

Statistical bulletin:

UK trade: January 2016

The total value of UK imports and exports of goods together with indices of volume and price, including an early monthly estimate of the value of trade in services.

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1. Main points

UK trade shows import and export activity and is a main contributor to the overall economic growth of the UK. All data are shown on a seasonally adjusted, balance of payments basis, at current prices unless otherwise stated.

The UK's deficit on trade in goods and services was estimated to have been £3.5 billion in January 2016, a narrowing of £0.2 billion from December 2015. The narrowing is attributed to trade in goods where the deficit has narrowed from £10.5 billion in December 2015, to £10.3 billion in January 2016.

The narrowing of the trade in goods deficit between December 2015 and January 2016 reflected a decrease in imports of £0.2 billion to £33.2 billion attributed to falls in unspecified goods and fuels. However, excluding oil and erratics the trade in goods deficit widened by £0.5 billion between December 2015 and January 2016.

In the 3 months to January 2016, the UK's deficit on trade in goods and services was estimated to have been £11.8 billion; a widening of £3.5 billion from the 3 months to October 2015.

Between the 3 months to October 2015 and the 3 months to January 2016, the trade in goods deficit widened by £1.5 billion to £32.3 billion. This widening reflects a £2.3 billion fall in exports of goods (of which, chemicals fell by £1.2 billion) partially offset by a £0.8 billion fall in imports of goods.

Between the 3 months to October 2015 and the 3 months to January 2016, the trade in services surplus narrowed by £2.0 billion to £20.5 billion. Downwards revisions to exports of services since the December 2015 UK trade publication have resulted in a larger annual total trade deficit of £36.6 billion in 2015.

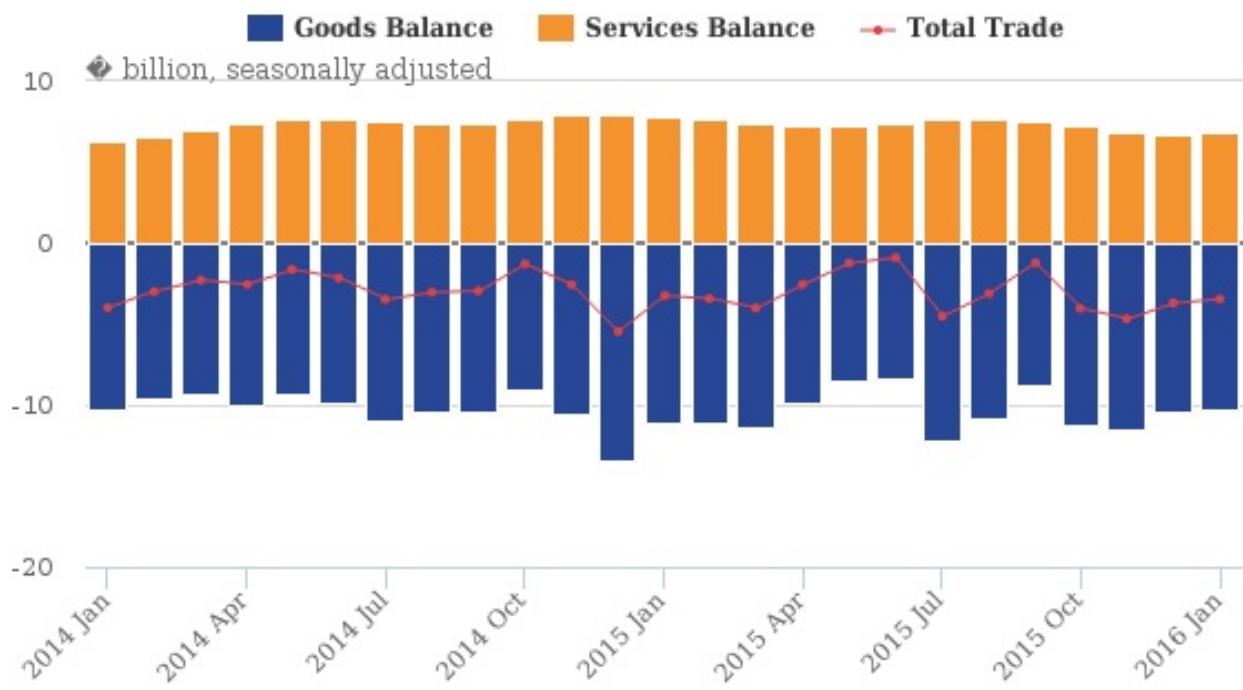
2. Main figures for January 2016

Table 1: Balance of UK trade in goods and services, January 2015 and November 2015 to January 2016

						£ billion
Balance of trade in						
goods						Balance of trade in
	EU	Non-EU	Total			Total trade balance
2015 Jan	-7.2	-3.9	-11.1		7.9	-3.2
Nov	-8.0	-3.5	-11.6		6.9	-4.7
Dec	-7.4	-3.0	-10.5		6.8	-3.7
2016 Jan	-8.1	-2.2	-10.3		6.8	-3.5

Source: Office for National Statistics

Figure 1: Balance of UK trade, January 2014 to January 2016



Source: Office for National Statistics

3. Understanding and working with UK trade statistics

Short guide to UK trade

UK trade shows the extent of import and export activity and is an important contributor to the overall economic growth of the UK. Trade is measured through both imports and exports of goods and/or services. Data are supplied by over 30 sources including several administrative sources, Her Majesty's Revenue and Customs (HMRC) being the largest.

This monthly release contains tables showing the total value of trade in goods together with index numbers of volume and price. Figures are analysed by broad commodity group (values and indices) and according to geographical area (values only). In addition, the UK trade statistical bulletin also includes early monthly estimates of the value of trade in services.

This bulletin focuses on trade in goods due to the coverage and comprehensiveness of the administrative data sources available for goods as it is easier to quantify and measure. Trade in services is more difficult to measure, and source data is provided mainly on a quarterly or annual basis principally from ITIS (International Trade in Services survey). Monthly estimates are derived using this quarterly data; therefore the data are less robust on a monthly basis compared with goods.

As more information becomes available on trade in services this bulletin will focus on the values, volumes and geographic breakdown on a 3 monthly cycle described below:

Month	Trade in services detail
March, June,	Focus on the estimated quarterly change in exports and
October, December	imports of services by the main types of service
January, April, July, October	Focus on trade in services in volume terms
February, May, October, November	Focus on trade in services with EU and selected non-EU countries

Our website

The UK trade guidance and methodology web pages can now be found on our website. These have been developed to provide detailed information about the methods used to produce UK trade statistics. Any recent user requested trade data are included on our website.

Understanding UK trade

We make every effort to provide informative commentary on the data in this release. Where possible, the commentary draws on evidence from other sources of information to help explain possible reasons behind the observed changes. However, in some instances it can prove difficult to draw out detailed reasons for movements; consequently, it is not possible for all data movements to be fully explained.

Trade statistics for any one month can be erratic. For that reason, it is recommended to compare the latest 3 months against the preceding 3 months and the same 3 months of the previous year.

When examining the trade in goods data, oil and “erratics”, which are high value, low volume products, are removed from some analysis as they are extremely influential on trade in goods as a whole. Therefore we publish data inclusive and exclusive of these categories. We also provide a separate analysis of oil because it is subject to erratic price fluctuations and therefore volume data is provided in metric tonnes as well as value (£ million).

Strengths and weaknesses of the data

Strengths

Quality of trade in goods data

The quality of the source data for trade in goods is high in terms of the timeliness, comprehensiveness and coverage and this level of quality compares well internationally. The data are used across government, business and academia and feed into a number of other outputs and publications; including GDP and balance of payments. The Bank of England use the total figures to make policy decisions, whereas government departments such as the Foreign and Commonwealth Office are interested in the individual country detail.

We have frequent communication with our suppliers to discuss quality, including regular meetings, telephone conversations and email correspondence. Service level agreements are in place to define the level of quality expected in the data received and these are reviewed annually. Data suppliers have their own internal quality assurance processes to meet the quality standards outlined in the service level agreements and we work closely with them to understand these. Suppliers are required to advise us of any changes to the collection or processing of the data to ensure our expectations are still met.

When data is received by the trade team we conduct our own initial quality assurance. Further quality analysis is then conducted at several stages of processing; this is detailed in a process map and quality assurance plan. If there are any quality concerns we work closely with the supplier to address these.

We have regular discussions with users on the quality of our data and provide comprehensive explanations of the terms, methodology and processes we use. [Eurostat \(<http://ec.europa.eu/eurostat>\)](http://ec.europa.eu/eurostat) is an important customer influence and helps improve the quality of our data through task force meetings and by producing [quality guidelines \(<http://ec.europa.eu/eurostat/documents/3888793/6182577/KS-TC-14-009-EN-N.pdf/fc46caf3-5c6d-4359-af64-af0a0952e231>\).](http://ec.europa.eu/eurostat/documents/3888793/6182577/KS-TC-14-009-EN-N.pdf/fc46caf3-5c6d-4359-af64-af0a0952e231)

Timeliness of publications

The UK trade publication is very timely (generally 40 days after the period to which it refers), helping to inform policy and to assess UK economic performance.

Weaknesses

Quality and timeliness of trade in services data

Where trade in goods has one main data supplier, there are a large number of suppliers of trade in services data. Additionally, a number are voluntary, so it can be difficult to establish and maintain the same quality assurance processes and relationships with these businesses or suppliers.

Due to the collection methods and complexities of quantifying trade in services, data is less timely than trade in goods estimates. The data is processed quarterly, so monthly forecasts are made to provide a complete trade total.

Monthly volatility

Trade statistics for any one month can be erratic. For that reason, we recommend comparing the latest 3 months against the preceding 3 months and the same 3 months of the previous year, however we also recognise the importance to users of an early estimate of trade therefore we continue to produce a monthly estimate.

UK trade National Statistics suspension

Due to a series of errors during 2014, the UK Statistics Authority suspended the National Statistics designation of UK trade (<http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence/letter-from-sir-andrew-dilnot-to-john-pullinger-141114.pdf>) on 14 November 2014. The Authority's reassessment of UK trade (<http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/index.html>) against the Code of Practice for Official Statistics has been completed. We are committed to meeting the requirements and regaining National Statistics status for UK trade as soon as possible and will keep you informed of progress. We aim to publish a UK trade development plan in the near future; detailing planned improvements to the UK trade statistical compilation process and associated methodology.

