

#### About this release

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

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Coverage: United Kingdom Theme: Business and Energy Released: 18 March 2021 Next release: 17 June 2021

# UK Regional Trade in Goods Statistics Quarter 4 2020

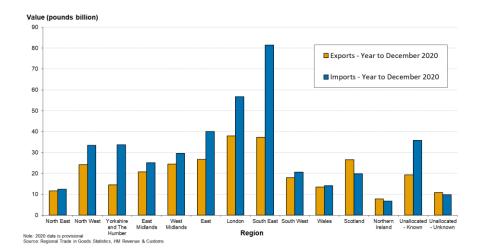
#### **Summary**

In the year to December 2020, the overall value of UK trade in goods exports decreased by 16% compared with the same period the previous year. The overall value of imports decreased by 14%.

On a regional basis:

- All UK countries saw a decrease in value of exports. There was also a decrease in annual export value for all English regions.
- All UK countries saw a decrease in value of imports. There was also a decrease in annual import value for all English regions, except for Yorkshire and The Humber.

Figure 1: UK Imports and Exports by Region, year to December 2020



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## **Overview Exports**

The total value of UK exports decreased by £54.2 billion (16%) to £294 billion in the year ending December 2020 compared with the same period the previous year.

Figure 2 shows the total value of UK exports by region for the 3 annual periods ending December 2018, December 2019, and December 2020.

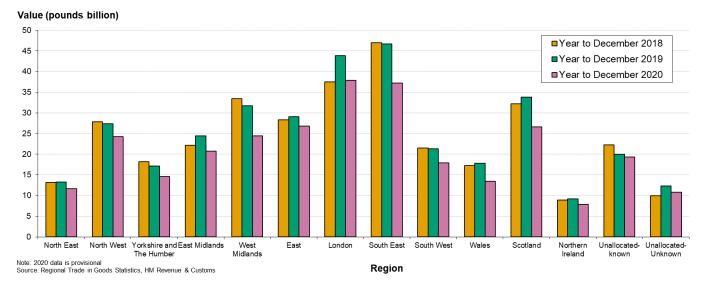


Figure 2: UK Exports by Region, 2018 Q1 to 2020 Q4

When comparing the annual period ending December 2020 with the annual period ending December 2019:

- The value of exports from England, Wales, Scotland, and Northern Ireland decreased by 15%, 24%, 21%, and 14% respectively.
- All English regions experienced decreases in the value of exports.

When comparing the annual period ending December 2020 with the annual period ending December 2018, there was a decrease in UK exports from £340 billion to £294 billion. This was a decrease of £45.9 billion or 14%. Furthermore:

- Exports from England, Wales, Scotland, and Northern Ireland decreased by 13%, 22%, 17%, and 12% respectively.
- 8 of the 9 English regions experienced a decrease. London was the exception, up 1.2%.

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

Table 3 in the accompanying tables shows the total number of exporting businesses by region. Comparing Q4 2020 with Q4 2019, the total number of businesses exporting from the UK decreased by 7.7%. According to both methods used for counting a multi-branch business, the number of businesses exporting decreased across all UK countries. All English regions also experienced a decrease in the number of businesses exporting.

## **Overview Imports**

The total annual value of UK imports decreased by £68.0 billion (14%) to £420 billion in the year ending December 2020 compared with the same period of the previous year.

Figure 3 shows the total value of UK imports by region for the 3 annual periods ending December 2018, December 2019, and December 2020.

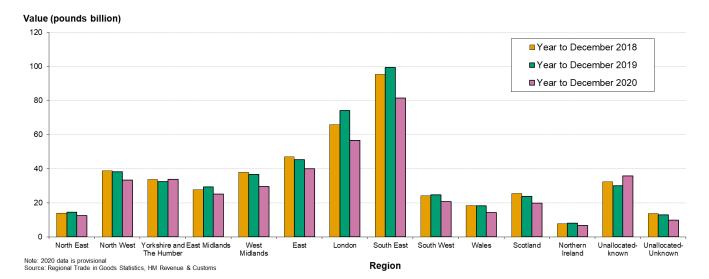


Figure 3: UK Imports by Region, 2018 Q1 to 2020 Q4

When comparing the annual period ending December 2020 with the annual period ending December 2019:

- The value of imports from England, Wales, Scotland, and Northern Ireland decreased by 16%, 22%, 16%, and 17% respectively.
- 8 of the 9 English regions experienced a decrease in the value of imports. Yorkshire and The Humber was the exception, up 4.1%.

