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Customs Trade Statistics

Non-EU Overseas Trade Statistics July 2013

Summary

- The UK's non-EU exports for July 2013 have decreased by £1.0 billion (7.4 per cent) compared to June 2013, to £12.3 billion. Compared to July 2012, exports have decreased by £1.2 billion (9.2 per cent).
- The UK's non-EU imports for July 2013 have decreased by £0.6 billion (3.6 per cent) compared to June 2013, to £16.1 billion. Compared to July 2012, imports have increased by £0.2 billion (1.1 per cent).
- The UK remains a net importer (imports are greater than exports). The size of the difference between imports and exports has increased by £0.4 billion (10.9 per cent) compared to June 2013, and has also increased from July 2012 by £1.4 billion (57.9 per cent).
- This is the first month to exclude Croatia from the non-EU Overseas Trade Statistics since it joined the EU on 1 July 2013. Their absence from these figures contributes a decrease of £11.9 million to exports and £7.3 million to imports compared to June 2013. Coincidentally, this accounts for 1.2 per cent of the overall decrease for both flows.



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 <u>here</u>.

Key Points

For the month of July 2013:

The value of imports and exports both decreased in July 2013 compared with the previous month, but with exports decreasing at a much greater rate. Consequently the difference between non-EU imports and exports has increased by 10.9 per cent. Import values decreased after increasing for four months running, and have dropped back to levels last seen in March 2013. The export values are at the lowest level since February 2013.

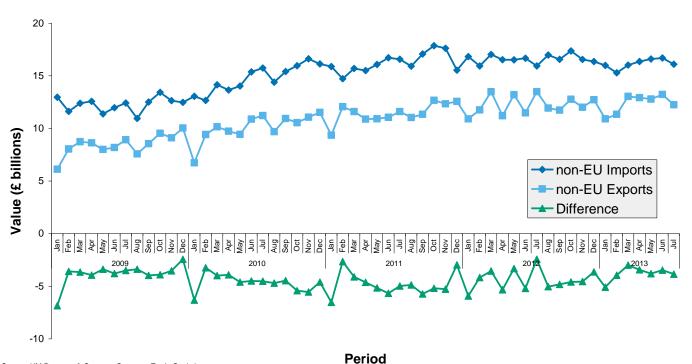


Fig. 1: Total Monthly UK Trade with non-EU Countries

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

Exports

- The UK's non-EU exports have decreased by £1.0 billion (7.4 per cent) compared to June 2013, to £12.3 billion. Compared to July 2012, exports have decreased by £1.2 billion (9.2 per cent).
- The top five commodities are similar to last month although HS2 71 (Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin) rose to fourth place after falling to sixth place last month. The largest contributing commodity group remains HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof). In July it contributed £2.5 billion, 20.4 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 56 per cent of all chapters, which drove the overall decrease in exports compared to June 2013. The largest decrease from the previous month was £281.8 million (33.9 per cent) in HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes), taking this chapter out of the top five this month, to seventh place.
- The largest value increase from the previous month was in the second biggest export chapter, HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof), which rose by £368.8 million (25.5 per cent) to £1.8 billion. This is a new high for this chapter, 1.9 per cent higher than the previous record in May 2012.
- The USA remains the UK's largest non-EU export partner country, accounting for 27.1 per cent of the total value of UK's non-EU export trade. Exports from the UK to Switzerland saw the largest decrease in value compared to June 2013, down by £199.0 million (31.1 per cent) dropping to fifth place from third last month.
- The largest increase in exports was to the second placed country, China, up £103.8 million (11.3 per cent) to £1.0 billion. This is a new high for exports to China, 2.0 per cent higher than the previous record in July 2012.
- The total 2013 year to date value of UK's goods exported to non-EU countries excluding July 2013 is £74.2 billion, which has been downwardly revised by £141.7 million. This is a decrease of 0.2 per cent.

