

EU Overseas Trade Statistics - September 2012

Coverage: United Kingdom

Theme: Business and Energy

Released: 13 November 2012

Next Release: 18 December 2012

Frequency of release: Monthly

Media contact: HMRC Press Office 020 7147 0798/2328

Out-of-hours: 07860 359544

Statistical contacts: Andrew Watson Tel: 01702 367485

andy.watson@hmrc.gsi.gov.uk

ECSM Trade Statistics HM Revenue & Customs 21 Victoria Avenue Southend-on-Sea SS99 1AA

Website:

http://www.uktradeinfo.com

Summary

- For trade with EU Member States, the value of exports and imports both increased in September 2012 compared to August 2012. Exports rose slightly more than imports.
- UK's EU exports have increased by £0.7 billion (6.5 per cent) compared to August 2012, to £12.1 billion.
 Compared to September 2011 exports have decreased by £1.6 billion (11.4 per cent).
- UK's EU imports have increased by £0.2 billion (1.4 per cent) compared to August 2012, to £16.7 billion.
 Compared to September 2011 imports decreased by £1.9 billion (10.2 per cent).
- The UK remains a net importer (imports are greater than exports). The size of difference between imports and exports (£4.6 billion) has decreased by 10.0 per cent compared to August 2012, and by 6.9 per cent when compared to September 2011.



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 OTS are published monthly, providing detailed data for over 9,000 commodities and 200 partner countries. The RTS are published quarterly showing trade at summary product and country level, split by UK regions.

You can find details of how users interested in import and export markets for specific goods make use of the detailed OTS data in '<u>The Customer Story</u>'. You can also access the detailed data in our interactive database here.

Key Points

For the month of September 2012:

The value of UK trade increased for both imports and exports in September 2012 compared to the lows seen last month, but neither has returned to July's levels. Both are lower than the values from September 2011. As can be seen from the graph below, this is a trend seen over the last few years, possibly as companies return to full production after a summer shutdown in August. However, this month's increase is lower than seen in previous years.

The value of exports rose more than the value of imports. This resulted in a decrease of 10.0 per cent in the difference between UK imports from the EU and exports to the EU. This difference is now £4.6 billion.

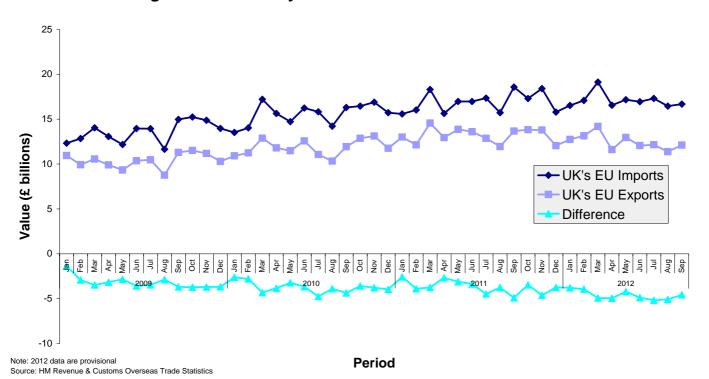


Fig. 1: Total Monthly UK Trade with EU Member States

Exports

- The value of the UK's EU exports has increased by £0.7 billion (6.5 per cent) compared to August 2012 to £12.1 billion. However, compared with September 2011, the value of exports decreased by £1.6 billion (11.4 per cent).
- The top five commodities are similar to the previous month. HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) remains the top commodity exported by value. In September it contributed £2.3 billion, 18.8 per cent of the total value of the UK's EU export trade. This is despite HS2 27 having the largest value decrease from the previous month, of £299.5 million (11.6 per cent).
- The largest value increase from the previous month, of £322.6 million (51.7 per cent), was also in the top five chapters in HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof).
- The top five EU Member States to which the UK exports remain the same as the
 previous month. Germany remains the UK's largest EU export partner country,
 accounting for 22.2 per cent. Germany also experienced the largest increase in
 exports from the UK with a rise of £410.6 million (18.0 per cent). The largest
 decrease in exports from the UK compared to August 2012 was a £247.1 million
 (19.8 per cent) fall in the value of exports to Belgium.
- The total 2012 year to date value of UK's trade-in-goods exported to EU Member States excluding September 2012 was £100.3 billion, which has been upwardly revised by £254.5 million. This is an increase of 0.3 per cent.