When comparing the annual period ending December 2020 with the annual period ending December 2018, there was a decrease in UK imports from £482 billion to £420 billion. This was a decrease of £62.3 billion or 13%. Furthermore:

- The value of imports from England, Wales, Scotland, and Northern Ireland decreased by 13%, 23%, 22%, and 14% respectively.
- 8 of the 9 English regions experienced a decrease in the value of imports. Yorkshire and The Humber was the exception, which saw a small increase of less than 0.1%.

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

Table 4 in the accompanying tables shows the total number of importing businesses by region. Comparing Q4 2020 with Q4 2019, the total number of businesses importing to the UK decreased by 3.7%. According to both methods used for counting a multi-branch business, the number of businesses importing decreased across all UK countries. All English regions also experienced decreases in the number of businesses importing.

## **Map of UK Regions**

United Kingdom: Regions, Counties and Unitary Authorities, 1 2011 Key Regions (England) Non-Metropolitan Counties (England) Metropolitan Countles (England) Unitary Authorities (England and Wales)

#### Introduction

- HM Revenue & Customs (HMRC) is responsible for collecting the UK's international trade in goods data, which are published as two National Statistics series - the 'Overseas Trade in Goods Statistics (OTS)' and the 'Regional Trade in Goods Statistics (RTS)'. The RTS is published quarterly showing trade at summary product and country level, split by UK regions and devolved administrations.
- 2. The latest statistics on Regional Trade in Goods were released on 18 March 2020 by HM Revenue & Customs under arrangements set out in the <u>Code of Practice for Statistics</u>. This release includes the first provisional estimates of trade in goods for Q4 2020. At the same time revisions for previously published regional data from 2020 Q1, Q2, and Q3 are being released.
- 3. Aggregated tables are produced to allow time series analysis; these tables are provided in a separate document released in conjunction with this release.
- 4. The following tables can be found in the 'Accompanying Tables' document.
  - Table 1 Value (£ millions) of Exports (EU / Non-EU) by Region
  - Table 2 Value (£ millions) of Imports (EU / Non-EU) by Region
  - Table 3 Count of Exporters (EU / Non-EU) by Region for both Whole Number method and Proportion method
  - Table 4 Count of Importers (EU / Non-EU) by Region for both Whole Number method and Proportion method
  - Table 5 Value (£ millions) of Trade by SITC Section and Country Group (separate tables for each region)

#### **Overseas Trade in Goods Statistics**

- 5. Data is taken primarily from Customs systems (for non-EU trade) and the Intrastat survey (for EU trade). HMRC does not receive information in respect of goods that move wholly within the UK, nor in intangibles and services such as banking or tourism.
- 6. The Overseas Trade in Goods Statistics (OTS) were published on a Special Trade basis from May 2016 account onwards. This change has been reflected in the RTS from 2016 Q2 release onwards. All data in this release has been compiled on a Special Trade basis to allow comparisons across periods to be made. More information on general and special trade systems can be found in the OTS and RTS methodologies.
- 7. Trade in non-monetary gold (NMG) is now included in OTS data, however this trade will continue to be excluded from RTS data. This is because the majority of NMG trade would be assigned to the London region and this would distort the RTS figures. The following reconciliation table shows the differences at total trade level between OTS and RTS by quantifying the elements of OTS that are excluded from RTS.

Table A: RTS/OTS Reconciliation Table Quarter 4, 2020

	EU Exports £ millions	Non-EU Exports £ millions	EU Imports £ millions	Non-EU Imports £ millions
OTS total value	41,186.6	44,124.0	68,287.8	74,450.0
RTS total value	39,290.0	42,328.5	65,917.2	56,919.8
Allocated to a region	35,802.3	37,274.2	60,372.4	47,594.5
Unallocated region	3,487.6	5,054.3	5,544.7	9,325.4
Late response estimates	1,316.2	-	1,615.1	
Non-monetary gold	580.4	1,795.50	755.5	17,530.2
RTS total plus exclusions	41,186.6	44,124.0	68,287.8	74,450.0

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

#### **Balance of Payments**

8. The Balance of Payments (BoP) figures published by the ONS are calculated on a different basis to the OTS. Therefore, adjustments are made when producing BoP which means that the RTS and BoP are not comparable. The ONS website provides an overview of BoP, and is where you can find their detailed monthly UK Trade Releases.