One of the recommendations of the reassessment was to consult with users on the use of UK trade statistics. The results of this user engagement survey (<http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/uk-trade-survey/feedback-from-consultations-on-ons-uk-trade-outputs.doc>) can be found on our website.

To provide feedback on the bulletin please contact us via email
trade@ons.gsi.gov.uk

The trade development plan (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/articles/uktrade-development-plan/2016>) has now been launched for consultation. We are seeking feedback by 27 May 2016, any comments or feedback should be directed to the UK trade inbox (trade@ons.gsi.gov.uk).

Definitions and explanations

A glossary of terms is published in the UK trade Glossary (<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/uk-trade/uk-trade-glossary.pdf>) and the UK Balance of Payments - The Pink Book, 2015 (<http://www.ons.gov.uk/ons/rel/bop/united-kingdom-balance-of-payments/2015/index.html>).

Use of the data

UK trade is a main economic indicator due to the importance of international trade to the UK economy. It is also a very timely statistic, providing an early indicator of what is happening more generally in the economy.

In addition, it is a major component of 2 other main economic indicators: UK gross domestic product (GDP) and the UK balance of payments. This means that there is a threefold potential for UK trade statistics to inform the government's view of the UK economy, as well as the views of others, such as economists, city analysts, academics, the media and international organisations.

Notes on tables

Rounding: The sum of constituent items in tables does not always agree exactly with the totals shown due to rounding.

Symbols: .. Not applicable - Nil or less than half the final digit shown.

4. Summary of latest UK trade statistics

Monthly analysis

The deficit on trade in goods and services in January 2016 was £3.5 billion compared with a deficit of £3.7 billion in December 2015. The trade position reflects exports minus imports; the narrowing of the deficit was attributed to a decrease in imports between December 2015 and January 2016.

Between December 2015 and January 2016, total exports were broadly unchanged at £41.4 billion, with exports of goods falling by £11.0 million and exports of services rising by £42.0 million. Total imports decreased by £0.2 billion to £44.8 billion over the same period, primarily due to a decrease of £0.2 billion in imports of goods.

The deficit on trade in goods was £10.3 billion in January 2016; narrowing by £0.2 billion from December 2015. This narrowing reflected a decrease in imports (down £0.2 billion to £33.2 billion). The most significant falls in imports were in unspecified goods and fuels, partially offset by rises in imports of chemicals and machinery and transport equipment.

By area, between December 2015 and January 2016, exports of goods to countries within the EU were broadly unchanged, increasing by £12.0 million to £10.9 billion. Imports of goods from countries within the EU rose by £0.7 billion; imports of chemicals, particularly medicinal and pharmaceutical products, increased by £0.3 billion. The rise in imports resulted in a deficit of £8.1 billion with EU countries, the largest monthly deficit on record.

Exports of goods to countries outside the EU were broadly unchanged over the same period (down £23.0 million from December 2015). Imports from countries outside the EU fell by £0.8 billion between December 2015 and January 2016; this was predominantly due to trade in non-monetary gold. These movements resulted in the trade in goods deficit with countries outside the EU narrowing by £0.8 billion to £2.2 billion.

3 monthly analysis

Between the 3 months to October 2015 and the 3 months to January 2016, the total trade deficit (goods and services) widened by £3.5 billion to £11.8 billion.

The deficit on trade in goods widened by £1.5 billion. Exports of goods fell by £2.3 billion, to £68.8 billion reflecting a £1.2 billion decrease in the export of chemicals and a £0.4 billion fall in oil exports, these decreases were partially offset by an increase in the export of aircraft of £0.5 billion. Imports of goods fell by £0.8 billion, mainly reflecting a £1.3 billion decrease in oil.

Between the 3 months to October 2015 and the 3 months to January 2016, the UK's deficit on trade in goods with the EU widened by £1.7 billion to a record £23.6 billion. Exports of goods to EU countries fell by £1.3 billion due to exports of fuels, which fell by £0.9 billion. Imports from the EU increased by £0.5 billion, mainly reflecting an increase in imports of chemicals (£0.4 billion).

There was a trade in goods deficit with non-EU countries of £8.8 billion in the 3 months to January 2016, narrowing by £0.2 billion from the 3 months to October 2015. Exports of goods to countries outside the EU fell by £1.0 billion, reflecting a £1.1 billion decrease in chemicals. Imports of goods from countries outside the EU fell by £1.2 billion. This decrease was mainly due to a £1.6 billion decrease in fuels; of which, £1.0 billion was oil.

Annual analysis

In 2015, the UK's trade deficit for goods and services was £36.6 billion, a widening of £2.2 billion from 2014. This widening reflects a fall in exports of £2.3 billion; attributed entirely to exports of goods, which fell by £8.2 billion annually. Exports of services partially offset this fall with an annual increase of £5.9 billion. Total imports fell by £0.1 billion in 2015. Imports of goods fell £6.0 billion from the previous year but was almost entirely offset by a £5.9 billion increase in imports of services.

5. Longer-term perspective

International comparisons

The performance of, and contribution from, exports and imports remain an important indicator of economic performance and the structure of an economy. Growth of international trade is also an important indicator of how the global economy is functioning and performing. While UK net trade (the balance of exports and imports) has averaged -2.1% of gross domestic product (GDP) between 2010 and 2014; exports and imports of goods and services individually accounted for around 30% and 32% of GDP respectively. The share of the UK's net exports, as a percentage of GDP, is negative because the UK tends to run a trade deficit – imports tend to exceed exports in the UK.

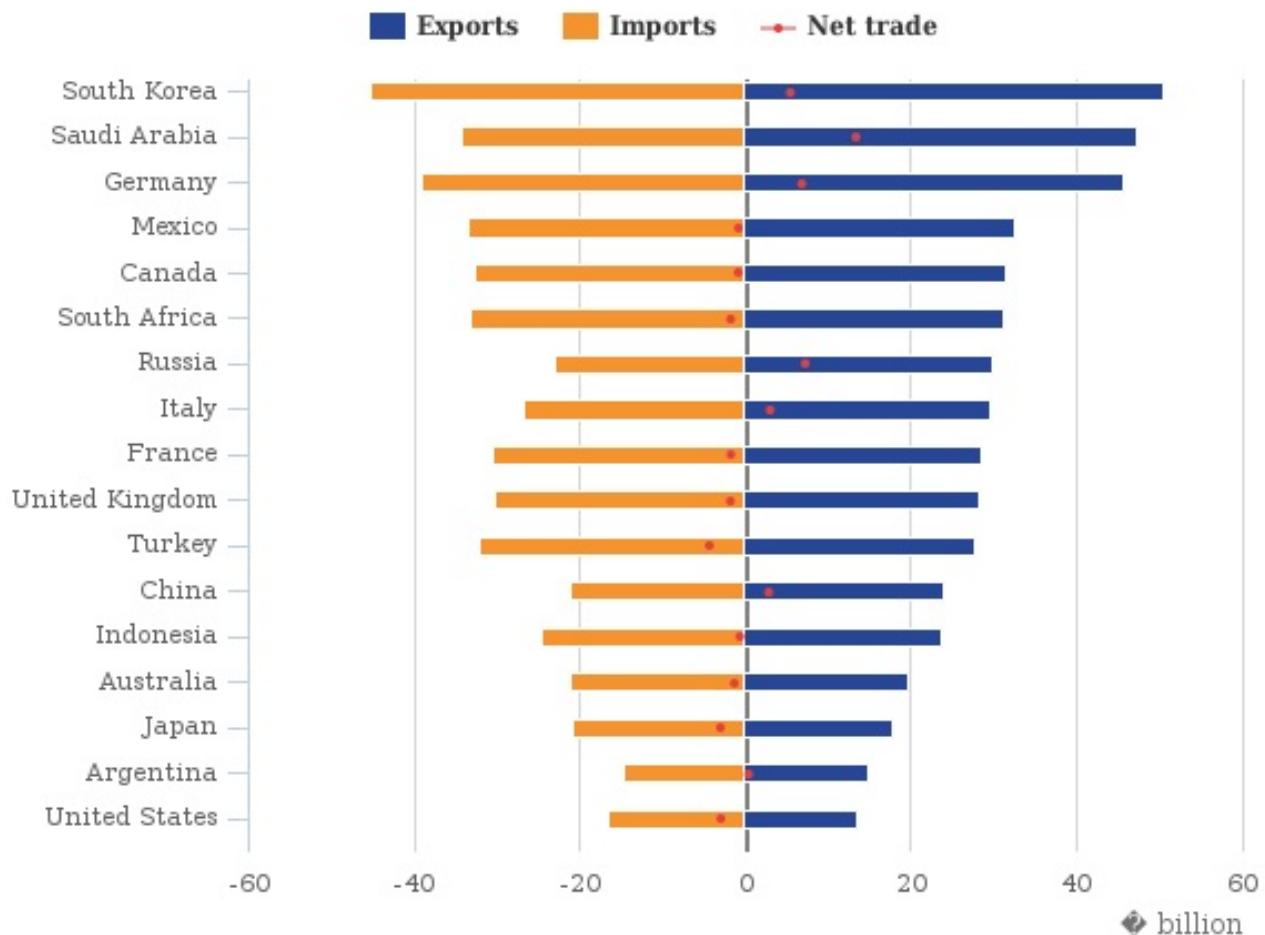
Figure 2 shows export and imports as a percentage of GDP, with G20 countries ranked in terms of the size of their exports relative to GDP. It shows which countries are more export (and import) intensive in the structure of their economic output, and that South Korea, Saudi Arabia and Germany have export shares that are above many of the other G20 economies. The UK is around the middle of the group in terms of the ratio of exports to GDP.

