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Non-EU Overseas Trade Statistics August 2013

Summary

- The UK's non-EU exports for August 2013 are £11.6 billion. This is a decrease of £0.6 billion (5.1 per cent) compared to July 2013. It is also a decrease of £0.3 billion (2.7 per cent) compared to August 2012.
- The UK's non-EU imports for August 2013 are £16.5 billion. This is an increase of £0.3 billion (1.8 per cent) compared to July 2013. However it is a decrease of £0.5 billion (3.1 per cent) compared to August 2012.
- The UK remains a net importer (imports are greater than exports). The size of the difference between imports and exports is £4.8 million. This is an increase of £0.9 billion (23.3 per cent) compared to July 2013. However, it is a decrease of £0.2 billion (4.0 per cent) compared to August 2012.



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 User Story</u>'. You can also access the detailed data in our interactive database <u>here</u>.

Key Points

For the month of August 2013:

The value of imports increased while exports decreased in August 2013 compared with the previous month. Consequently the difference between non-EU imports and exports (the trade gap) has increased by 23.3 per cent. The trade gap is the largest since January 2013. The export values are at the lowest level since February 2013.

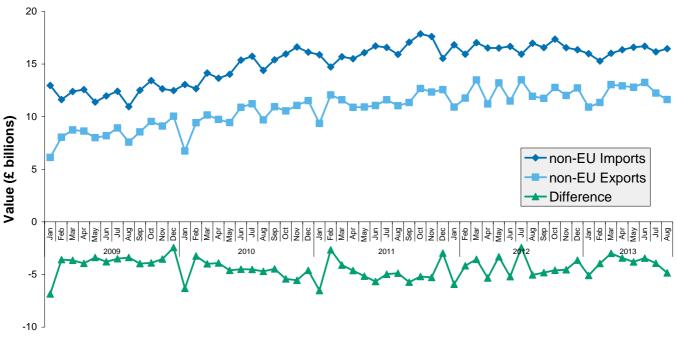


Fig. 1: Total Monthly UK Trade with non-EU Countries

Source: HM Revenue & Customs Overseas Trade Statistics Note: 2013 data are provisional Period

Exports

- The UK's non-EU exports for August 2013 are £11.6 billion. This is a decrease of £0.6 billion (5.1 per cent) compared to July 2013. It is also a decrease of £0.3 billion (2.7 per cent) compared to August 2012.
- The top five commodities have changed since last month, with HS2 71 (Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin) falling to seventh place from fourth place last month. HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) returns to the top five.
- The largest contributing commodity group remains HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof). In August it contributed £2.5 billion, 21.3 per cent of the total value of UK's non-EU export trade. The largest contribution to this chapter was £1.0 billion from HS4 8411 (Turbo-jets, Turbo-propellers and other gas turbines).
- There were decreases in 42 per cent of all chapters, but dominated by one major fall of £668.3 million which drove the overall decrease in exports compared to July 2013. This was in the second biggest chapter by value, HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof).
- The largest value increase from the previous month was in the eighth biggest export chapter, HS2 88 (Aircraft, spacecraft and parts thereof), which rose by £182.3 million (51.1 per cent) to £539.1 million.
- The USA remains the UK's largest non-EU export partner country, accounting for 26.6 per cent of the total value of UK's non-EU export trade. China remains in second place, with a 6.7 per cent share of exports, despite having the largest decrease in value compared to July 2013, down by £237.8 million (23.3 per cent).
- The largest increase in exports was to the nineteenth placed country, Oman, up £119.2 million (a fourfold rise) to £152.4 billion. This is a new high for exports to Oman, nearly double the previous record of £79.4 million in July 2012.
- The total 2013 year to date value of UK's goods exported to non-EU countries excluding August 2013 is £86.5 billion, which has been upwardly revised by £9.9 million. This is an increase of less than 0.1 per cent.

Imports

- The UK's non-EU imports for August 2013 are £16.5 billion. This is an increase of £0.3 billion (1.8 per cent) compared to July 2013. However it is a decrease of £0.5 billion (3.1 per cent) compared to August 2012.
- There is one change to the top five commodities compared to the previous month. HS2 88 (Aircraft, spacecraft, and parts thereof) has risen to fifth place from eighth. This chapter also had the largest increase in value from last month, up £208.0 million (44.8 per cent).
- The largest commodity group remains HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes). In August 2013 it contributed £3.6 billion, 22.0 per cent of the total value of non-EU imports to the UK. This is down very slightly (0.1 per cent) from July 2013. The largest contribution to this chapter was £2.5 billion from HS4 2709 (Petroleum oils and oils obtained from bituminous minerals, crude).
- The largest value decrease from the previous month was a fall of £77.2 million (52.3 per cent) in HS2 28 (Inorganic chemicals) to drop from £147.8 million to £70.6 million.