Imports

- The value of the UK's EU imports has increased by £0.2 billion (1.4 per cent) compared to August 2012, to £16.7 billion. Compared to September 2011 imports have decreased by £1.9 billion (10.2 per cent).
- The top five commodities are similar to last month. The largest contributing commodity group is HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof). This contributed £2.7 billion, 16.2 per cent, of the total value of UK's EU import trade.
- The largest value increase from the previous month was in HS2 87, the commodity group with the largest value share of the UK's import trade, with an increase of £439.7 million, 19.4 per cent.
- The largest value decrease from the previous month was in HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) with a decrease of £340.0 million, 27.1 per cent.
- The top five EU Member States from which the UK imports are the same as the previous month. Germany is still the EU Member State from which the UK imports most goods by value, accounting for 26.4 per cent. The Netherlands remains in second place.
- The largest increase compared to August 2012 was for imports from Belgium, up by £212.7 million (14.9 per cent). The largest decrease was a fall of £148.1 million in imports from Denmark, a decrease of 27.3 per cent.
- The total 2012 year to date value of UK's trade-in-goods imported from EU Member States excluding September 2012 was £137.2 billion, which has been upwardly revised by £0.5 billion. This is an increase of 0.4 per cent.

Further Analysis: Exports

Table 1: Top 5 commodities in UK's EU exports in September 2012 compared to August 2012 and September 2011								
HS 2	Description	September 2012 Total £ millions	% Change from August 2012	% Change from September 2011	% of Total September 2012 Exports	Rank August 2012	Rank September 2011	
-	Total Exports	12,117.0	6.5	-11.4	100.0	n/a	n/a	
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	2,283.8	-11.6	-10.4	18.8	1	1	
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	1,200.4	8.0	-19.3	9.9	2	2	
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	946.3	51.7	-25.9	7.8	5	3	
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	819.3	13.1	-14.5	6.8	4	4	
30	Pharmaceutical products HM Revenue & Customs Ove	805.4	-0.6	-1.6	6.6	3	5	

The increase in export value **compared to August 2012** reflects an increase in around 75 per cent of all HS2 chapters with the magnitude of the increases generally being larger than those for the decreases. Three out of five of the top chapters experienced increases. However, the top chapter, HS2 27, experienced the largest value decrease from the previous month, of £299.5 million (11.6 per cent).

The largest HS2 increase compared to August 2012 was £322.6 million (51.7 per cent) in HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof), also one of the top five chapters. This increase, however, reflects the August figure being exceptionally low, the lowest value since August 2010 and reflects a return to the more normal levels of trade, moving this chapter from fifth place last month to third this month.

The second largest increase was for HS2 29 (Organic chemicals), which rose by £225.0 million, 60.2 per cent. The reason for this increase again reflects the figure for August being low and therefore this was a return to more normal levels of trade.

The third largest increase was in HS2 88 (Aircraft, spacecraft, and parts thereof) up £144.4 million (57.3 per cent). There were no other increases greater than £100 million

In contrast, there were only two decreases in excess of £100 million. The largest decrease was for HS2 27 of £299.5 million (11.6 per cent) as detailed above. The second largest decrease was in HS2 71 (Natural or cultured pearls, precious or semi-precious stones, precious metals) which fell by £137.4 million (40.5 per cent).