Imports

- The value of the UK's non-EU imports decreased by £0.6 billion (3.6 per cent) compared to June 2013, to £16.1 billion. Compared to July 2012 imports have increased by just £0.2 billion (1.1 per cent).
- There is one change to the top five commodities compared to the previous month. HS2 61 (Articles of apparel and clothing accessories, knitted or crocheted) has risen to fifth place from eighth. There is always a seasonal rise in the imports of knitwear in July in preparation for the winter season. The largest commodity group remains HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes), which also had the largest increase in value from last month. In July 2013 it contributed £3.6 billion, 22.1 per cent of the total value of non-EU imports to the UK. This is up £197.8 million (5.9 per cent) from June 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 £412.9 million (47.1 per cent) in HS2 88 (Aircraft, spacecraft, and parts thereof) to drop to eighth place from fifth last month.
- China has overtaken the USA to become the UK's largest non-EU import partner country in July 2013 with a total import trade of £2.6 billion, accounting for 16.4 per cent of the total value of UK's non-EU import trade. The USA now accounts for 15.3 per cent of the total value of non-EU imports. The value of imports from the USA fell by £780.1 million (24.1 per cent) from £3.2 billion to £2.5 billion, the largest country decrease compared to June 2013. The largest increase in imports into the UK compared to June 2013 was from Algeria which rose by £258.7 million (a three-fold rise) from £123.8 million to £382.5 million.
- The total 2013 year to date value of UK's goods imported from non EU countries excluding July 2013 is £97.0 billion, which is virtually unchanged from last month.

Further Analysis: Exports

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

HS 2	Description	July 2013 Total £ millions	% Change from June 2013	% Change from July 2012	% of Total July 2013 Exports	Rank June 2013	Rank July 2012
-	Total Exports	12,254.8	-7.4	-9.2	100.0	n/a	n/a
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	2,495.1	-9.1	7.5	20.4	1	
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	1,814.7	25.5	7.7	14.8	2	2
30	Pharmaceutical products	887.4	-5.5	-4.0	7.2	3	
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	886.3	15.6	-15.6	7.2	6	
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	789.3	-10.5	-7.2	6.4	4	

Commodity Analysis: comparison with previous month

The overall decrease in exports **compared to June 2013** is composed of decreases in 56 per cent of HS2 chapters. The total export trade value has decreased by £1.0 billion (7.4 per cent). Three of the top five commodity types decreased and there were six chapters with decreases of over £100 million, and two increases of this magnitude.

The largest value decrease from the previous month, of £281.8 million, took HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) out of the top five, from fifth to seventh. This is a decrease of 33.9 per cent compared to June 2013, taking this chapter to £549.6 million, the lowest monthly export value since the record low of £196.4 million in November 2011. The decrease is driven by falls of £179.7 million (80.3 per cent) in crude oil in HS4 2709, and £94.2 million (16.6 per cent) in refined oil in HS4 2710. The decrease for this chapter is led by decreases to South Korea and Chile, of £143.0 million and £72.9 million respectively.

The second largest decrease was in HS2 88 (Aircraft, spacecraft, and parts thereof), down by £276.9 million (43.7 per cent) to £356.8 million. This follows a large increase last month, and is driven by a fall in exports in HS4 8802 (Powered aircraft and spacecraft), down by £255.4 million (83.6 per cent), led by decreases in exports to the USA (£60.3 million), and Turkmenistan (£55.0 million).

The third largest decrease since last month was in the top chapter, HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof), down by £250.8 million, (9.1 per cent). This was dominated by a fall of £244.4 million (20.4 per cent) in HS4 8411 (Turbo-jets, Turbo-propellers and other gas turbines).

The fourth largest decrease since last month was in HS2 97 (Works of art, collectors' pieces and antiques), down by £190.0 million, (29.4 per cent). There were also large decreases in the tenth largest chapter, HS 22 (Beverages, spirits and vinegar), down £129.7 million (30.8 per cent); and the sixth largest chapter, HS2 90 (Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof), down £104.2 million (15.1 per cent). There were no other decreases above £100 million, although just below this level were decreases of £98.3 million (78.9 per cent) in HS2 93 (Arms and ammunition; parts and accessories thereof) and £92.5 million (10.5 per cent) in HS2 85 (Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers).

The largest increase was £368.8 million in the second chapter in the top five, HS2 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof), up by 25.5 per cent. This was driven by a rise of £353.0 million (31.0 per cent) in HS4 8703 (Motor vehicles for the transport of <10 persons). This was led by increases of £141.6 million (48.8 per cent) in exports to China, and £73.9 million (29.0 per cent) to the USA.