- China remains the UK's largest non-EU import partner country in August 2013 with a total import trade of £2.9 billion, accounting for 17.6 per cent of the total value of UK's non-EU import trade. The USA now accounts for 15.2 per cent of the total value of non-EU imports. The value of imports from China rose by £260.8 million (9.9 per cent), the largest country increase compared to July 2013. The largest decrease in imports into the UK compared to July 2013 was from Algeria which fell by £221.8 million (58.0 per cent) from £382.5 million to £160.7 million.
- The total 2013 year to date value of UK's goods imported from non EU countries excluding August 2013 is £113.1 billion, which has been upwardly revised by £68.0 million. This is an increase of less than 0.1 per cent.

Further Analysis: Exports

Table 1 shows a comparison of the top five commodities by value exported to countries outside the EU for August 2013, July 2013 and August 2012.

Table 1: Top 5 commodities in UK's non-EU exports in August 2013 compared to July 2013 and August 2012

HS 2	Description	August 2013 Total £ millions	% Change from July 2013	% Change from August 2012	% of Total August 2013 Exports	Rank July 2013	Rank August 2012
-	Total Exports	11,619.5	-5.1	-2.7	100.0	n/a	n/a
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	2,480.1	-0.6	9.0	21.3	1	1
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	1,146.4	-36.8	-8.8	9.9	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	832.1	5.5	4.5	7.2	5	5
30	Pharmaceutical products	718.8	-19.0	-25.2	6.2	3	3
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	626.3	16.3	-25.2	5.4	7	4

Note: 2013 data are provisiona

Commodity Analysis: comparison with previous month

The overall decrease in exports compared to July 2013 is composed of decreases in 42 per cent of HS2 chapters, but driven by one decrease which was greater than the overall decrease. The total export trade value has decreased by £0.6 billion (5.1 per cent). Three of the top five commodity types decreased in value. There were four chapters with decreases of over £100 million, and two increases of this magnitude.

The largest decrease was £668.3 million in the second chapter in the top five, HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof), down by 36.8 per cent. This was driven by a fall of £607.7 million (40.7 per cent) in HS4 8703 (Motor vehicles for the transport of <10 persons). This was led by decreases of £222.3 million (51.5 per cent) in exports to China, and £127.7 million (38.8 per cent) to the USA, reversing large increases in the previous month.

The second largest decrease was £334.3 million (37.7 per cent) 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). This was driven by decreases in exports of £149.0 million (48.3 per cent) in diamonds in HS4 7102, and £112.4 million (47.4 per cent) in unwrought silver in HS4 7106. This decrease takes HS2 71 out of the top five, to seventh place from fourth place last month.

The third largest decrease since last month was in the fourth largest chapter, HS2 30 Pharmaceutical products), down by £168.6 million, (19.0 per cent). This was dominated by a fall of £117.6 million (32.2 per cent) in exports to the USA.

The fourth largest decrease since last month was in HS2 97 (Works of art, collectors' pieces and antiques), down by £126.3 million, (27.7 per cent). This was led by a fall of £117.7 million (65.6 per cent) in exports of HS4 9701 (paintings and drawings) to the USA.

These were the only decreases over £100 million. The next largest was below £30 million.

The largest value increase was in HS2 88 (Aircraft, spacecraft, and parts thereof), up by £182.3 million (51.1 per cent) to £539.1 million. This was driven by a rise in exports in HS4 8802 (Powered aircraft and spacecraft), up by £163.3 million (a fourfold rise), led by an increase in exports to Russia of £104.7 million, from zero.

The second largest increase was in HS2 89 (Ships, boats and floating structures) which had a fourfold rise, up from £47.4 million to £222.4 million. The increase is driven by a large rise in exports to Oman.

There were no other increases above £100 million, although just below this level HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) rose by £87.6 million, (16.3 per cent) to return to fifth place, from seventh.