Figure 2 shows that more than half of the G20 economies reported negative balances on trade in 2014 (dots), with Turkey having the largest trade deficit, as a percentage of GDP, at -4.4%. However, because Turkey's trade deficit improved compared with 2013, it made a positive contribution to GDP growth in 2014 – the second highest contribution amongst the G20 at 1.6 percentage points after Russia (1.8 percentage points). Russia, Germany and South Korea had the strongest trade surpluses (exports exceeding imports) of the G20 economies, indicating that economic activity and growth in these economies is more export-orientated.

The UK's trade balance was the fourth lowest in the G20 shown in 2014 at -1.9% of GDP. Although still in deficit in 2014, the trade deficit improved by 0.2 percentage points when compared with its 2010 to 2014 average and improved by 0.1 percentage points from 2013.

Figure 2: Trade in goods and services for selected G20 economies as a percentage of GDP (national currency, current prices, %)

2014

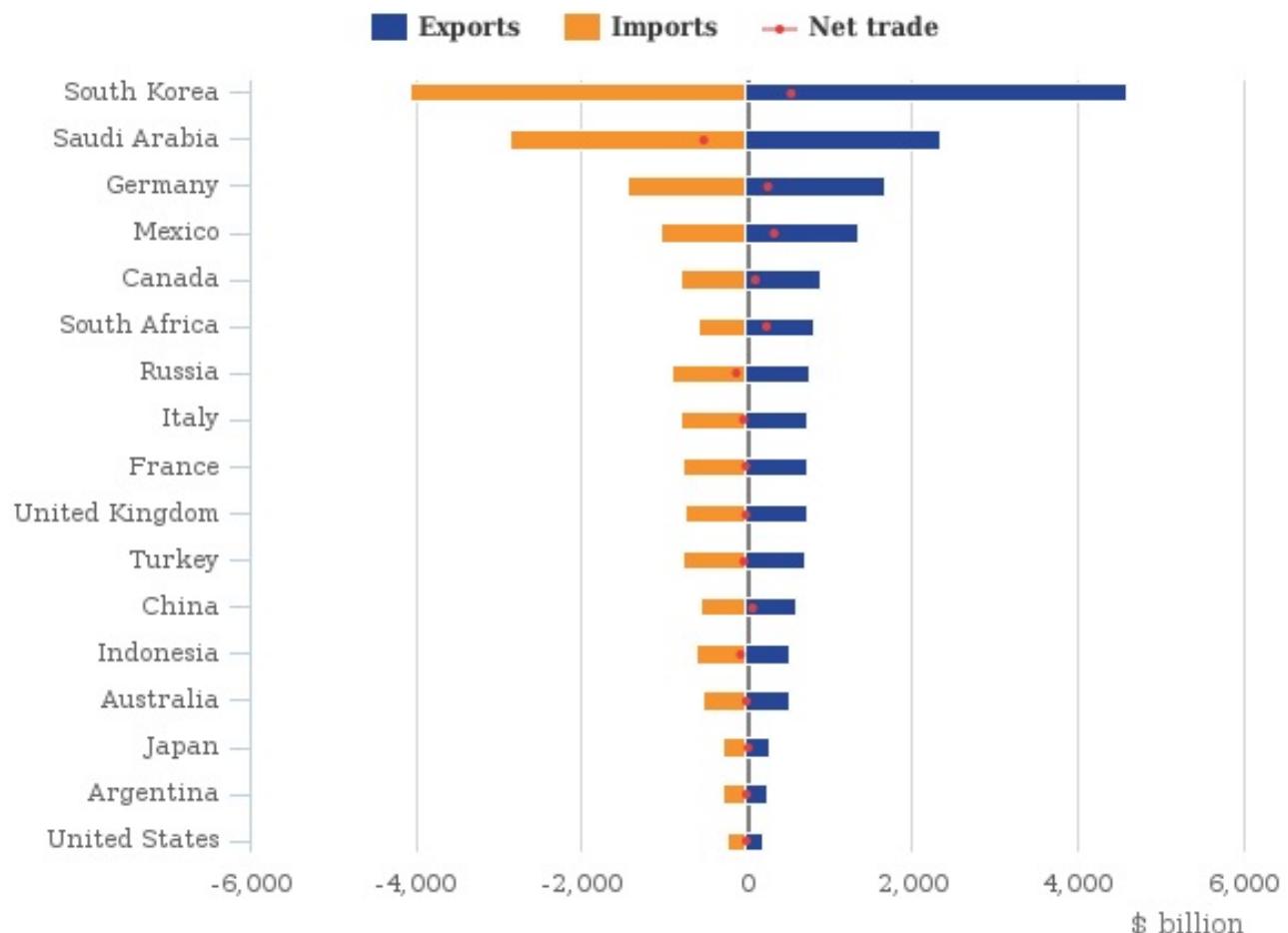


Source: Organisation for Economic Co-operation and Development

Figure 3 shows G20 countries' trade positions in current prices, in US dollars (adjusted using constant (purchasing power parity) (PPP's)). This indicates that the main G20 trading economies are China, the USA and Germany. The UK's exports are in eighth position amongst the selected G20 economies in the chart, indicating that it is an important player in global trade flows but because of the size of its economy relative to the USA, China and Germany it will inherently be lower. Figure 2, which adjusted net trade for the size of each economy by comparing net trade with GDP, indicates that trade is still an important element within the UK's economy and that the UK is an important trading economy given its relative size in G20 economies.

Figure 3: Trade in goods for selected G20 economies (current prices, US dollars, constant purchasing power parity (PPP))

2014



Source: Organisation for Economic Co-operation and Development

6. Value of UK trade in goods

Monthly commentary

In January 2016, the UK's deficit on trade in goods was £10.3 billion, narrowing by £0.2 billion from December 2015.

Exports were broadly unchanged at £22.9 billion in January 2016.

Imports decreased by £0.2 billion (0.5%) to £33.2 billion in January 2016, from £33.3 billion in December 2015. In detail:

- aircraft fell by £0.2 billion (26.8%) to £0.7 billion
- unspecified goods fell by £0.8 billion (67.9%) to £0.4 billion
- these decreases were partially offset by increases in chemicals which rose by £0.3 billion (5.8%) to £4.7 billion and road vehicles which rose by £0.3 billion (6.1%) to £4.4 billion

3 monthly commentary

In the 3 months to January 2016, the deficit on trade in goods was £32.3 billion, widening by £1.5 billion from the 3 months to October 2015.

Exports decreased by £2.3 billion (3.2%) to £68.8 billion in the 3 months to January 2016, compared with £71.1 billion in the 3 months to October 2015. In detail:

- chemicals fell by £1.2 billion (8.7%) to £12.1 billion
- oil fell by £0.4 billion (9.3%) to £4.3 billion
- these decreases were partially offset by an increase in aircraft which rose by £0.5 billion (17.8%) to £3.3 billion

Imports decreased by £0.8 billion (0.8%) to £101.1 billion in the 3 months to January 2016, compared with £101.9 billion in the 3 months to October 2015. In detail:

- oil fell by £1.3 billion (18.4%) to £5.7 billion
- this decrease was partially offset by increases in unspecified goods which rose by £0.9 billion (46.5%) to £1.8 billion and chemicals which rose by £0.4 billion (3.0%) to £13.5 billion

At the main commodity level, the data are shown in Table 2.

**Table 2: Change in UK main commodity value,
January 2016**

	£ million			
	Monthly change		3 monthly change	
	1	2	Exports	Imports
Oil (see section on "trade in oil")	-103	-60	-436	-1,292
Cars	+223	+84	-114	-134
Consumer goods other than cars	-72	+125	-114	+123
Intermediate goods	+81	+256	+28	+7
Capital goods	+69	+95	-452	-296
Chemicals	+179	+253	-1,156	+388
Semi-manufactured goods other than chemicals	-24	+50	-30	+6

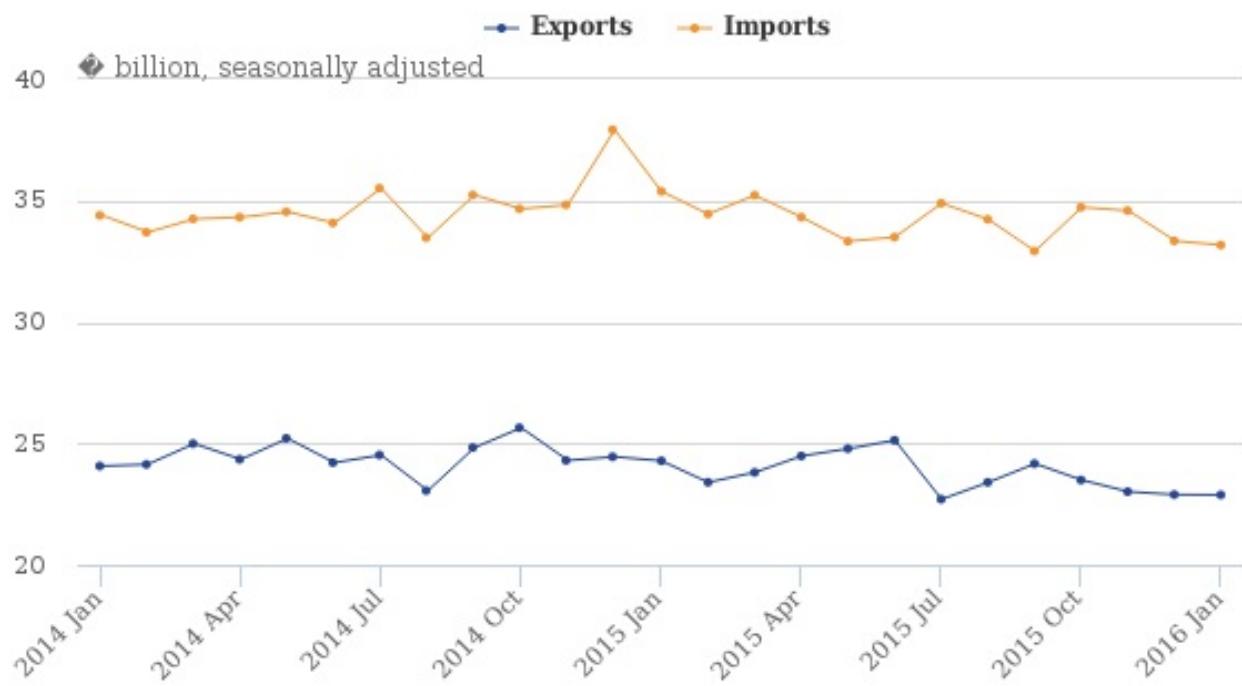
Source: Office for National Statistics

Notes:

1 Monthly change is January 2016 compared with December 2015.

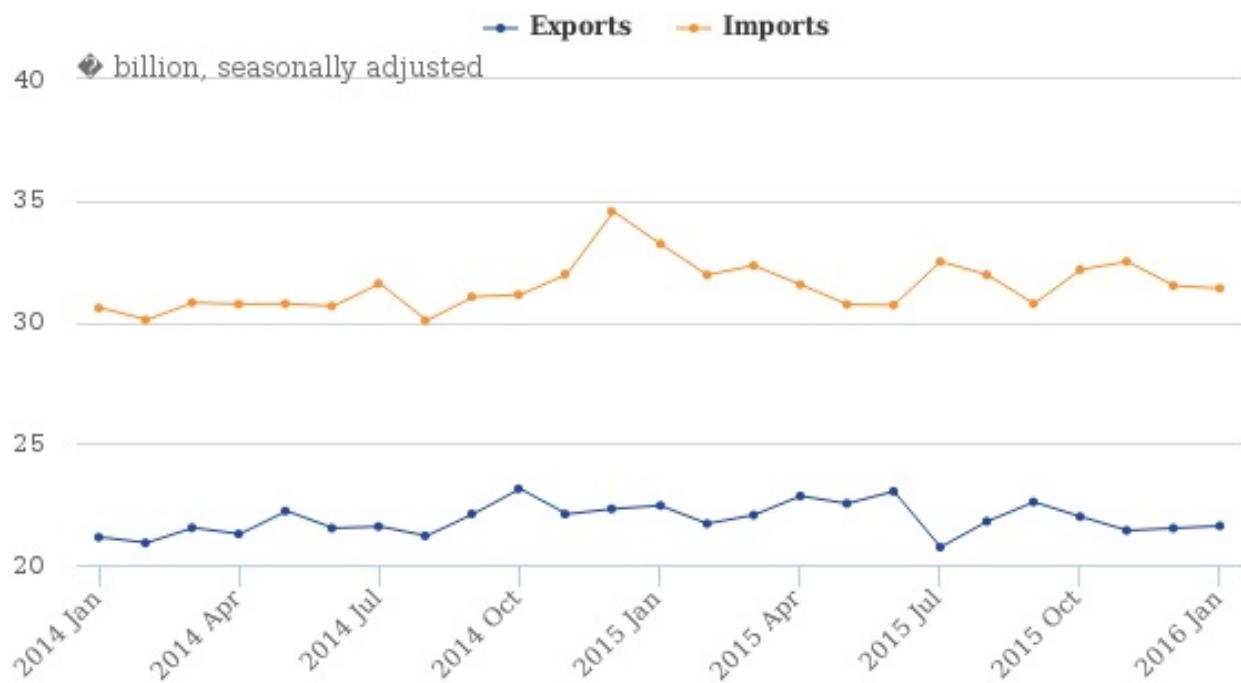
2 3 monthly change is November 2015 to January 2016 compared with August to October 2015.

Figure 4: Value of UK trade in goods, January 2014 to January 2016



Source: Office for National Statistics

Figure 5: Value of UK trade in goods excluding oil, January 2014 to January 2016



Source: Office for National Statistics

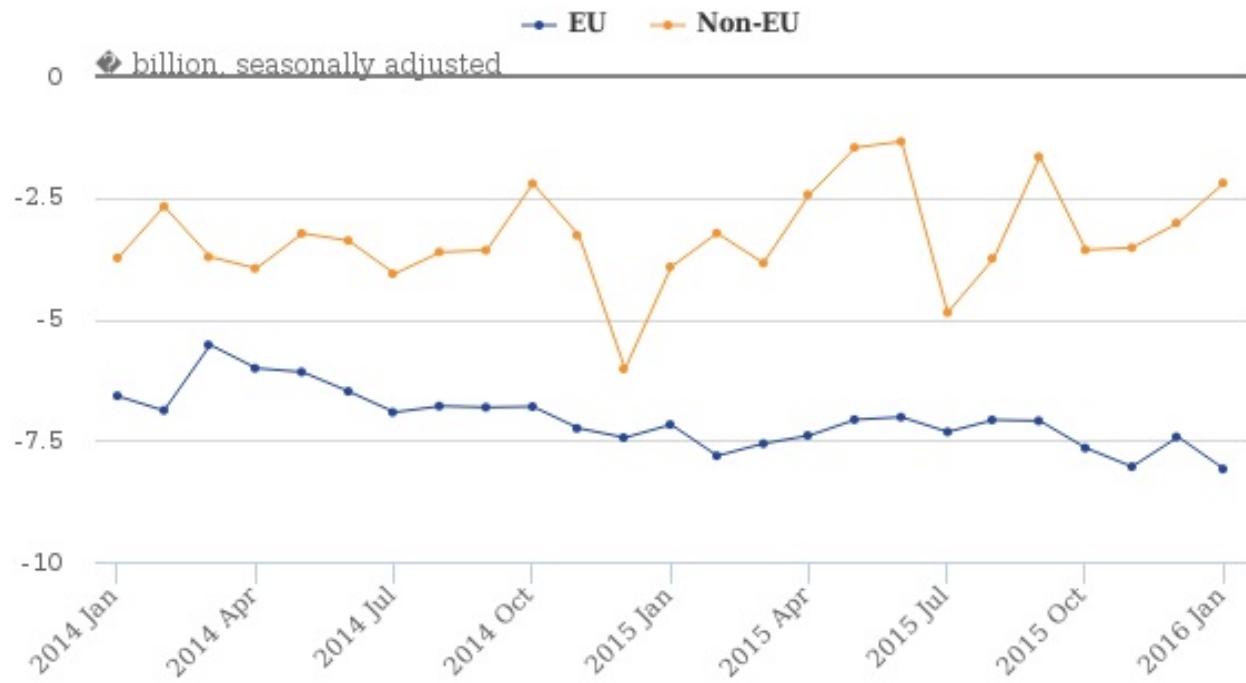
Where to find data about UK trade in goods

The value of trade in goods figures are available in Table 1 and commodity figures are available in Tables 8, 9 and 10 of the [publication tables UK trade dataset](https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablesuktrade) (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablesuktrade>).

7. Trade in goods – analysis by area

In January 2016, the deficit on trade in goods with EU countries widened by £0.7 billion to £8.1 billion. The deficit on trade in goods with non-EU countries narrowed by £0.8 billion to £2.2 billion (Figure 6).

Figure 6: Balance of UK trade in goods - EU and non-EU countries, January 2014 to January 2016



Source: Office for National Statistics

In the 3 months to January 2016, the deficit on trade in goods with EU countries widened by £1.7 billion to £23.6 billion. Over the same period, the deficit on trade in goods with non-EU countries narrowed by £0.2 billion to £8.8 billion.

EU analysis

Between December 2015 and January 2016, exports to the EU increased by £12.0 million (0.1%) to £10.9 billion. This was attributed to an increase in exports to Germany of £0.2 billion and France of £0.1 billion. These increases were offset by decreases in exports to Belgium and Luxembourg (combined) and the Irish Republic of £0.1 billion each.

Between December 2015 and January 2016, imports from the EU increased by £0.7 billion (3.7%) to £18.9 billion. This was attributed to increases in imports from the Netherlands of £0.3 billion and Belgium and Luxembourg (combined), Denmark, Italy, Slovakia, Spain and Sweden of £0.1 billion each. These increases were offset by decreases in imports from Germany and the Irish Republic of £0.1 billion each.

Between the 3 months to October 2015 and the 3 months to January 2016, exports to the EU decreased by £1.3 billion (3.7%) to £32.7 billion. This was attributed to decreases in exports to France of £0.4 billion, to the Irish Republic of £0.3 billion, to Belgium and Luxembourg (combined) and the Netherlands of £0.2 billion each.

Between the 3 months to October 2015 and the 3 months to January 2016, imports from the EU increased by £0.5 billion (0.8%) to £56.2 billion. This was attributed to increases in imports from France of £0.4 billion, the Netherlands of £0.3 billion and from Belgium and Luxembourg (combined) of £0.2 billion. These increases were offset by decreases in imports from Germany of £0.7 billion and Sweden of £0.2 billion.

At the commodity level, the data are shown in Table 3.

Table 3: Change in UK main commodity value (EU), January 2016

	£ million			
	Monthly change		3 monthly change	
	1	2	Exports	Imports
Oil (see section on "trade in oil")	-16	-5	-580	-258
Cars	-14	-40	-184	-284
Consumer goods other than cars	-47	+91	+120	+381
Intermediate goods	+22	+186	+88	+194
Capital goods	-9	+170	-260	-37
Chemicals	+123	+348	-28	+402
Semi-manufactured goods other than chemicals	-11	-5	-104	+106

Source: Office for National Statistics

Notes:

1 Monthly change is January 2016 compared with December 2015.

2 3 monthly change is November 2015 to January 2016 compared with August to October 2015.

Non-EU analysis

Between December 2015 and January 2016, exports to non-EU countries decreased by £23.0 million (0.2%) to £12.0 billion. This was attributed to decreases in exports to Switzerland of £0.4 billion, to Saudi Arabia and South Korea of £0.2 billion each and to Russia, Malaysia and Norway of £0.1 billion each. These decreases were offset by an increase in exports to the USA of £0.6 billion.

Between December 2015 and January 2016, imports from non-EU countries decreased by £0.8 billion (5.6%) to £14.2 billion. This was attributed to decreases in imports from the USA of £0.5 billion, from Canada of £0.3 billion and from Algeria, Australia, Saudi Arabia and Turkey of £0.1 billion each.

In the 3 months to October 2015 and the 3 months to January 2016, exports to non-EU countries decreased by £1.0 billion (2.7%) to £36.1 billion. This was attributed to decreases in exports to the USA of £1.5 billion and the United Arab Emirates of £0.2 billion. These decreases were offset by increases in exports to China of £0.6 billion and to Switzerland of £0.4 billion.