Compared to September 2011, the overall export trade to EU Member States decreased by £1.6 billion, 11.4 per cent. Over 70 per cent of all HS2 chapters saw a fall in the value of exports and the magnitude of the decreases were greater than that of the increases. All of the top five HS2 chapters experienced decreases, including the three largest falls in export value compared to last September.

There were five decreases in excess of £100 million and four of these were in the top five chapters. The largest decrease was in HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof) which fell by £331.5 million (25.9 per cent). The second largest decrease was for HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof) which dropped by £287.4 million (19.3 per cent).

There were also large falls in HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes), which fell by £265.9 million (10.4 per cent) and in HS2 85 (Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers), which fell by £139.0 million (14.5 per cent).

Outside of the top five commodity types HS2 71 (Natural or cultured pearls, precious or semi-precious stones, precious metals), fell by £148.0 million (42.3 per cent).

In contrast, there were no increases in excess of £100 million. The largest increase was for HS2 29 (Organic chemicals), which rose by £75.9 million (14.5 per cent). All other increases were below £30 million.

Figure 2 shows the top five commodities for UK's EU exports in September 2012, compared to August 2012 and September 2011.

The graph shows that all commodities except HS2 27 and HS2 30 increased in comparison with August 2012. In comparison with September 2011, all chapters experienced decreases. The changes for HS2 30 are small when compared to the other four commodity types.

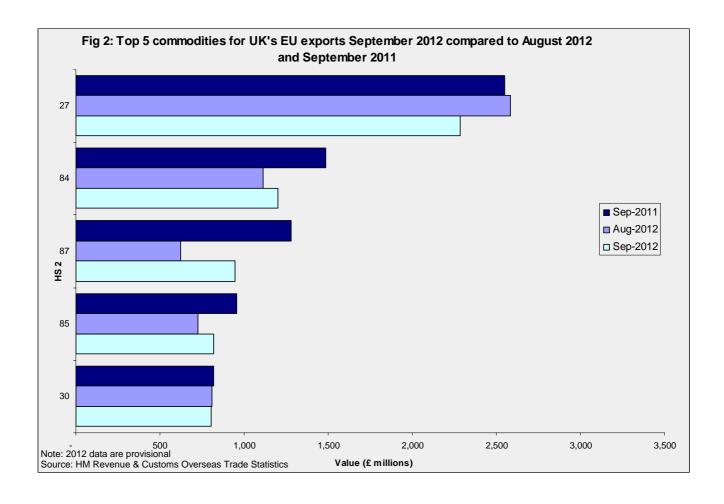


Table 2: Top 5 EU export partner Member States in September 2012 compared to August 2012 and September 2011

Country	Total September 2012 £ millions	% Change from August 2012	% Change from September 2011	% of total September 2012 exports	Rank August 2012	Rank September 2011
Total Exports	12,117.0	6.5	-11.4	100.0	n/a	n/a
Germany	2,693.8	18.0	-12.8	22.2	1	1
France	1,915.1	15.3	7.3	15.8	2	2
Netherlands	1,851.1	-4.5	-3.1	15.3	3	3
Irish Republic	1,438.1	4.1	-7.0	11.9	4	5
Belgium	998.6	-19.8	-24.2	8.2	5	4

Source: HM Revenue & Customs Overseas Trade Statistics

The top five EU export partner Member States remain unchanged **compared with August 2012**. Germany has been the largest export partner in the EU for the UK for a number of years, currently accounting for 22.2 per cent of the total value of exports. This is mainly led by exports of £365.0 million in HS2 84; £346.1 million in HS2 27; and £292.9 million in HS2 29.

The increase in value of total export trade compared to August 2012 reflects increases to 17 of the other 26 Member States in the EU. The size of the increases was larger than for the decreases; there were three increases in excess of £100 million whereas there was only one decrease above this value. For the top five countries, three experienced increases in export trade while the other two saw decreases.

The largest increase in the value of exports from the UK was to the top EU export partner country, Germany, up £410.6 million (18.0 per cent). The next largest increase was the value of exports to France, which rose by £254.1 million (15.3 per cent), which was followed by an increase in the exports to Italy of £194.8 million (40.8 per cent). There were no other increases that were greater than £100 million.