The second largest increase was £119.7 million (15.6 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 increases in exports of £80.1 million (35.1 per cent) in diamonds in HS4 7102, and £70.5 million (42.3 per cent) in unwrought silver in HS4 7106. This increase takes HS2 71 to fourth place from sixth place last month.

There were no other increases over £100 million.

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

Compared to July 2012, the total export trade value decreased by £1.2 billion (9.2 per cent). Half of all HS2 chapters showed decreases and half showed increases, but the decreases were greater than the increases. There were four chapters with decreases of over £100 million, and two increases of this magnitude. Three of the top five commodity types decreased in export value.

Similarly to the comparison with June 2013, the largest value decrease of £514.8 million, took HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) out of the top five, from third to seventh place. This is a decrease of 48.4 per cent compared to July 2012, and contributes 41.5 per cent of the overall net decrease. The decrease is driven by falls of £368.0 million (89.3 per cent) in crude oil in HS4 2709, and £145.4 million (23.5 per cent) in refined oil in HS4 2710. The decrease for this chapter is led by a fall of £275.4 million to South Korea.

The second largest decrease was for HS2 29 (Organic chemicals), down £180.5 million (43.8 per cent). This was led by a fall of £164.2 million (85.6 per cent) in HS4 2934 (Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excl. with oxygen or nitrogen only)).

The third largest decrease was in HS2 71 (Natural or cultured pearls, precious or semiprecious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin), down £164.2 million (15.6 per cent). The decrease is more than covered by a fall of £206.1 million (40.1 per cent) in diamonds in HS4 7102, led by a decrease of £236.9 million to Botswana. The only remaining decrease over £100 million was in HS2 97 (Works of art, collectors' pieces and antiques), down £159.0 million (25.9 per cent). The decrease is driven by a fall of £116.0 million (87.5 per cent) in Collections and collector's pieces in HS4 9705. There was also a decrease just below £100 million of £98.4 million in HS2 88 (Aircraft, spacecraft, and parts thereof).

The largest increase was in the top chapter, HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof), up by £173.5 million (7.5 per cent) with HS4 8411 (Turbojets, turbopropellers and other gas turbines) rising by £77.7 million (8.9 per cent) and HS2 8407 (Spark-ignition reciprocating or rotary internal combustion piston engines) up by £70.7 million (more than three-fold).

The second largest increase was for the second biggest chapter, HS2 87 which rose by £129.3 million (7.7 per cent). This was more than covered by a rise of £223.9 million (17.7 per cent) in HS4 8703 (Motor vehicles for the transport of <10 persons). The next biggest increase was below £20 million.

Figure 2 below shows the top five commodities for the UK's non-EU exports in July 2013, compared to June 2013 and July 2012. It shows how the top two chapters increased when compared to July 2012, but HS2 84 decreased when compared with June 2013, while HS2 87 had a large increase. HS2 71 is down from July 2012 but up from June 2013, while HS2 30 and HS2 85 are down compared to both periods.

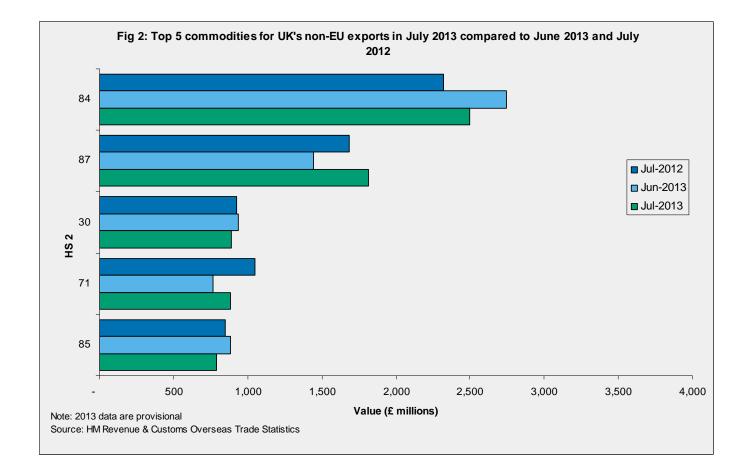


Table 2 shows a comparison of the value of UK non-EU export trade with our top five export trading partners for July 2013, June 2013 and July 2012.