Commodity Analysis: Comparison against the same month in the previous year

Compared to August 2012, the total export trade value decreased by £0.3 billion (2.7 per cent), with 69 per cent of all HS2 chapters showing increases and 31 per cent showing decreases. However, these decreases were generally greater in magnitude than the increases. There were five chapters with decreases of over £100 million, and two increases of this magnitude. Three of the top five commodity types decreased in export value.

The largest value decrease was for HS2 30 (Pharmaceutical products), down by \pounds 241.7 million, (25.2 per cent). As with the comparison with July 2013, this was dominated by a fall of £131.0 million (34.6 per cent) in exports to the USA.

The second largest decrease was for HS2 29 (Organic chemicals), down £216.0 million (45.6 per cent). This was also led by a fall in exports to the USA, of £163.3 million (57.8 per cent).

The third largest fall, of £210.4 million, took HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) from fourth to fifth place. This is a decrease of 25.2 per cent compared to August 2012, and is driven by a fall of £242.8 million (36.1 per cent) in refined oil in HS4 2710. The decrease for this heading is led by falls to the USA, Senegal and Gibraltar of £76.6 million (21.4 per cent), £65.7 million (60.9 per cent), and £58.2 million (100 per cent) respectively.

The fourth largest decrease was 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 £114.9 million (17.2 per cent). The decrease is more than covered by a fall of £175.9 million (64.2 per cent) in HS4 7113 (Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal (excl. articles > 100 years), led by a decrease of £132.9 million to Azerbaijan.

The only remaining decrease over £100 million was in the second biggest chapter, HS2 87, which fell by £110.8 million (8.8 per cent). This was led by falls of £38.6 million (25.2 per cent) in HS4 8708 (Parts and accessories for motor vehicles) and £36.6 million (41.2 per cent) in HS4 8704 (Goods vehicles).

The next biggest decrease was below £70 million.

The largest increase was in the top chapter, HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof), up by £204.4 million (9.0 per cent), with HS4 8411 (Turbojets, turbopropellers and other gas turbines) rising by £119.9 million (13.0 per cent).

The second largest increase was in HS2 89 (Ships, boats and floating structures) which had a threefold rise of £152.6 million. As with the comparison with July 2013, the increase is driven by a large rise in exports to Oman. The next biggest increase was below £70 million.

Figure 2 below shows the top five commodities for the UK's non-EU exports in August 2013, compared to July 2013 and August 2012. It shows how the decrease in chapter 87 when compared to July 2013 dominated all the other changes, leading to the total fall in exports for August 2013.

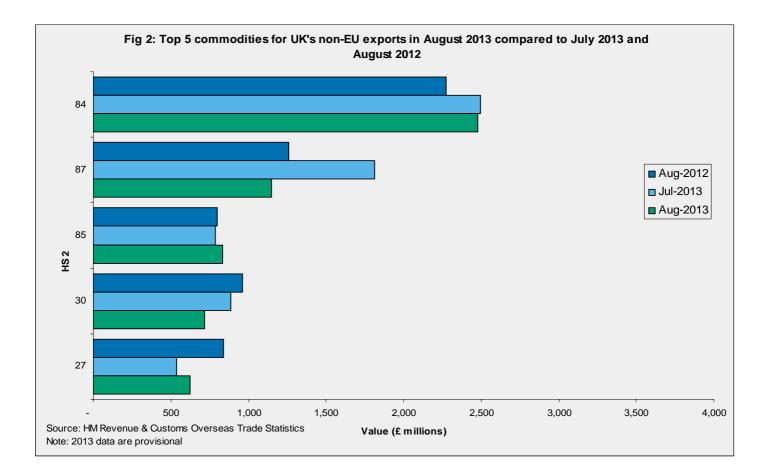


Table 2 shows a comparison of the value of UK non-EU export trade with our top five export trading partners for August 2013, July 2013 and August 2012.

Country	August 2013 Total £ millions	% change from July 2013	% Change from August 2012	% of total August 2013 Exports	Rank July 2013	Rank August 2012
Total Exports	11,619.5	-5.1	-2.7	100.0	 n/a	
USA	3.086.2	-7.0	-5.7	26.6	1,74	1,74
China	783.1	-23.3	-1.8	6.7	2	2
Russia	475.8	11.4	5.9	4.1	6	3
United Arab					-	-
Emirates	451.7	-9.4	13.6	3.9	4	6
Hong Kong	419.3	1.6	17.7	3.6	7	8

Source: HM Revenue & Customs Overseas Trade Statis Note: 2013 data are provisional For all three periods the USA was the UK's largest non-EU export partner country, with China second. This month has seen Russia and Hong Kong climb from sixth and seventh respectively, replacing India and Switzerland in the top five. Compared to last month there were decreased exports to three of the top five partner countries, with just Russia and Hong Kong rising. These two countries also increased when compared to August 2012, together with the United Arab Emirates.