The increase for Germany was led by a rise of £223.7 million, a four-fold increase, in HS 29. The increase for France was led by rises of £77.4 (92.5 per cent) and £87.2 (83.9 per cent) in HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof) and HS2 88 (Aircraft, spacecraft, and parts thereof) respectively. In contrast, the increase for Italy was spread across a number of HS2 chapters.

In contrast, there was only one decrease that exceeded £100 million, which was for Belgium down £247.1 million (19.8 per cent). This was driven by a fall of £220.4 million (52.6 per cent) in HS2 27.

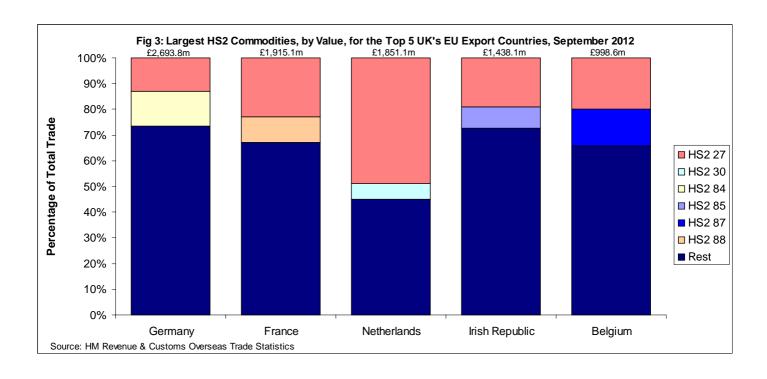
The decrease in total export trade value **compared to September 2011**, noted in Table 2, was due to decreases for all but three of the UK's 26 EU export partner Member States and again the size of the decreases were larger than those for the increases. There were six decreases over a £100 million whereas there was only one increase above this value.

The largest decrease was for Germany, down by £395.1 million (12.8 per cent), followed closely by Belgium, down £319.6 million (24.2 per cent). The remaining four countries which experienced decreases over £100 million were Italy down £232.4 million (25.7 per cent); Spain down £159.2 million (19.8 per cent); the Irish Republic down £109.0 million (7.0 per cent) and Sweden down £107.8 million (19.8 per cent).

The decrease in the value of exports to Germany was driven by falls of £148.9 million in HS2 27 and £113.0 million in HS2 87, and for Belgium of £142.0 million in HS 27 and £125.9 million in HS2 71.

By contrast, there was only one increase above £100 million which was for France up £130.9 million (7.3 per cent), more than covered by an increase of £289.5 million in HS2 27. Only two other countries showed increases, both of which were below £10 million.

Figure 3 shows the two largest commodities by value exported from the UK to each of the UK's top five EU export trading partners. All of the top five Member States have HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) as one of their two largest commodities imported from the UK by value. The trade with these five Member States accounts for 94.5 per cent of the total value of UK EU export trade under this heading. For the Netherlands, export trade under HS2 27 accounts for 48.8 per cent of the total export trade to this country. However, the other largest commodity type imported from the UK is different for each of the top five export partners.



Further Analysis: Imports

Table 3: Top 5 commodities in UK's EU imports in September 2012 compared to August 2012 and September 2011								
HS 2	Description	September 2012 Total £ millions	% Change from August 2012	% Change from September 2011	% of Total September 2012 Imports	Rank August 2012	Rank September 2011	
-	Total EU Imports	16,684.6	1.4	-10.2	100.0	n/a	n/a	
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	2,700.6	19.4	-13.8	16.2	1	1	
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	1,891.5	4.5	-12.7	11.3	2	2	
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	1,408.0	-2.1	-13.6	8.4	3	3	
30	Pharmaceutical products	1,164.2	-0.5	32.6	7.0	5	5	
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes HM Revenue & Customs Ove	915.0	-27.1	-15.2	5.5	4	4	

The increase **compared to August 2012** in imports reflects increases in 56 per cent of the HS2 chapters. There were three changes of £100 million or more, one increase and two decreases. Two of these were in the top five commodities.