Between the 3 months to October 2015 and the 3 months to January 2016, imports from non-EU countries decreased by £1.2 billion (2.7%) to £44.9 billion. This was attributed to decreases in imports from China of £0.7 billion, from India of £0.3 billion and from Nigeria, Saudi Arabia, Switzerland and the United Arab Emirates of £0.2 billion each. These decreases were offset by an increase in imports from Canada of £1.0 billion.

At the commodity level, the data are shown in Table 4.

Table 4: Change in UK main commodity value (non-EU), January 2016

	£ million			
	Monthly change		3 monthly change	
	1	2	Exports	Imports
Oil (see section on 'trade in oil')	-87	-55	+144	-1,034
Cars	+237	+124	+70	+150
Consumer goods other than cars	-25	+34	-234	-258
Intermediate goods	+59	+70	-60	-187
Capital goods	+78	-75	-192	-259
Chemicals	+56	-95	-1,128	-14
Semi-manufactured goods other than chemicals	-13	+55	+74	-100

Source: Office for National Statistics

Notes:

1 Monthly change is January 2016 compared with December 2015.

2 3 monthly change is November 2015 to January 2016 compared with August to October 2015.

Where to find data about UK trade in goods – analysis by area

Trade in goods by area figures are available in Table 2 and value of trade in goods with selected EU and non-EU trading partner figures are available in Tables 11 and 12 of the publication tables UK trade dataset (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablessuktrade>).

8. Trade in goods – geographical analysis

Monthly analysis

The USA remains the UK's top export partner with exports of £3.9 billion in January 2016, increasing by £0.6 billion when compared with December 2015.

Germany remains the UK's top import partner with imports of £4.8 billion, decreasing by £0.1 billion when compared with December 2015. Anecdotal evidence suggests this decrease was due to a fall in the import of aircraft.

There were record high imports from the Czech Republic, Romania and Slovakia. Imports from the Czech Republic increased by 9.2% to £0.5 billion, from Romania by 3.5% to £0.1 billion and from Slovakia by 46.9% to £0.2 billion.

Table 5: Change in UK monthly trade with significant partner countries, January 2016 compared with December 2015

	Exports (£ million)			Imports (£ million)		
	January	1		January	1	
	2016	month		2016	month	
		value change				value change
1 USA	3,914	+620	1 Germany	4,807	-101	
2 Germany	2,533	+168	2 China	2,965	-47	
3 France	1,439	+76	3 Netherlands	2,846	+250	
4 Netherlands	1,423	-1	4 USA	2,493	-489	
5 Irish Republic	1,292	-115	5 France	2,022	+18	
6 China	1,073	+6	6 Belgium and Luxembourg	1,942	+100	
7 Belgium and Luxembourg	932	-64	7 Italy	1,369	+72	
8 Spain	708	-46	8 Spain	1,239	+105	
9 Italy	705	+18	9 Norway	1,114	+138	
10 Switzerland	437	-374	10 Irish Republic	1,034	-124	

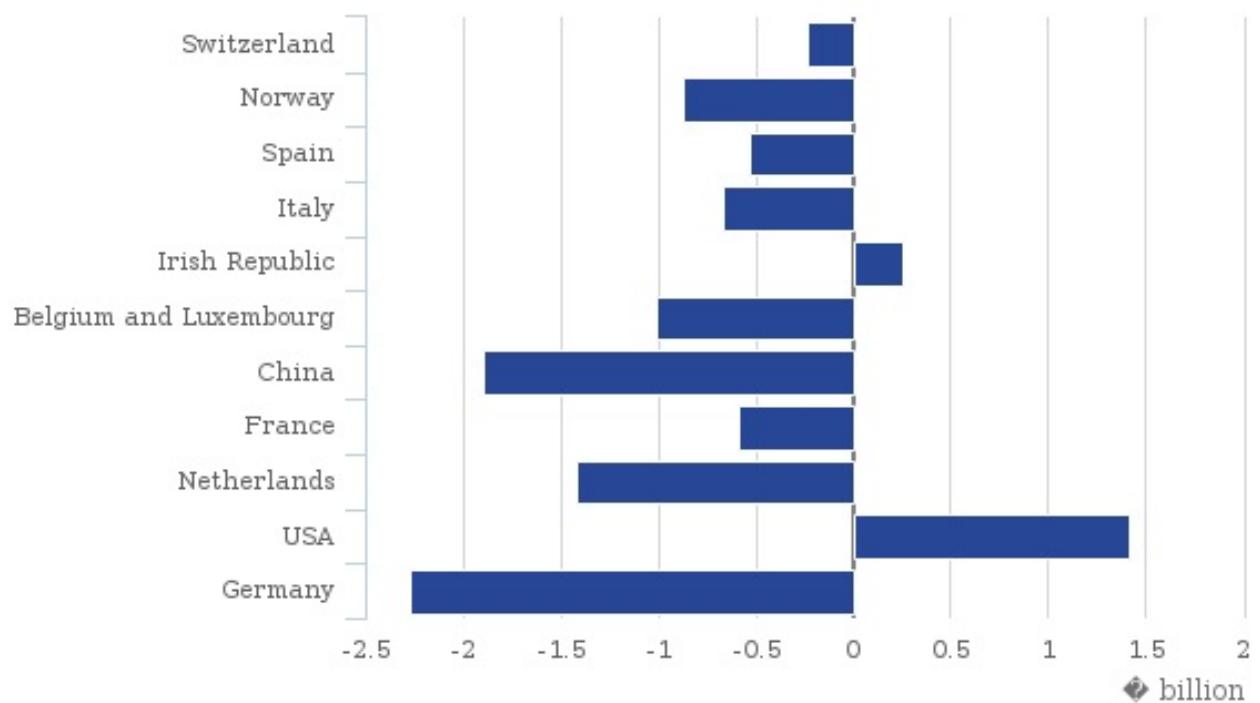
Source: Office for National Statistics

Notes:

1 Significant trading partners defined as top 10 export markets and import sources 2015 (see attached table 14).

2 USA includes Puerto Rico.

Figure 7: Significant UK partner countries, 1 month balances, January 2016



Source: Office for National Statistics

3 monthly analysis

In the 3 months to January 2016, the USA remained the UK's top export partner with exports of £10.9 billion, decreasing by £1.5 billion when compared with the 3 months to October 2015. Anecdotal evidence suggests this is due to a fall in the export of fuels.

In the 3 months to January 2016, Germany remained the UK's top import partner with imports of £14.9 billion, decreasing by £0.7 billion when compared with the 3 months to October 2015. Anecdotal evidence suggests this is due to a fall in the import of chemicals.

In the 3 months to January 2016 there were record high imports from Belgium and Luxembourg (combined) and the Czech Republic. Imports from Belgium and Luxembourg (combined) increased by 3.8% to £5.6 billion and from the Czech Republic by 4.2% to £1.3 billion.

Table 6: Change in UK 3 monthly trade with significant partner countries¹, 3 monthly change in November 2015 to January 2016 compared with August to October 2015.

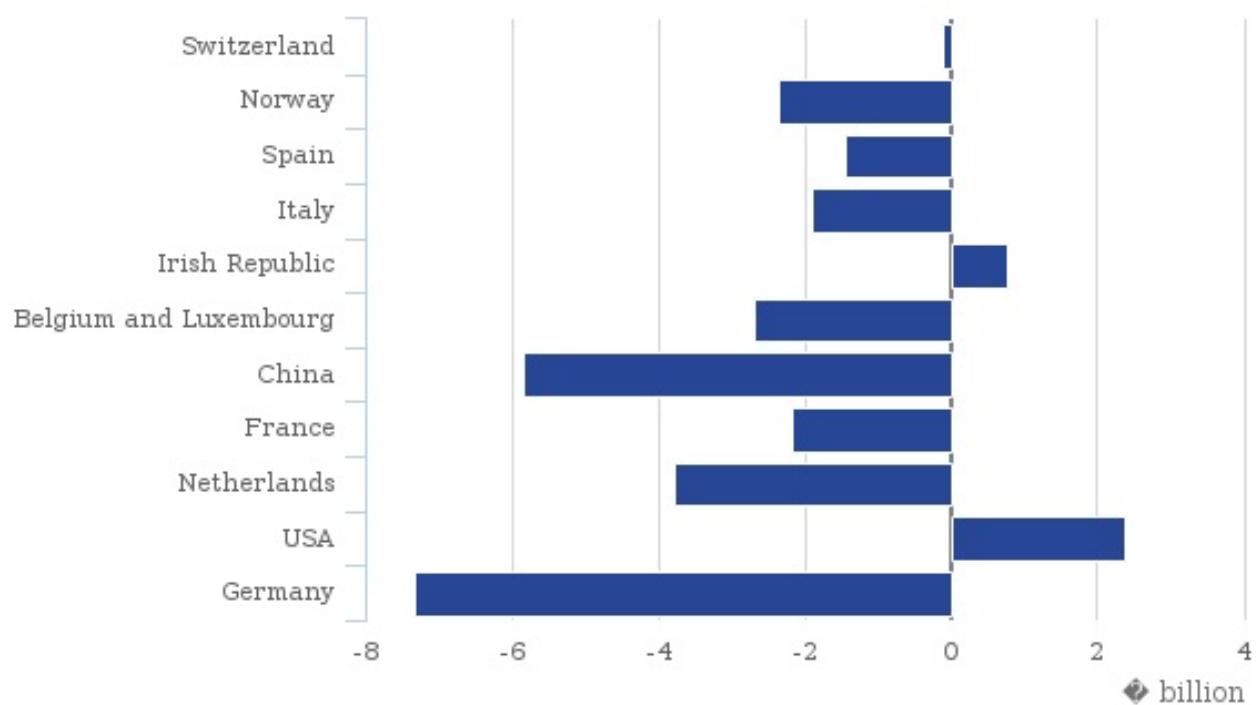
	Exports (£ million)			Imports (£ million)		
	November 2015 to January 2016	3 month change		January 2016 change	November	3 2015 to month
		1	2		4	5
1 USA	10,938	-1,521	3	1 Germany	14,870	-695
2 Germany	7,531	+8	2	China	8,964	-700
3 Netherlands	4,191	-224	3	USA	8,553	-92
4 France	4,161	-400	4	Netherlands	7,976	+324
5 Irish Republic	4,072	-275	5	France	6,342	+443
6 China	3,117	+588	6	Belgium and Luxembourg	5,630	+207
7 Belgium and Luxembourg	2,946	-171	7	Italy	3,988	+115
8 Spain	2,180	-72	8	Spain	3,627	-87
9 Italy	2,084	-102	9	Irish Republic	3,290	+13
10 Switzerland	1,903	+369	10	Norway	3,188	-89

Source: Office for National Statistics

1 Significant trading partners defined as top 10 export markets and import sources 2015 (see attached Table 14).

2 USA includes Puerto Rico.

Figure 8: Significant UK partner countries, 3 monthly balances, November 2015 to January 2016



Source: Office for National Statistics

Where to find data about UK trade in goods – geographical analysis

Trade in goods by area figures are available in Table 2 and value of trade in goods with selected EU and non-EU trading partner figures are available in Tables 11 and 12 of the [publication tables UK trade dataset](#) (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablesuktrade>).