Country Analysis: comparison with previous month

Compared to July 2013, there is decreased trade to 55 per cent of our export partners. There were three countries to which exports fell by £100 million or more, and one increase above this level.

The largest two decreases in exports were to the top two export partners, as China and the USA both fell by over £230 million. Exports to China fell by £237.8 million (23.3 per cent) to reach £783.1 million, the lowest export value since September 2012. This was dominated by a fall of £224.4 million (49.4 per cent) in exports for HS2 87 (Motor vehicles). This is driven by a fall of £222.3 million in motor vehicles in HS4 8703. This is a drop after large increases last month. Both chapter and heading are at their lowest level since September 2012.

The second largest decrease was in exports to the USA, down by £230.9 million (7.0 per cent) to £3.1 billion. The decrease is composed of falls of £146.9 million (35.4 per cent) in HS2 87 (motor vehicles); £143.7 million (52.6 per cent) in HS2 97 (art and antiques); and £117.6 million (32.2 per cent) in HS2 30 (Pharmaceuticals), offset slightly by an increase of £109.9 million (38.0 per cent) in HS2 27 (Mineral fuels and oils).

The third largest decrease was for India, down by £225.7 million (40.5 per cent) to £330.9 million. This takes India to 11^{th} place, from third. This is led by a fall of £177.1 million (57.3 per cent) 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), driven by a fall of £121.3 million (52.9 per cent) in unwrought silver in HS4 7106.

These were the only decreases over £100 million. The next biggest decrease was to Switzerland, down by £56.8 million (12.9 per cent) to fall from fifth place to seventh.

The largest increase in exports was to Oman, which rose by £119.2 million (a fourfold rise) to £152.4 million. This increase was driven by a rise of £120.3 million in ships and boats in HS2 89, as previously explained.

This was the only increase over £100 million. The second biggest increase was to Nigeria, up by £54.5 million (55.7 per cent)

Country Analysis: comparison against the same month in the previous year

Compared to July 2012, there was a decrease of £0.3 billion (2.7 per cent) in total exports. Just under half (48 per cent) of the UK's export partner countries experienced falls in export value, but these falls were generally greater in value than the increases. There were three decreases in excess of £100 million, and one increase above this level.

The largest decrease was for exports to the USA, down £188.1 million (5.7 per cent). This was composed of decreases of £163.3 million (57.8 per cent) in HS2 29 (Organic chemicals), and £131.0 million (34.6 per cent) in HS2 30 (Pharmaceuticals), partially offset by an increase of £167.0 million (32.8 per cent) in HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof).

The second largest decrease in total export trade value was to Azerbaijan, down by £124.3 million (80.6 per cent). This was due to an almost total decrease in exports of jewellery (HS4 7113), from £133.6 million in August 2012, to under £1 million this month.

The third largest decrease was for exports to Australia, down by £103.8 million (24.9 per cent). This fall was spread over several chapters, led by a fall of £41.8 million (51.4 per cent) in motor vehicles (HS2 87).

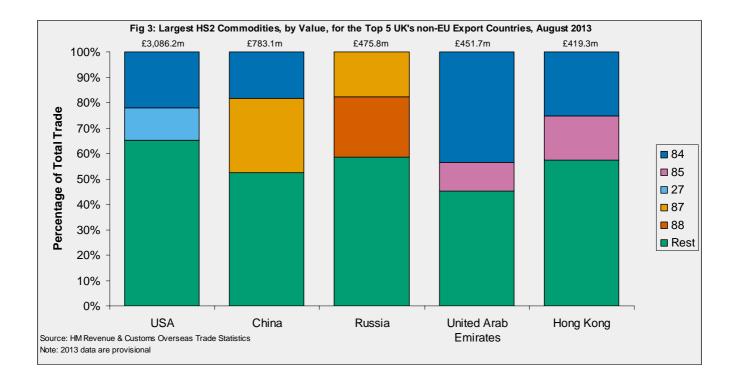
Just outside the £100 million mark, exports to Thailand fell by £80.0 million (37.2 per cent).