The largest increase in value of imports was for the biggest import by value, HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof). This was up by £439.7 million (19.4 percent) to £2.7 billion. There were no other increases over £100 million.

The largest decrease in value of imports was for the fifth biggest import by value, HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes), down by £340.0 million (27.1 per cent) to £915.0 million. This is the lowest import value since August 2011.

The next largest decrease was outside the top five commodities, in the commodity type with the ninth largest share of import trade, HS2 29 (Organic chemicals), down £200.7 million (33.4 per cent) to £400.6 million. There were no other decreases over £100 million.

Compared with September 2011, there was a decrease of 10.2 per cent in imports. Over 70 per cent of all chapters decreased in value. There were six chapters with decreases of over £100 million, and only one increase of this magnitude.

The chapter with the largest increase in comparison with September 2011 was HS2 30 (Pharmaceutical products) up £286.5 million (32.6 per cent).

The largest decrease was for the biggest import by value, HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof), down £430.8 million, 13.8 per cent. This reflects September 2011 being the second highest import value in recent years, only beaten by the import value of £3.2 billion from March 2012.

The second largest decrease was in HS2 29, down £283.3 million (41.4 per cent). There were also large decreases in the second, third and fifth largest imports by value, with HS2 84 down £275.0 million, 12.7 per cent; HS2 85 down £222.3 million, 13.6 per cent; HS2 27 down £163.5 million, 15.2 per cent. The other decrease over £100 million was in HS2 48 (Paper and paperboard; articles of paper pulp, paper or paperboard), the tenth biggest import by value, was down £113.2 million, 25.2 per cent.

Figure 4 shows the top five HS2 commodity groups for UK's EU imports in September 2012, compared to August 2012 and September 2011.

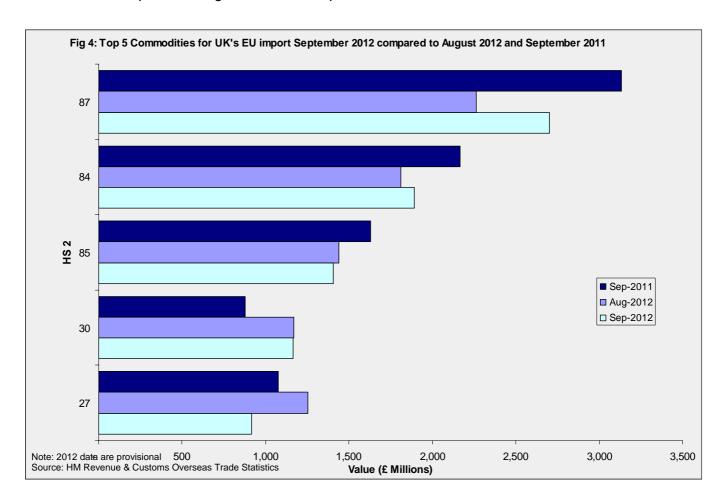


Figure 4 shows that for four of the top five chapters there are big decreases compared to September 2011, but both HS2 87 and HS2 84 increased compared to August 2012. For chapter HS 30, there was a large increase when compared to September 2011, but very little change from last month, while for HS2 27 and 85 there was a decrease over both periods.

Table 4 shows comparisons of the value of UK import trade with our top five EU import trading partners for September 2012, August 2012 and September 2011.