Table 2: Top 5 non-EU export countries in July 2013 compared to June 2013 and July 2012							
Country	July 2013 Total £ millions	% change from June 2013	% Change from July 2012	% of total July 2013 Exports	Rank June 2013	Rank July 2012	
Total Exports	12,254.8	-7.4	-9.2	100.0	n/a	n/a	
USA	3,317.6	-2.0	-5.4	27.1	1	1	
China	1,020.9	11.3	2.0	8.3	2	2	
India	556.5	8.2	12.8	4.5	4	5	
United Arab Emirates	498.8	0.3	23.2	4.1	5	8	
Switzerland	441.4	-31.1	-38.8	3.6	3	3	
Source: HM Revenue & Customs Overseas Trade Statistics Note: 2013 data are provisional							

For all three periods, the USA was the UK's largest non-EU export partner country, with China second, while this month has seen Switzerland drop behind India and the United Arab Emirates. Compared to last month there were increased exports to three of the top five partner countries. However exports to the USA and Switzerland both fell. These two countries also decreased when compared to July 2012.

Country Analysis: comparison with previous month

Compared to June 2013, there is decreased trade to 57 per cent of our export partners. There were four countries to which exports fell by £100 million or more, and one increase above this threshold.

The largest decrease in exports was to Switzerland, which fell from third to fifth place. Exports fell by £199.0 million (31.1 per cent) to reach £441.4 million, the lowest export value since February 2013. This was dominated by a fall of £190.9 million (65.2 per cent) in exports for HS2 97 (Works of art, collectors' pieces and antiques). This is composed of £129.9 million in HS4 9701 (Paintings and drawings) and £54.6 million in HS4 9703 (Sculptures and statues). In both cases, this is a drop after large increases last month.

The second largest decrease was in exports to South Korea, down by £186.5 million (43.5 per cent) to £241.9 million. This takes South Korea to 16^{th} place, from ninth. The decrease is led by a fall of £143.0 million in HS2 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes), to under £1.0 million.

The third largest decrease was for Saudi Arabia, down by £129.5 million (33.7 per cent) to £255.0 million, the third successive fall since the record high of £560.6 million in April 2013. This is led by a fall of £99.4 million (97.4 per cent) in HS2 93 (Arms and ammunition).

The fourth largest decrease was for Singapore, down by £119.8 million (27.6 per cent) to £314.1 million. Last month was the highest export value on record, while this month sees the biggest fall on record, to drop to levels last seen in February 2013. The fall was led by a decrease of £101.9 million (41.4 per cent) in HS2 84.

These were the only decreases over £100 million. The next biggest decrease was to Hong Kong, down by £75.6 million (15.5 per cent)

The largest increase in exports was to China, which rose by £103.8 million (11.3 per cent) to £1.0 billion. This increase was driven by a rise of £141.6 million (48.8 per cent) in motor vehicles in HS4 8703, as previously explained.

This was the only increase over £100 million. The second biggest increase was to South Africa, up by £55.0 million (29.9 per cent)

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

Compared to July 2012, there was a decrease of £1.2 billion (9.2 per cent) in total exports with just over half (52 per cent) of the UK's export partner countries experiencing falls in export value. There were four decreases in excess of £100 million, and no increases above this value.

The largest decrease was for exports to Switzerland, down £279.6 million (38.8 per cent). This was dominated by a decrease of £245.3 million (70.6 per cent) in HS2 97 (Works of art, collectors' pieces and antiques), with decreases of £122.3 million in Collections and collector's pieces in HS4 9705, and £78.8 million in paintings and drawings in HS4 9701.

The second largest decrease in total export trade value was in exports to South Korea, down by £248.1 million (50.6 per cent), more than covered by a fall of £275.4 million in crude oil in HS4 2709.

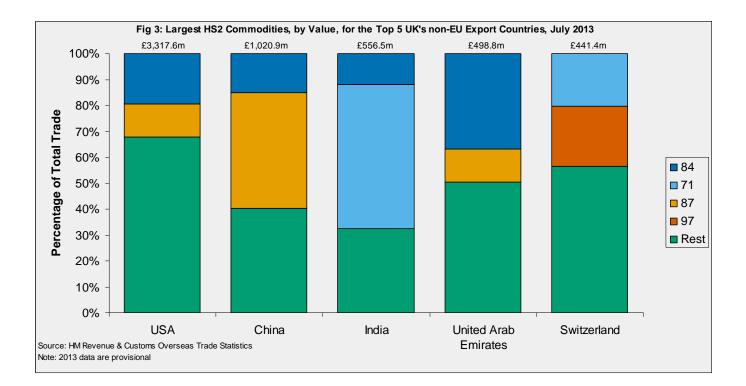
The third largest decrease was for exports to Botswana, down by £237.7 million (71.5 per cent), dominated by a fall of £236.9 million (71.7 per cent) in unmounted diamonds (HS4 7102).