The largest increase was for Oman, which rose by £122.7 million (a fivefold rise), as already explained. Outside the £100 million mark, the next largest increase was for Turkey, which rose by £87.5 million (32.1) per cent, driven by a £72.3 million (twofold) rise in iron and steel (HS2 72).

Figure 3 shows the two largest commodities by value exported from the UK to each of its top five non-EU export partner countries. This month, four of the top five countries had HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof) in their top two chapters, accounting for 45.2 per cent of the total value of UK non-EU export trade for HS2 84.

Two of the top five countries had HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof) as one of the top two largest exported commodities accounting for 27.4 per cent of the UK's total exports in this chapter. Two of the top five countries had HS2 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) as one of the top two largest exported commodities accounting for 14.8 per cent of the UK's total exports in this chapter.

The export of HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) to the USA made up 63.7 per cent of the total UK exports in this chapter.



Further Analysis: Imports

Table 3 shows a comparison of the top five commodities imported from countries outside the EU for August 2013, July 2013 and August 2012.

Table 3: Top 5 commodities in UK's non-EU imports in August 2013 compared to July 2013 and August 2012

27 t	Total Imports Mineral fuels, mineral	16459.9		2012	2013 Imports	July 2013	August 2012
27	Mineral fuels, mineral	10439.9	1.8	-3.1	100.0	n/a	n/a
	oils and products of their distillation; bituminous substances; mineral waxes	3625.3	-0.1	-16.1	22.0	1	1
84 r 84 r	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	2158.8	-0.1	5.0	13.1	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	1472.2	-4.3	5.3	8.9	3	3
71 I	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	793.0	-4.8	-21.3	4.8	4	4
88 8	Aircraft, spacecraft, and parts thereof IM Revenue & Customs Overs	672.6	44.8	45.7	4.1	8	8

Note: 2013 data are provisional

Commodity Analysis: comparison with previous month

The value of imports increased by $\pounds 0.3$ billion (1.8 per cent) **compared to July 2013.** There were increases in just over half of the HS2 commodity chapters (52 per cent). There was one increase over $\pounds 100$ million, and no decreases of over $\pounds 100$ million. However, only one of the top five import chapters increased on last month.

The largest value increase from the previous month was for HS2 88 (Aircraft, spacecraft, and parts thereof), up £208.0 million (44.8 per cent). This takes imports in HS2 88 from eighth place last month to fifth this month. The increase was driven by a rise of £223.2 million (86.4 per cent) in imports of HS4 8802, (powered aircraft). This is

led by increases of £97.9 million (over thirty-fold) in imports from Switzerland, and £68.5 million (36.0 per cent) in imports from the USA.

This was the only increase over £100 million. The next largest was outside the top five, as HS2 87 (Motor vehicles) rose by £87.5 million (16.0 per cent). The increase was driven by a rise of £67.1 million (33.9 per cent) in imports of HS4 8703 (motor cars for the transport of less then 10 people). This is led by imports from India and Japan. Despite the increase in value, the chapter dropped from sixth place to seventh, due to the larger increase for chapter 88.

There were no decreases over £100 million in August 2013. The largest decrease was for HS2 28 (Inorganic chemicals) which fell by £77.2 million (52.3 per cent). This fall was led by decreases from Canada and Russia, of £47.3 million (68.2 per cent) and £21.8 million (86.1 per cent) respectively.

Although these were the largest changes at chapter level, all the largest HS4 level changes occurred within the same chapter (HS2 27). Crude oil (HS4 2709) fell by £254.0 million (9.8 per cent); and petroleum gas (HS4 2711) fell by £77.8 million (24.4 per cent); offset by a rise of £340.9 million (69.2 per cent) in refined oil (HS4 2710).

Commodity Analysis: comparison with the same month in the previous year

When **compared to August 2012**, total import value decreased by £0.5 billion (3.1 per cent). Only 36 per cent of the HS2 commodity chapters decreased in value, but this included one major decrease which more than covered the total overall decrease. There were four chapters with decreases of over £100 million and three with increases over this value.

The biggest decrease was a fall of £696.8 million (16.1 per cent) in the top import chapter, HS2 27. This was driven by decreases of £485.3 million (17.3 per cent) in HS4 2709 (Crude oil), with large decreases from Norway (£216.3 million), Libya (£212.3 million), and Russia (£200.5 million); and £303.0 million (55.7 per cent) in petroleum gas (HS4 2711), with imports from Qatar down £241.0 million (68.4 per cent). However there was also a large increase in refined oil (HS4 2710) up 162.2 million (24.1 per cent), led by imports from Russia, up £98.7 million (52.5 per cent).