Table 4: Top 5 EU import partner Member States in September 2012 compared to August 2012 and September 2011								
Country	September 2012 Total £ millions	% Change from August 2012	% Change from September 2011	% of total September 2012 Imports	Rank August 2012	Rank September 2011		
Total Imports	16,684.6	1.4	-10.2	100.0	n/a	n/a		
Germany	4,400.1	0.7	-5.1	26.4	1	1		
Netherlands	2,473.8	-1.5	3.3	14.8	2	2		
France	1,799.2	2.5	-15.5	10.8	3	3		
Belgium	1,640.2	14.9	-3.9	9.8	4	4		
Italy	1,191.8	12.5	-7.1	7.1	5	6		
Source: HM Reven								

Germany remains the top Member State from which the UK imports, accounting for 26.4 per cent of the total imports to the UK from the EU. This is led by imports of £1.2 billion in HS2 87. Compared to August 2012 this is up by £24.4 million, 2.0 per cent. The next largest chapter is HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof), with £0.6 billion of imports to the UK.

The value of total import trade into the UK increased from 14 of the other 26 Member States in the EU compared with August 2012 and decreased for 12. The size of the increases was larger than the decreases, with two member states with increases of over £100 million, and one with a decrease of this magnitude.

The largest increases in value of import trade **compared with August 2012** are the increase of £212.7 million (14.9 per cent) from Belgium and £132.9 million (12.6 per cent) from Italy. These are both led by increases in HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof), with Belgium up £145.4 million (46.6 per cent) and Italy up £78.7 million (106.6 per cent)

The largest decrease was from Denmark, down £148.1 million, 27.3 per cent to £395.0 million. Imports from the Irish Republic had the second biggest decrease of £95.9 million (9.1 per cent). The decrease from Denmark is driven by falls of £90.2 million (79.2 per cent) in HS2 85, and £75.6 million (77.5 per cent) in HS2 27. The decrease in imports from the Irish Republic is led by a fall of £183.3 million (80.2 per cent) in HS2 29 (Organic chemicals).

The decrease in total import trade value **compared to September 2011**, noted in table 4, is composed of decreases from 20 of the other 26 Member States in the EU, and increases in six. There was a decrease in the value of imports to the UK from eight of the top ten import partners, making up over 80 per cent of the total net decrease in import trade of £1.9 billion.

The country with the largest decrease is France, down by £331.2 million (15.5 per cent). This is led by a fall of £150.2 million (44.4 per cent) in HS2 87.

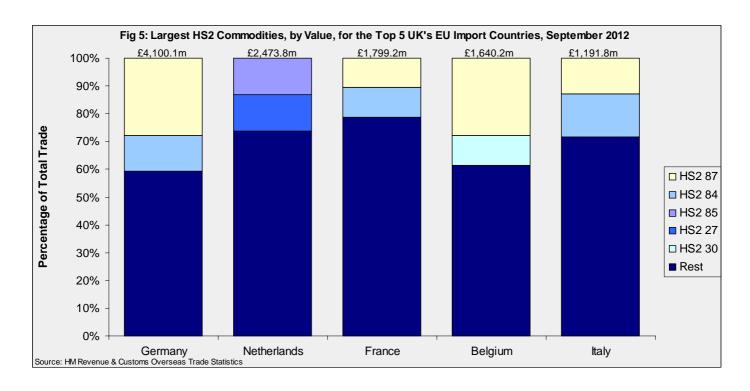
The second largest decrease is £331.0 million (25.7 per cent) for the Irish Republic, led by a fall of £309.1 million (87.2 per cent) in HS2 29 (Organic chemicals).

There were also large decreases for Germany, down £237.3 million, 5.1 per cent; Spain, down £233.5 million, 22.9 per cent; Denmark, down £214.2 million, 35.2 per cent; and Finland, down £106.3 million, 38.4 per cent. In contrast, the country with the largest increase in value of imports into the UK is the Netherlands, up £78.8 million (3.3 per cent).

Falls in HS2 87 also drove the decreases for Germany and Spain, with drops of £159.9 million (11.5 per cent) and £116.2 million (36.8 per cent) respectively. The decrease for Denmark was driven by a fall in HS2 27, down £225.5 million (91.1 per cent). The decrease for Finland was driven by a fall in HS2 71 (Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin), down by £52.6 million (82.4 per cent) from an unusually high value in September 2011. In contrast the main increase for the Netherlands was in HS2 29, up by £61.8 million (71.2 per cent).

