#).
7. In 2009 a change took place to the Customs administrative data source used in the compilation of the RTS. More detail on this can be found at [https://www.uktradeinfo.com/pagecontent/downloads/RTS\\_EORI\\_web.pdf](https://www.uktradeinfo.com/pagecontent/downloads/RTS_EORI_web.pdf)  
The impact of the change is being monitored and reviewed by the Trade Statistics Unit.
8. Aggregated tables are produced to allow time series analysis; these tables are provided in a separate document released in conjunction with this Release.
9. 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.

10. The Regional Trade in Goods figures undergo regular quality assurance reviews to ensure they meet customer needs. The latest Trade Statistics Quality report

can be found here

[https://www.uktradeinfo.com/pagecontent/documents/Quality\\_Report\\_2011.pdf](https://www.uktradeinfo.com/pagecontent/documents/Quality_Report_2011.pdf)

11. The RTS has recently 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>

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Next release: 07 June 2012 9:30am

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