9. Volume of total trade in goods, excluding oil and erratics

Between December 2015 and January 2016, the volume of exports increased by 0.7%:

- cars rose by 7.9%

- basic materials rose by 6.3%
- chemicals rose by 4.1%
- food, beverages and tobacco rose by 3.7%

Between December 2015 and January 2016, the volume of imports increased by 3.2%:

- food, beverages and tobacco rose by 20.8%
- basic materials rose by 6.9%
- intermediate goods rose by 4.9%

In the 3 months to January 2016, the volume of exports decreased by 4.2% when compared with the 3 months to October 2015:

- chemicals fell by 9.8%
- capital goods fell by 5.0%

In the 3 months to January 2016, the volume of imports decreased by 0.5% when compared with the 3 months to October 2015:

- capital goods fell by 2.6%

At the commodity level, the data are shown in Table 7.

Table 7: Change in UK main commodity volume, January 2016

	Monthly change ¹		3 monthly change ²	
	Exports percentage change	Imports percentage change	Exports percentage change	Imports percentage change
Food, beverages and tobacco	+3.7	+20.8	+2.5	+5.0
Basic materials	+6.3	+6.9	-2.4	-0.8
Semi-manufactured goods; of which	+2.1	+1.9	-6.7	+1.9
Chemicals	+4.1	+2.8	-9.8	+2.8
Finished manufactured goods; of which	-1.8	+0.9	-0.6	+0.3
Cars	+7.9	+1.9	-2.6	+1.4
Consumer goods other than cars	-8.0	+0.9	-1.1	+0.9
Intermediate goods	+2.0	+4.9	-0.3	-0.6
Capital goods	+2.1	+0.9	-5.0	-2.6

Source: Office for National Statistics

Notes:

1 Monthly change is January 2016 compared with December 2015.

2 3 monthly change is November 2015 to January 2016 compared with August to October 2015.

Where to find data about volume of total trade in goods, excluding oil and erratics

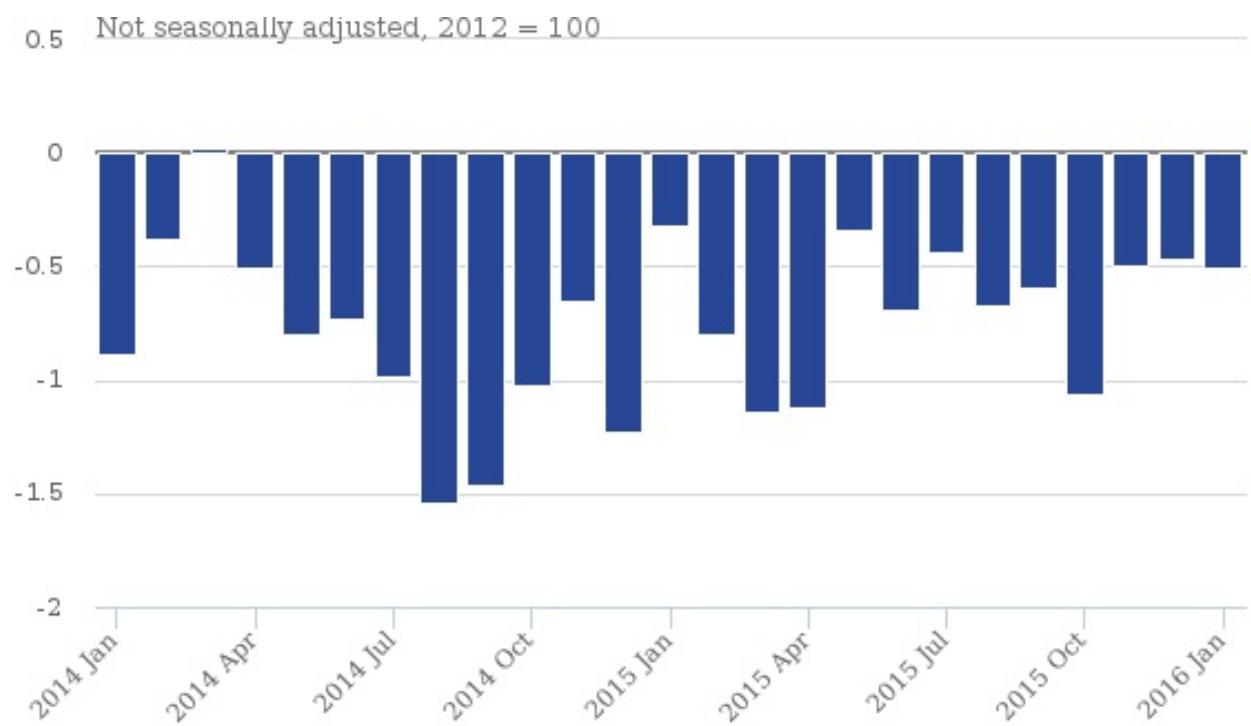
The volume of total trade in goods, excluding oil and erratics figures are available in Table 3 of the [publication tables UK trade dataset](#) (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablesktrade>).

10. Export and import prices for trade in goods (not seasonally adjusted)

In January 2016, compared with December 2015, export prices increased by 0.6% and import prices increased by 0.2%. Excluding the oil price effect, export prices increased by 1.5% and import prices increased by 1.3%.

In the 3 months to January 2016, when compared with the 3 months to October 2015, export prices increased by 0.1% and import prices decreased by 1.3%. Excluding the oil price effect, export prices increased by 1.2% and import prices remained unchanged.

Figure 9: UK trade in goods export and import prices, January 2014 to January 2016



Source: Office for National Statistics

Where to find data about export and import prices for trade in goods (not seasonally adjusted)

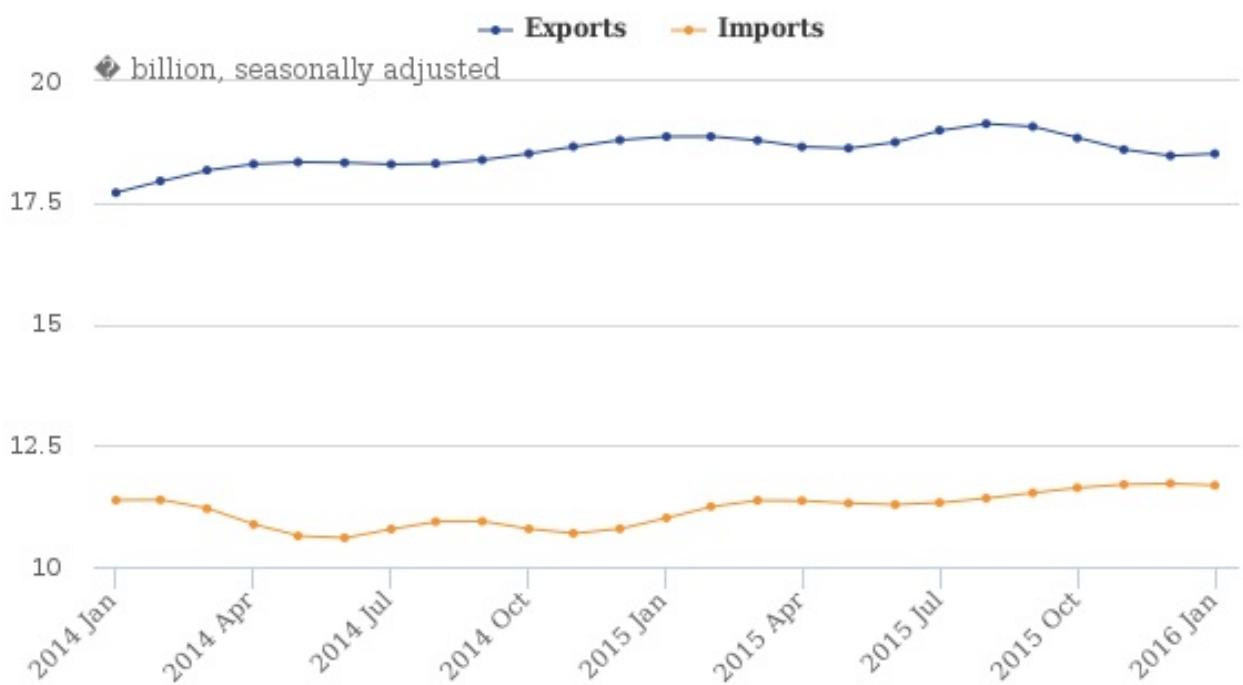
The export and import prices for trade in goods (not seasonally adjusted) figures are available in Table 3 of the publication tables UK trade dataset (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablesktrade>).

11. Trade in oil

In January 2016, the balance of trade in oil was in deficit by £0.5 billion, a decrease of £43.0 million when compared with December 2015. Oil exports decreased by £0.1 billion to £1.3 billion and oil imports decreased by £0.1 billion to £1.8 billion.

In the 3 months to January 2016, the balance on trade in oil was in deficit by £1.5 billion, narrowing by £0.9 billion when compared with the 3 months to October 2015. Oil exports decreased by £0.4 billion to £4.3 billion and oil imports decreased by £1.3 billion to £5.7 billion.