The second biggest decrease was £214.6 million for HS2 71 (Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin). This was more than covered by a fall of £289.2 million (80.5 per cent) in imports of silver in HS4 7106.

The third biggest decrease was a fall of £110.1 million (60.9 per cent) in HS2 28 (Inorganic chemicals). This was led by falls of £65.1 million and £57.1 million from the USA and Russia respectively.

The fourth biggest decrease was for HS2 97 (Works of art, collectors' pieces and antiques), which fell £104.3 million (36.2 per cent), driven by falls of £63.3 million (72.6 per cent) in sculptures and statues (HS4 9703) and £57.6 million (36.6 per cent) in paintings and drawings (HS4 9701).

These were the only increases over £100 million. The next biggest decrease was \pounds 48.1 million for HS2 26 (Ores, slag and ash).

The largest value increase from August 2012 was for HS2 88 (Aircraft, spacecraft, and parts thereof), up £210.9 million (45.7 per cent). As with the comparison with July 2013, the increase was driven by a rise of £211.8 million (78.5 per cent) in imports of HS4 8802, (powered aircraft), led by an increase of £256.8 million in imports from the USA, up from £2.2 million.

The second largest increase was for HS2 87 (Motor vehicles), up by £110.8 million (21.1 per cent). The increase was driven by a rise of £70.5 million (36.2 per cent) in imports of HS4 8703 (motor cars for the transport of less then 10 people). The increase is mainly from South Korea, Turkey and India.

The third biggest increase was a rise of £103.3 million (5.0 per cent) in the second biggest import chapter, HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof). This was dominated by an increase of £104.2 million (14.9 per cent) in HS4 8411 (Turbojets, turbopropellers and other gas turbines), led by a fourfold increase of £98.8 million in imports from the United Arab Emirates.

These were the only increases over £100 million. The next biggest increase was £73.8 million for the third biggest import chapter, HS2 85 (Electronic equipment and parts thereof).

Figure 4 below shows the top five commodities for the UK's non-EU imports in August 2013, compared to July 2013 and August 2012. It shows how only chapter 88 increased when compared to July 2013, while there were three increases and two decreases when compared to last year, and HS2 27 was the dominating change.

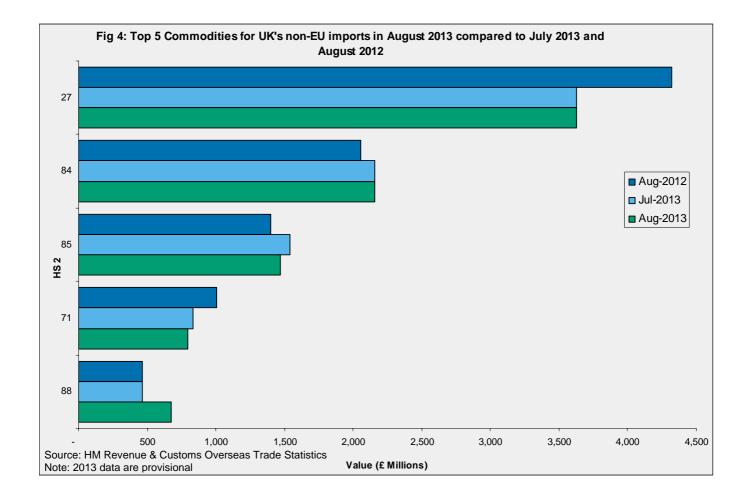


Table 4 shows comparisons of the value of UK non-EU import trade from our top five import trading partners for August 2013, July 2013, and August 2012. Imports from three of the top five trading partners have increased in August 2013 compared to the previous month, with Norway and Hong Kong falling. These two countries also showed decreases when compared to August 2012, together with Russia.

and August 2012								
Country	August 2013 Total £ millions	% change from July 2013	% Change from August 2012	% of Total August 2013 Imports	Rank July 2013	Rank August 2012		
Total Imports	16,459.9	1.8	-3.1	100.0	n/a	n/a		
China	2,902.0	9.9	6.9	17.6	1	1		
USA	2,506.8	1.9	6.2	15.2	2	2		
Norway	1,376.7	-10.2	-17.0	8.4	3	3		
Russia	614.1	19.4	-21.7	3.7	9	4		
Hong Kong	607.9	-2.5	-9.4	3.7	4	6		
Source: HM Revenue & Customs Overseas Trade Statistics								

Note: 2013 data are provisional

The top three countries are unchanged from last month, with China remaining ahead of the USA for a second month. Russia rose to fourth from ninth place, while Canada dropped from fifth to eleventh. China, the USA, and Norway have been the UK's largest import partners for a number of years, collectively accounting for 41.2 per cent of the UK's import trade.