#### Methodology

- 9. Following an informal public consultation on Regional Trade in Goods Statistics (RTS), releases from the 2016 Q3 release incorporates changes to the methodology and presentation that resulted from this consultation. The main changes were:
  - Allocating a business' trade to a region based on their proportion of employees in that region rather than where the location of the Head Office of the business is.
  - Dividing trade that cannot be allocated to a region into 'Known' and 'Unknown'.
  - For specific energy goods using data received by HMRC direct from interconnector and rig operators rather than the business doing the trade.
  - The number of businesses now includes all VAT Registered traders rather than just those who are required to make full declarations to HMRC for their EU trade.
- 10. RTS data is compiled by merging trade data collected by HMRC with employment data from the Interdepartmental Business Register (IDBR). A business' trade is allocated to a region based on the proportion of its employees employed in that region. Where a trader is not matched with the IDBR, its trade is matched with Office for National Statistics postcode data to obtain the region in which the Head Office of the VAT registered business (importer or exporter) is based.

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

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

Note 4: 2020 data is provisional and subject to update.

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

- 11. Not all trade can be assigned to one of the 9 English Regions, Wales, Scotland and Northern Ireland. Where appropriate, this is referred to in the tables as the 'Unallocated Trade'. Unallocated Trade is split into:
  - i.'Unallocated Known': where we have virtually full details of the trade but it is not appropriate to allocate it to a region. This covers:
    - Trade going into or out of the Channel Islands or the Isle of Man;
    - Trade carried out by the UK Government;
    - Trade carried out by overseas based traders who have a VAT presence in the UK; and
    - Parcel post trade that is dealt with centrally (trade with non-EU countries only).

ii. 'Unallocated - Unknown': This includes:

- Trade where business details submitted are invalid
- Un-registered businesses (Non-EU only)
- Private Individuals (non-EU only); and
- Low Value Trade (non-EU only).
- 12. For specific energy goods only, trade is allocated to the region where the goods enter or leave the UK rather than the location / employment of the business doing the trade. This is because HMRC receives details of the trade in these goods directly from grid operators rather than the business. The goods concerned are Electrical energy, Natural Gas in a gaseous state and Crude Oil exported directly from offshore oil rigs. Crude Oil imported to the UK and exported from terminals is still allocated to the region of the business.
- 13. The business count is derived from trade declarations and is a count of all VAT Registered businesses importing and exporting.

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

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

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

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

16. Northern Ireland Statistics and Research Agency (NISRA) publish the Broad Economic Sales and Exports Statistics (BESES). These are an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland. Due to methodological differences, the BESES and the RTS are not directly comparable.

#### Governance

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

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

- 18. The Regional Trade in Goods figures undergo regular quality assurance reviews to ensure they meet customer needs. These reviews are published as a Government Statistical Service Quality report.
- 19. The RTS has been reviewed as part of an assessment made of the OTS by the UK Statistics Authority.
- 20. There is a limited service to provide RTS outputs directly from HMRC Trade Statistics where the data cannot be obtained from other sources. This service is subject to HMRC standard disclosure rules applied to previously un-published data.
- 21. Updates to the 2020 figures as published in the OTS release on 12th March 2021 have not been applied to this 2020 Q4 RTS release due to production lead in times. However, these updates were negligible.
- 22. Now that the UK has left the EU, it is important that our statistics continue to be of high quality and are internationally comparable. As this release relates to Q4 2020 regional trade in goods, which was before the end of the transition period, these statistics were compiled in line with EU practices and rules. Future releases based on data from after the end of the transition period will continue to be produced in accordance with the UK Statistics Authority's Code of Practice for Statistics as well as internationally agreed statistical guidance and standards.

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The OTS and RTS data series are published in HMRC's trade data website www.uktradeinfo.com. Detailed data is available within an <u>interactive database</u>.

Next release: 17 June 2021 at 9:30am

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