The fourth largest decrease was for exports to the USA, down by £187.9 million (5.4 per cent), led by a fall of £147.6 million (52.5 per cent) in HS2 29 (Organic chemicals).

Just outside the £100 million mark, exports to Russia fell by £82.7 million (16.2 per cent), taking this country to sixth place from fourth in July 2012.

The largest increase was for the United Arab Emirates, which rose by £94.0 million (23.2 per cent), climbing to fourth place from eighth place in July 2012.

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 42.3 per cent of the total value of UK non-EU export trade for HS2 84. Three of the top five countries had HS2 87 as one of the top two largest exported commodities accounting for 51.4 per cent of the UK's total exports in this chapter. Two of the top five countries had HS2 71 as one of the top two largest exported commodities accounting for 45.0 per cent of the UK's total exports in this chapter. The export of HS2 71 to India made up 55.5 per cent of the total UK exports to India.



Further Analysis: Imports

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

HS 2	Description	July 2013 Total £ millions	% Change from June 2013	% Change from July 2012	% of Total July 2013 Imports	Rank June 2013	Rank July 2012
-	Total Imports	16,100.6	-3.6	1.1	100.0	n/a	n/a
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	3,561.0	5.9	11.1	22.1	1	1
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	2,160.3	3.2	5.4	13.4	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	1,538.4	4.2	9.1	9.6	3	3
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	833.2	-13.2	6.8	5.2	4	4
61	Articles of apparel and clothing accessories, knitted or crocheted	580.2	20.6	8.2	3.6	8	5

Commodity Analysis: comparison with previous month

The value of imports decreased by £0.6 billion (3.6 per cent) **compared to June 2013.** There were decreases in less than half of the HS2 commodity chapters (43 per cent) but the size of these decreases was generally greater than the increases. There were three decreases over £100 million, and only one increase of over £100 million. However, four of the top five import chapters increased on last month.

The largest value decrease from the previous month was for HS2 88 (Aircraft, spacecraft, and parts thereof), down £412.9 million (47.1 per cent) to £464.6 million. This takes imports in HS2 88 from fifth place last month to eighth this month. The decrease was driven by a fall of £407.5 million (61.2 per cent) in imports of HS4 8802, (powered aircraft). This in turn is driven by a decrease of £313.7 million (62.2 per cent) in imports from the USA.

The second largest value decrease was also outside the top five, as HS2 97 (Works of art, collectors' pieces and antiques) fell by £370.5 million (63.7 per cent) dropped from sixth place to 15^{th} . The decrease was driven by a fall of £233.3 million (60.2 per cent) in imports of paintings and drawings in HS4 9701. Within this heading, there were decreases of £125.3 million (68.7 per cent) in imports from the USA, and £113.5 million (71.3 per cent) in imports from Switzerland.

The third largest decrease in imports was in the fourth biggest import chapter, HS2 71, which fell £126.9 million (13.2 per cent) to £833.2 million. This decrease was composed of a fall of £213.3 million (86.4 per cent) in HS4 7110 (platinum group metals), with imports from Switzerland, falling £190.3 million (98.2 per cent) but this was offset by imports of diamonds in HS4 7102 increasing by £121.1 million (37.7 per cent), led by imports from Botswana rising by £102.6 million (57.4 per cent).

These were the only decreases over £100 million, the next largest was HS2 89 (Ships, boats and floating structures) which fell by £86.3 million (91.5 per cent).

The largest increase, and the only one over £100 million, was in the top import chapter, HS2 27. This rose by £197.8 million (5.9 per cent), composed of a £591.7 million (30.8 per cent) increase in imports of crude oil in HS4 2709, offset by a £200.8 million (38.6 per cent) fall in petroleum gas (HS4 2711), and a £161.1 million (24.6 per cent) fall in refined oil (HS4 2710). In all cases, similar changes in the quantity imported suggest that this is a change in volume rather than price variations. The increase in imports for crude oil was driven by increases from Angola, Russia and Norway, up £267.8 million, £223.5 million, and £143.6 million (50.9 per cent) from Qatar, and £119.9 million (100 per cent) from Saudi Arabia respectively.