Country Analysis: comparison with previous month

Compared to July 2013, the total increase in the value of imports is composed of 58 per cent of the UK's import partner countries decreasing in value, with a smaller number of larger increases. Three countries had decreases of over £100 million, while three had increases of this magnitude.

The biggest increase in the value of imports was from China, up £260.8 million (9.9 per cent) to £2.9 billion. The increase is spread over several chapters, with the largest increases being in imports of toys, games and video consoles in HS2 95 (up £51.5 million, 41.2 per cent) and clothing: £48.2 million (24.9 per cent) in HS2 62 (Articles of apparel and clothing accessories, not knitted or crocheted), and £47.2 million (28.3 per cent) in HS2 61 (Articles of apparel and clothing accessories, knitted or crocheted). In all cases this can be seen as a seasonal increase in preparation for winter or the Christmas period.

The next three largest increases, and all the large decreases, were driven by changes in HS2 27. The second largest increase in the value of imports was from Nigeria, up by \pounds 244.6 million (91.5 per cent) to \pounds 511.7 million this month. This increase is led by a rise of \pounds 252.4 million (98.9 per cent) in crude oil (HS4 2709).

The third largest increase in the value of imports was from Saudi Arabia, up by £229.3 million (172.8 per cent). This was driven by a near fourfold rise of £171.1 million in crude oil.

Just outside the £100 million mark, the fourth biggest increase in the value of imports was from Russia, up £99.6 million (19.4 per cent) to climb to fourth place from ninth last month. This is more than covered by an increase of £133.8 million (87.5 per cent) in refined oil in HS4 2710.

The biggest decrease in the value of imports was from Algeria, down £221.8 million (58.0 per cent) to £160.7 million. The decrease is dominated by a fall of £229.7 million (60.7 per cent) in crude oil.

The second biggest decrease in the value of imports was from Canada, down £210.7 million (35.1 per cent) to £388.9 million, with a 100 per cent decrease of £184.2 million in crude oil.

The third biggest decrease in the value of imports was from Norway, down £156.7 million (10.2 per cent), with a fall of £139.6 million (10.5 per cent) in HS2 27. This was

composed of falls of £87.2 million (7.8 per cent) in crude oil, and £60.5 million (33.7 per cent) in petroleum gas (HS4 2711).

Just outside the £100 million level, the fourth largest fall was from Azerbaijan, down by £88.2 million (98.2 per cent), driven by a 100 per cent fall of £85.6 million in crude oil.

Country Analysis: comparison with the same month in the previous year

Compared to August 2012 there was a decrease of £520.5 million (3.1 per cent) in the total value of imports. This was composed of an almost equal balance of the UK's import partner countries increasing and decreasing in value, but the decreases being generally larger in value. There were five increases and five decreases in excess of £100 million. Three of the UK's top five import trading partners for August 2013 have decreased when compared to August 2012, and two have increased.

The largest decrease in the value of imports was from Norway, down by £281.6 million (17.0 per cent). As with the comparison with last month, this was led by decreases in imports of crude oil in HS4 2709, down by £216.3 million (17.3 per cent), and petroleum gas (HS4 2711), down £66.6 million (35.9 per cent).

All of the next five largest decreases were driven by falls in imports of oil and gas in HS2 27. Libya decreased by £194.7 million (77.2 per cent), with a fall of £212.2 million (84.2 per cent) in crude oil.

Qatar fell by £181.6 million (43.6 per cent), with falls of £241.0 million (68.4 per cent) in petroleum gas, and £44.2 million (100 per cent) in crude oil, offset slightly by a rise of £79.4 million in refined oil (HS4 2710).