Figure 5 shows the two largest imported commodities imported into the UK by value from each of the UK's top five import partner EU Member States. Four of the top five Member States have HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof) in their top two largest commodities exported to the UK. The trade in HS2 87 from these Member States accounts for 75.1 per cent of the total EU import trade under this heading. It also makes up 27.9 per cent of the UK's imports from Germany.

Another three of these Member States have HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof) in their top two largest commodities exported to the UK. The UK's trade in HS2 84 with these three Member States accounts for 49.9 per cent of its EU total imports in these commodities.



Notes:

- 1. HM Revenue & Customs released these latest statistics on Overseas Trade with Member States of the European Union (EU) on 13 November 2012 under arrangements set out in the Code of Practice for Official Statistics.
- 2. This release includes the first provisional estimates of trade-in-goods between the UK and Member States of the EU for September 2012. At the same time revisions for all previously published EU data for 2012 are also being released in line with the Overseas Trade Statistics Policy on Revisions.
- 3. The figures provided in this publication of the September 2012 EU Overseas Trade Statistics will include
 - a. Estimates for businesses who have yet to submit detailed data on the trade they had with other EU Member States in September.
 - b. Estimates for businesses who do not have to submit detailed data on the trade they have with other EU Member States
 - c. An adjustment for trade associated with Missing Trader Intra Community fraud. More detail of this can be found here.

Estimates are included in all high level totals including HS2 and country totals but not for aggregated totals below this level.

- 4. Detailed trade information is presented according to the <u>Harmonised System (HS)</u> nomenclature.
- 5. The aggregate estimates here will differ slightly from those that are published by the Office for National Statistics (ONS) as part of the Balance of Payments (BoP), as the two sets of data are compiled to different sets of rules. The ONS web site provides an overview of BoP at the <u>Guide to UK Trade</u> as well as the detailed monthly <u>UK Trade Releases</u>. The BoP publication shows a high level picture of UK trade-in-goods, whereas the OTS publication shows a detailed picture of the UK's trade-in-goods by commodity and partner country. More detail about the differences between the BoP and OTS publications can be found here.
- 6. The aggregate estimates here will differ from the Eurostat publication <u>Euro area external trade</u>. The OTS is published as 'general trade' based upon goods recorded as they enter or leave the UK. This will include goods imported into and exported from a freezone or customs warehouse, regardless of their future use. The Eurostat EU external trade data are published as 'special trade' where goods are recorded as trade only when they enter free circulation or are declared to specific Customs regimes such as Inward Processing (IP) or Processing under Customs Control (PCC). Imports from a free zone or customs warehouse are similarly recorded in 'special trade'.
- 7. Information to help support users of the EU Overseas Trade Statistics can be found here. This includes links to our policies on revision and suppression of data, descriptions of the methodology used to compile the Overseas Trade Statistics and information on the quality of the data published.
- 8. The OTS has recently been reviewed as part of an assessment made of Overseas Trade Statistics by the <u>UK Statistics Authority</u>. 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

- 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.

Statistical contact:

Andrew Watson 01702 367485 e-mail uktradeinfo@hmrc.gsi.gov.uk

To access the detailed 8-digit data in our interactive database please log in <u>here</u>.

Please note: there may be a delay between the availability of this release and the detailed data in our interactive database. This is because of the time required to upload such a large dataset. Subscribers to our email <u>Alert Service</u> will be sent an alert when the interactive database has been updated. The OTS non EU publication occurs one week prior to the publication of the OTS EU equivalent, to allow for additional processing of the Intrastat survey.

Next release: 18 December 2012 9:30am

© Crown copyright 2012.

If using specific facts contained in this release please check the information is still current.