Figure 10: Balance of UK trade in oil, January 2014 to January 2016



Source: Office for National Statistics

Where to find data about trade in oil

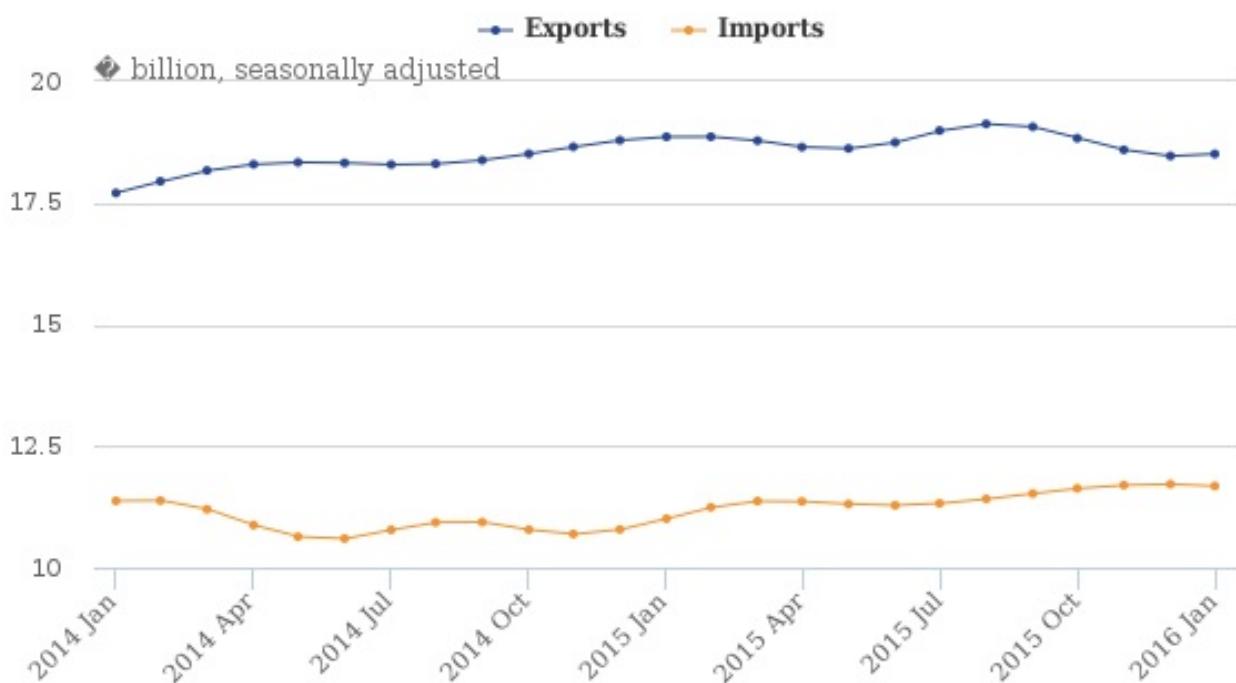
The trade in oil figures are available in Tables 1 and 7 of the [publication tables UK trade dataset](#) (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablesuktrade>).

12. Trade in services

In January 2016, the UK's estimated surplus on trade in services was £6.8 billion.

Exports in January 2016 were estimated to have been £18.5 billion and imports £11.7 billion.

Figure 11: Value of UK trade in services, January 2014 to January 2016



Source: Office for National Statistics

Information on trade in services is mainly obtained from quarterly surveys, in some cases underpinned by larger annual surveys. This means that the data for the latest months are uncertain.

In Quarter 4 (October to December) 2015, the surplus on trade in services was £20.9 billion; financial services and other business services were the largest contributors with a surplus of £9.9 billion and £8.1 billion respectively.

For 2015, the surplus on trade in services was £88.7 billion; financial services and other business services were the largest contributors with a surplus of £40.0 billion and £29.5 billion respectively.

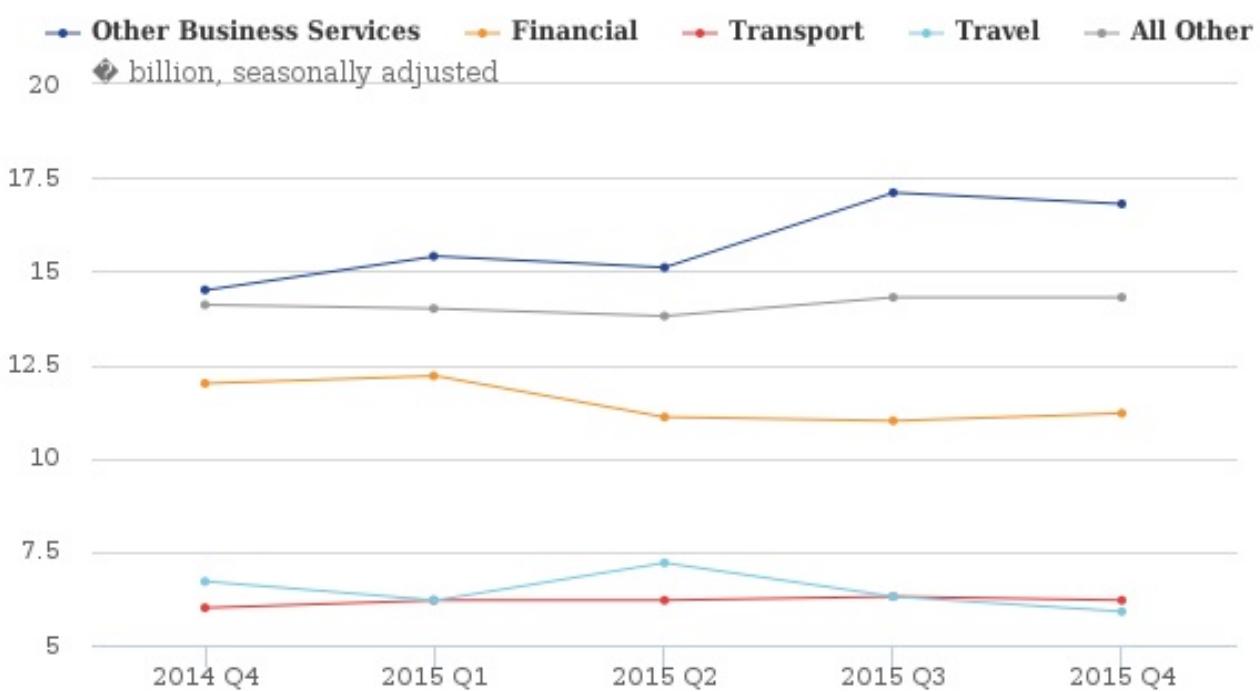
Analysis by volume (chained volume measure CVM)

Between Quarter 3 (July to September) 2015 and Quarter 4 (October to December) 2015, exports of services decreased by £0.5 billion to £54.5 billion. The main contributors to the decrease were travel services (£0.3 billion) and other business services (£0.3 billion). For the same period, the import of services increased by £0.3 billion to £34.8 billion, the main contributors to this increase were travel services (£0.4 billion) and transport services (£0.3 billion). These increases were partially offset by a decrease in other business services of £0.5 billion.

Between Quarter 4 (October to December) 2014 and Quarter 4 (October to December) 2015, exports of services increased by £1.2 billion. Within exports, the largest increase was seen in other business services of £2.3 billion, this was partially offset by decreases in travel services and financial services of £0.8 billion and £0.7 billion respectively. For the same period, imports increased by £4.2 billion, reflecting increases in travel services, transport services and financial services of £2.3 billion, £1.1 billion and £0.8 billion respectively.

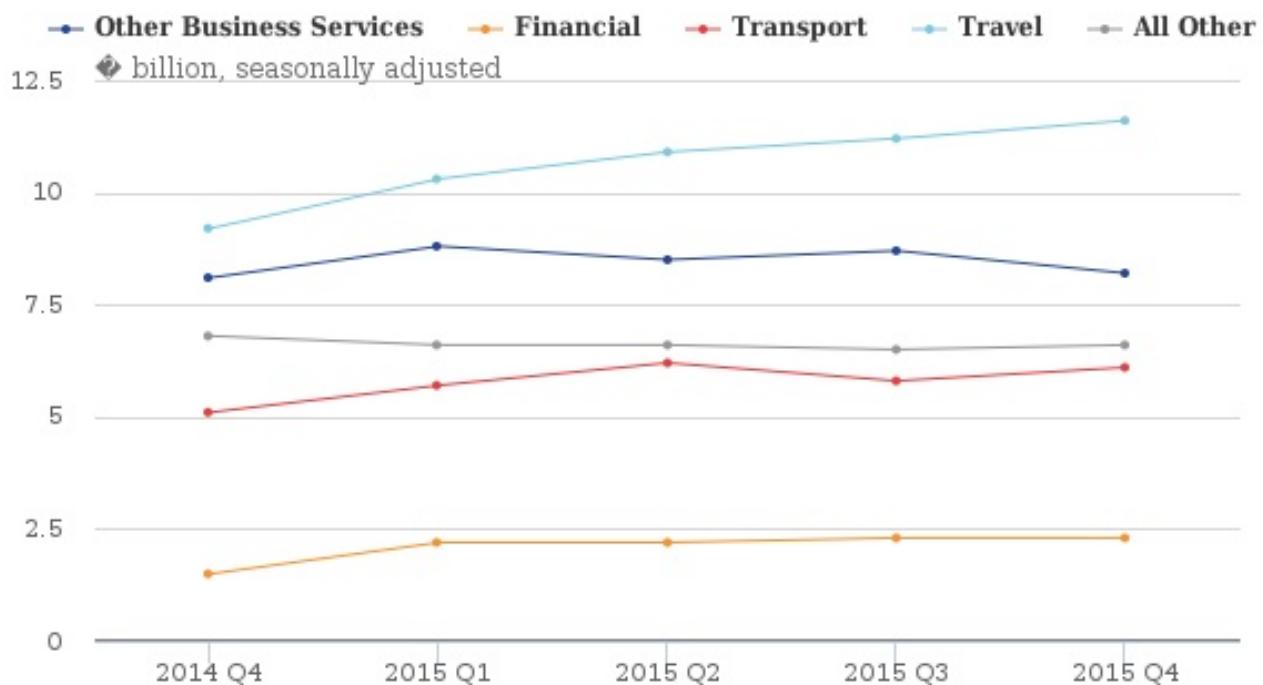
Exports of services by CVM in 2015 was £216.9 billion, with other business services and financial services being the largest contributors with £64.4 billion and £45.5 billion respectively. Imports of services by CVM in 2015 was £168.0 billion, with travel services and other business services being the largest contributors with £53.2 billion and £42.2 billion respectively.