Although this was the only increase over £100 million, the next largest increase in imports was just below this level, as HS2 61 (Articles of apparel and clothing accessories, knitted or crocheted) rose by £98.9 million (20.6 per cent) to climb from eighth to fifth. This is a seasonal rise as the imports of knitwear increases in July in preparation for the winter season.

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

When **compared to July 2012**, total import value increased by £0.2 billion (1.1 per cent) with 57 per cent of the HS2 commodity chapters increasing in value. There were three chapters with increases of over £100 million and three with decreases over this value.

The biggest increase was a rise of £356.2 million (11.1 per cent) in the top import chapter, HS2 27. As with the comparison with last month this was led by an increase of £394.0 million (18.6 per cent) in HS4 2709 (Crude oil), with large increases from Canada (£129.0 million), Norway (£114.2 million), South Africa (£102.2 million) and Algeria (up £99.3 million). However there was also a large decrease from Angola, down from £112.4 million to zero. The increase in this chapter was more than double the overall increase.

The second biggest increase was a rise of £129.0 million (9.1 per cent) in the third biggest import chapter, 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). This was led by a rise of £82.0 million (20.4 per cent) in HS4 8517 (Telephone sets, including mobile phones), mainly from China and Hong Kong.

The third biggest increase was a rise of £109.9 million (5.4 per cent) in the second biggest import chapter, HS2 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof). This was more than covered by an increase of £133.0 million (20.3 per cent) in HS4 8411 (Turbojets, turbopropellers and other gas turbines), spread over a number of import partner countries.

These were the only increases over £100 million. The next biggest increase was £52.8 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).

The chapter with the largest decrease is HS2 29 (Organic chemicals), which fell £204.0 million (47.1 per cent), driven by imports from Singapore falling by £189.5 million (91.7 per cent).

The second biggest decrease was for HS2 30 (Pharmaceutical products), down £192.7 million (36.3 per cent), with a £104.8 million (48.6 per cent) decrease in imports from the USA.

The third biggest decrease was a fall of £162.3 million (43.5 per cent) in HS2 97 (Works of art, collectors' pieces and antiques). This was led by a decrease of £87.1 million (36.1 per cent) in HS4 9701 (Paintings and drawings), with a £83.4 million (64.5 per cent) decrease from Switzerland.

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

Figure 4 below shows the top five commodities for UK's non-EU imports in July 2013, compared to June 2013 and July 2012. It shows how all of the top five chapters increased when compared to July 2012, and all but chapter 71 increased when compared to last month.

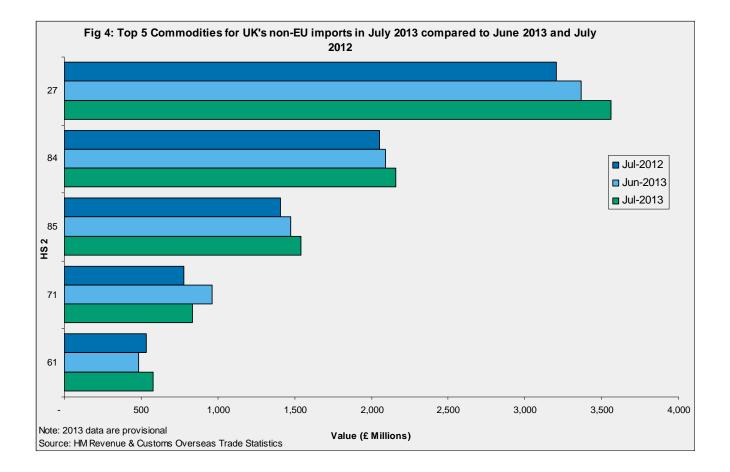


Table 4 shows comparisons of the value of UK non-EU import trade from our top five import trading partners for July 2013, June 2013, and July 2012. Imports from four of the top five trading partners have increased in July 2013 compared to the previous

month, with only the USA falling. However, both the USA and Hong Kong showed decreases when compared to July 2012.