Imports from Russia fell by £169.9 million (21.7 per cent), composed of a £200.5 million (58.8 per cent) decrease in crude oil, offset by a £98.7 million (52.2 per cent increase in refined oil. Outside chapter 27, there was also a £57.1 million (94.2 per cent) decrease in inorganic chemicals (HS2 28).

Imports from Azerbaijan fell by £123.3 million (98.7 per cent), with a decrease of \pm 115.2 million (100 per cent) in crude oil.

Just below the £100 million level, India decreased by £95.9 million (15.0 per cent), with a £61.0 million (57.0 per cent) fall in refined oil.

The largest increase in the value of imports was from China, up by £188.0 million (6.9 per cent). This was spread over a number of chapters led by a rise of £57.8 million (14.1 per cent) in electronic equipment in HS2 85. This in turn was led by an increase of £44.1 million (47.6 per cent) in HS4 8517, which includes mobile phones.

Three of the next four largest increases were driven by imports of crude oil (HS4 2709). The second, third and fifth largest increases in total import trade value are from Saudi Arabia, up by £165.4 million (84.1 per cent); Nigeria, up £147.7 million (40.6 per cent); and Equatorial Guinea, up £112.8 million, from under £1 million. These were driven by rises of £152.4 million (nearly threefold); £168.5 million (49.7 per cent); and £111.3 million (from zero) in crude oil respectively.

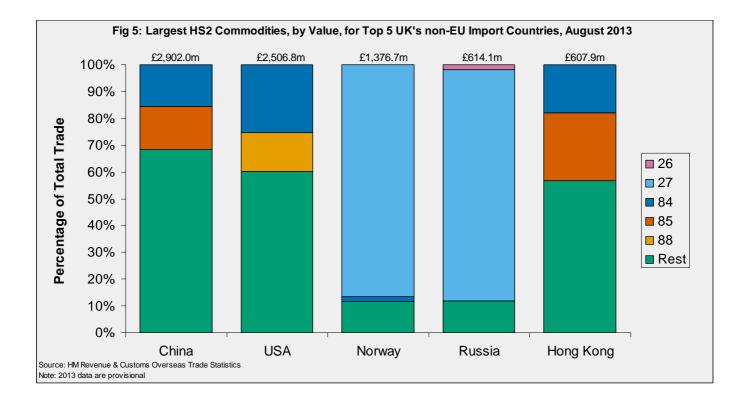
The fourth biggest increase was for the USA, which rose by £146.3 million (6.2 per cent). This is led by a rise of £256.8 million (from £2.2 million) in HS4 8802 (Powered aircraft), partially offset by a fall of £78.3 million (98.9 per cent) in unwrought silver in HS4 7106.

Figure 5 shows the two largest commodities by value imported from each of the top five non-EU import partner countries. This month, HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof) is in the top two chapters of four of the top five importing countries, with the trade with China, the USA, Norway and Hong Kong accounting for 56.8 per cent of the total import value in this chapter. The

second biggest import commodity from the USA is HS2 88 (Aircraft, spacecraft, and parts thereof), accounting for 54.1 per cent of the UK's import value for this chapter.

Two countries, Norway and Russia, have HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) in their top two largest commodities imported into the UK, accounting for 47.5 per cent of the total import value in HS2 27. This trade also accounts for 86.5 per cent of the total imports from Norway, specifically the Norwegian Continental Shelf, and 86.3 per cent of the total imports from Russia.

China and Hong Kong both have HS2 85 (Railway or tramway locomotives, rollingstock and parts thereof) in their top two largest imported commodities, accounting for 42.1 per cent of the total import value for this chapter.



Notes:

- 1. HM Revenue & Customs released these latest statistics on Overseas Trade with countries outside the European Union (EU) on 09 October 2013 under arrangements set out in the <u>Code of Practice for Official Statistics</u>.
- 2. This release includes the first provisional estimates of trade-in-goods between the UK and countries outside the EU for August 2013. At the same time revisions for all previously published non-EU data for 2013 are also being released in line with the <u>HM Revenue & Customs Policy on Revisions</u>.
- 3. Detailed trade information is presented according to the <u>Harmonised System (HS)</u> nomenclature.
- 4. 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 <u>here</u>.
- 5. The aggregate estimates here will differ from the Eurostat publication <u>Euro area</u> <u>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'.
- Information to help support users of the non-EU Overseas Trade Statistics can be found <u>here</u>. 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.
- The OTS has 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

8. The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

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

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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 the aggregated data tables downloadable here 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: 08 November 2013 9:30am

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