Country	July 2013 Total £ millions	% change from June 2013	% Change from July 2012	% of Total July 2013 Imports	Rank June 2013	Rank July 2012
Total Imports	16,100.6	-3.6	1.1	100.0	n/a	n/a
China	2,641.2	6.4	3.9	16.4	2	2
USA	2,460.5	-24.1	-6.8	15.3	1	1
Norway	1,533.4	7.4	12.5	9.5	3	3
Hong Kong	623.7	16.2	-0.9	3.9	7	7
Canada	599.6	7.5	23.6	3.7	6	g

There are several changes from last month, with the USA falling behind China for this month, and Hong Kong and Canada rising above Switzerland and Japan. This is the first month that China has been ahead of the USA since January 2013. China, the USA, and Norway have been the UK's largest import partners for a number of years, collectively accounting for nearly 41.2 per cent of the UK's import trade.

Country Analysis: comparison with previous month

Compared to June 2013, the total decrease in the value of imports reflects decreases from 52 per cent of our import partner countries. Four countries had decreases of over £100 million, while six had increases of this magnitude.

The biggest decrease in the value of imports was from the USA, down £780.1 million (24.1 per cent) to £2.5 billion. Last month was the highest import value on record for the USA, while this month is the lowest since January 2013, also the last time that imports from China were greater. This month's decrease is driven by falls of £318.8 million in HS2 88, with a £313.7 million (62.2 per cent) decrease in powered aircraft in HS4 8802, plus a decrease of £206.1 million (70.1 per cent) in HS2 97 (art and antiques), with paintings and drawings in HS4 9701 down £125.3 million (68.7 per cent). In both cases, this follows large increases last month.

The second biggest decrease in value of imports was from Switzerland, down £383.0 million (41.8 per cent) to £532.3 million. This is driven by decreases of £167.4 million (68.3 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), and £162.6 million (73.1 per cent) in HS2 97 (art and antiques). The decrease in chapter 71 is driven by a fall of £190.3 million (98.2 per cent) in platinum group metals (HS4 7110), while the decrease in HS2 97 is composed of a £113.5 million (71.3 per cent) fall in, paintings and drawings in HS4 9701.

The next two largest decreases, and several of the increases, were driven by changes in HS2 27. The third largest decrease in the value of imports was from Saudi Arabia, down by £276.8 million (67.6 per cent) to £132.7 million this month. This decrease is led by falls of £119.9 million (100 per cent) in refined oil in HS4 2710, and £91.5 million (60.4 per cent) in crude oil (HS4 2709).

The fourth largest decrease in the value of imports was from Kuwait, down by £111.0 million (58.1 per cent). This was driven by a fall of £94.0 million (55.0 per cent) in refined oil (HS4 2710).

The biggest increase in the value of imports was from Algeria, up £258.7 million (a three-fold rise) to £382.5 million. This is dominated by an increase of £267.8 million in crude oil in HS4 2709, and takes imports from Algeria to their third highest value, the highest being £464.0 million in April 2013.

The second biggest increase in the value of imports was from China, up £157.8 million (6.4 per cent) to £2.6 billion, to put China ahead of the USA this month. The increase is spread over several chapters, with the largest increases being in imports of clothing: £41.8 million (27.5 per cent) in HS2 62 (Articles of apparel and clothing accessories, not knitted or crocheted), and £35.7 million (27.2 per cent) in HS2 61 (Articles of apparel and clothing accessories, knitted or crocheted).

The next biggest increase in the value of imports was from South Korea, up £122.1 million (59.0 per cent) to £328.9 million, to rise to their highest value since November 2008. This month's increase is over several chapters, led by an increase of £39.0 million in refined oil in HS4 2710.

The increase in HS2 27 also drove increases in the value of imports from Norway and Russia, up £106.1 million (7.4 per cent) and £102.7 million (24.9 per cent) respectively. Norway had an increase of £185.0 million (16.1 per cent) in HS2 27, composed of a £223.5 million (24.9 per cent) rise in crude oil in HS4 2709, offset by falls of £26.0 million (12.7 per cent) in petroleum gas (HS4 2711) and £14.4 million (34.2 per cent) in refined oil (HS4 2710). Russia had a £143.6 million (tenfold) increase in HS4 2709, offset by a £20.3 million (15.3 per cent) fall in HS4 2710.

The final increase over the £100 million level was from Botswana, up by £104.4 million (58.2 per cent), driven by a rise of £102.6 million (57.4 per cent) in unmounted diamonds in HS4.7102.

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

Compared to July 2012 there was a small increase of £168.6 million (1.1 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. There were five increases and five decreases in excess of £100 million. Three of the UK's top five import trading partners for July 2013 have increased when compared to July 2012, and two have decreased.

The largest increase in the value of imports was from Botswana, up by £277.1 million from below £7 million. As with the comparison with last month, this was almost totally due to the imports of diamonds in HS4 7102, up by £274.8 million. Since October 2010 there has been a regular monthly trade in diamonds from Botswana, but July 2012 was a particularly low month.

Four of the next six largest increases were all driven by imports of crude oil in HS4 2709. Norway increased by £170.3 million (12.5 per cent); South Africa by £130.9 million (63.5 per cent); Canada by £114.3 million (23.6 per cent), and Algeria by £98.6 million (34.7 per cent), with increases of £114.2 million (11.3 per cent), £102.2 million (from zero), £129.0 million (threefold) and £99.3 million (35.5 per cent) in crude oil respectively.

South Korea increased by £102.4 million (45.2 per cent), split over several chapters.

Just below the £100 million level, China increased by £99.0 million (3.9 per cent), with a £63.6 million (16.1 per cent) rise in electronic equipment in HS2 85.

Two of the five largest decreases were also led by imports of oil and gas in HS2 27. The largest decrease in total import trade value is from Russia, down by £187.8 million (26.7 per cent), driven by a decrease of £91.1 million (18.8 per cent) in HS2 27, led by a fall of £69.3 million (30.3 per cent) in HS4 2709 (crude oil). The fifth largest decrease

was imports from Angola, which fell by £113.3 million (97.6 per cent), dominated by a fall of £112.4 million in crude oil, to zero.

The second biggest decrease was for the USA, which fell by £179.1 million (6.8 per cent). This is led by a fall of £125.2 million (63.5 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 £89.4 million (98.0 per cent) decrease in silver in HS4 7106, plus a decrease of £104.8 million (48.6 per cent) in HS2 30 (Pharmaceutical products). This is partially offset by a rise of £133.6 million (78.0 per cent) in HS2 88 (Aircraft, spacecraft, and parts thereof).

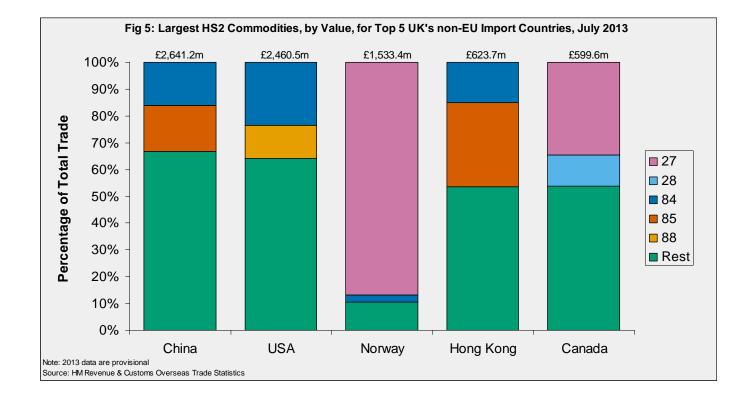
The third largest decrease in imports was from Switzerland, down by £175.8 million (24.8 per cent), with a £91.1 million (60.3 per cent) fall in HS2 97 (Art and antiques), with a £83.4 million (64.5 per cent) drop in HS4 9701 (Paintings and drawings).

The fourth largest decrease in imports was from Singapore, down £154.3 million (40.7 per cent). This was led by a fall of £189.5 million (91.7 per cent) in HS2 29 (Organic Chemicals).

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 52.5 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 65.6 per cent of the UK's import value for this chapter.

Two countries, Norway and Canada, 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 43.2 per cent of the total import value in HS2 27. This trade also accounts for 86.8 per cent of the total imports from Norway, specifically the Norwegian Continental Shelf.

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 42.5 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 06 September 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 July 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. On 1st July, Croatia joined the EU. Hence this is the first month for which Croatia are absent from these figures. For further information, see <u>this summary paper</u> <u>Croatia Joining the EU: its impact on UK Trade Statistics.</u>
- 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</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-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.

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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: 09 October 2013 9:30am

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