Figure 12: UK trade in services exports, chained volume measure, Quarter 4 (October to December) 2014 to Quarter 4 (October to December) 2015



Source: Office for National Statistics

Figure 13: UK trade in services imports, chained volume measure, Quarter 4 (October to December) 2014 to Quarter 4 (October to December) 2015



Source: Office for National Statistics

A further breakdown of non-EU countries can be found in the [Quarter 3 \(July to September\) 2015 United Kingdom Economic Accounts](#) (<http://www.ons.gov.uk/ons/rel/naa1-rd/united-kingdom-economic-accounts/q3-2015/index.html>).

Revisions

In this release, periods from January 2015 are open for revision.

Between the December 2015 and January 2016 UK trade publication, the 2015 surplus for trade in services has been revised down by £1.6 billion, which reflected a downward revision of £1.2 billion in exports and an upward revision of £0.4 billion in imports. The main contributors for the downward revision in exports were insurance services (£1.2 billion), financial services (£1.1 billion) and travel services (£0.8 billion). These were offset by an upward revision in the export of other business services of £2 billion. The main contributors for the upward revision in imports were transport services (£4.1 billion) and other business services (£1.8 billion), partially offset by downward revisions in financial services (£3.3 billion), insurance services (£1.2 billion), construction services (£0.6 billion) and government services (£0.4 billion).

Between the December 2015 and January 2016 UK trade publication, the Quarter 4 (October to December) 2015 surplus for trade in services has been revised down by £1.5 billion, which reflects a downward revision of £1.0 billion in exports and an upward revision of £0.6 billion in imports. The main contributors to the downward revision in exports were travel services (£0.6 billion), telecommunication, computer and information services (£0.4 billion), financial services (£0.4 billion) and insurance services (£0.2 billion), offset by upward revisions in the export of other business services (£1.0 billion). The main contributors to the upward revision in imports was transport services (£1.3 billion) and other business services (£0.4 billion), offset by downward revisions in the import of financial services (£1 billion).

Please note that the majority of revisions to services data within this publication are due to forecasts which have been replaced by actual data and partial estimates; improved supplier response rates for earlier quarters have also contributed to the changes.

Where to find data about trade in services

The trade in services figures are available in Table 1 CONT. of the [publication tables UK trade dataset](#) (<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/publicationtablessuktrade>).

13. Where to find more information about UK trade statistics

Other regularly published UK trade releases

Supplementary quarterly data analysed by product according to the UK trade in goods by classification of product by activity (CPA 2008) are also available.

The latest release on 18 December covered the period Quarter 3 (July to September) 2015 (<http://www.ons.gov.uk/ons/rel/uktrade/uk-trade-in-goods-analysed-in-terms-of-industry/q3-2015/index.html>) and the data is consistent with UK trade November 2015 (<http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/november-2015/stb-uk-trade--november-2015.html>) and contained revisions back to 1998 following methodological changes across National Accounts. Following an internal review of our publications and a wider survey of users (<http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/uk-trade-survey/feedback-from-consultations-on-ons-uk-trade-outputs.doc>) there is no longer a statistical bulletin associated with the release. Instead we have provided a longer-term commentary alongside the data tables.

The complete run of data in the tables of this statistical bulletin are also available to view and download in other electronic formats free of charge using our time series data website service. Users can download the complete statistical bulletin in a choice of zipped formats, or view and download their own selections of individual series.

HM Revenue and Customs (HMRC) publish Overseas Trade Statistics (<https://www.uktradeinfo.com/Statistics/Pages/MonthlyTimetableofReleases.aspx>) on the same day as we release the UK trade data each month. These aggregate estimates will differ slightly from those that are published by us as part of the Balance of Payments (<http://www.ons.gov.uk/ons/rel/bop/united-kingdom-balance-of-payments/2014/index.html>) (BoP), as the 2 sets of data are compiled to different sets of rules. 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.

Recently published reports on UK trade topics

The Economic Review (<http://www.ons.gov.uk/ons/rel/elmr/economic-review/february-2016/art-economic-review-february-2016.html#tab-Trade>) published 02 March 2016 includes analysis of trade with EU and non-EU countries.

On 29 January 2016 annual International trade in Services survey results (<http://www.ons.gov.uk/ons/rel/itis/international-trade-in-services/2014/index.html>) for 2014 were published. This release gives information on the industry of the businesses engaged in trade in services.

Historic articles published on UK trade

On 30 October 2015 we published the annual Balance of Payments Pink Book 2015 (<http://www.ons.gov.uk/ons/rel/bop/united-kingdom-balance-of-payments/2015/index.html>) which as well as containing more detailed information on trade also provided an overview of the trade deficit in relation to the current account deficit.

In our [Economic Review](http://www.ons.gov.uk/ons/rel/elmr/economic-review/september-2015/art---economic-review-sept-2015.html) (<http://www.ons.gov.uk/ons/rel/elmr/economic-review/september-2015/art---economic-review-sept-2015.html>) published on 3 October 2015 there is further commentary on [UK export performance](http://www.ons.gov.uk/ons/rel/elmr/economic-review/september-2015/art---economic-review-sept-2015.html#tab-Exports-) (<http://www.ons.gov.uk/ons/rel/elmr/economic-review/september-2015/art---economic-review-sept-2015.html#tab-Exports->).

On 1 October 2015, we published an article on the [economic performance of the UK's motor vehicle manufacturing industry](http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/car-production/sty-car.html) (<http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/car-production/sty-car.html>).

On 26 June 2015, we published a short story on [the importance of EU to UK trade and investment](http://www.ons.gov.uk/ons/rel/international-transactions/outward-foreign-affiliates-statistics/how-important-is-the-european-union-to-uk-trade-and-investment-/index.html) (<http://www.ons.gov.uk/ons/rel/international-transactions/outward-foreign-affiliates-statistics/how-important-is-the-european-union-to-uk-trade-and-investment-/index.html>).

On 9 June 2015, we published a short story on [the importance of China to the UK economy](http://www.ons.gov.uk/ons/rel/international-transactions/outward-foreign-affiliates-statistics/how-important-is-china-to-the-uk-economy/sty-china.html) (<http://www.ons.gov.uk/ons/rel/international-transactions/outward-foreign-affiliates-statistics/how-important-is-china-to-the-uk-economy/sty-china.html>), including the value of the UK trade with China.

On 6 February 2015, we published an article on the [Rotterdam effect](http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/december-2014/sty-trade-rotterdam-effect-.html) (<http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/december-2014/sty-trade-rotterdam-effect-.html>) and its potential impact on the UK trade in goods estimates.

On 23 January 2015, we published a short story exploring [the reasons behind the UK trade deficit](http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/november-2014/sty-record-trade-surplus-in-services-partly-offsets-record-trade-deficit-on-goods.html) (<http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/november-2014/sty-record-trade-surplus-in-services-partly-offsets-record-trade-deficit-on-goods.html>).

Published user requested data and analysis

Additional statistical data and analyses for UK trade statistics that have not been included in our standard publications are available under the Economy section of the published user requested data and analysis pages on our website.

Methodological articles

Detailed methodological notes are published in the [UK Balance of Payments - The Pink Book, 2015](http://www.ons.gov.uk/ons/rel/bop/united-kingdom-balance-of-payments/2015/index.html) (<http://www.ons.gov.uk/ons/rel/bop/united-kingdom-balance-of-payments/2015/index.html>).

14. Revisions to trade statistics

Trade in goods revisions

In this release, periods from January 2015 are open for revision.

The revisions to trade in goods from January 2015 reflect revised data from Her Majesty's Revenue and Customs and other data suppliers, revised estimates of trading associated with VAT MTIC fraud, later survey data on trade prices and a re-assessment of seasonal factors.

Revisions to non monetary gold

Due to the timing of our gold survey data, the non monetary gold estimate in the latest UK Trade dataset is forecast. This will be revised when more accurate data becomes available.

Trade in services revisions

In this release, periods from January 2015 are open for revision.

The National accounts revision policy

(<http://www.ons.gov.uk/methodology/methodologytopicsandstatisticalconcepts/revisions/revisionspoliciesforeconomicstatistics>) can be found on our website

15. Accuracy of the statistics

Accuracy: Trade in goods figures for the most recent months are provisional and subject to revision in the light of:

- late trader data, revisions to trade prices and revised estimates of trading associated with VAT MTIC fraud
- revisions to seasonal adjustment factors which are re-estimated every month

Trade in services estimates have been derived from a number of monthly and quarterly sources. For components where no monthly data are available, estimates have been derived on the basis of recent trends. The results should be used with appropriate caution, as they are likely to be less reliable than those for trade in goods.

Reliability: Revisions to data provide one indication of its reliability. Table 8 shows summary information on the size and direction of the revisions that have been made to the data covering a 5-year period. A statistical test has been applied to the average revision to find out if it is statistically significantly different from zero. An asterisk (*) shows that the test is significant.

Table 8: Revisions analysis, UK trade, January 2016

£ million			
Revisions between first publication and estimates 12 months later			
	Value in latest period	Average over the last 5 years (mean revision)	Average over the last 5 years without regard to sign (average absolute revision)
Total trade			
exports	41,386	1018*	1030*
(IKBH)			
Total trade			
imports	44,845	873*	874*
(IKBI)			
Total trade			
balance	-3,459	137	761
(IKBJ)			

Source: Office for National Statistics

16. Other quality information

UK trade re-assessment

The UK Statistics Authority suspended the National Statistics designation of UK trade (<http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence/letter-from-sir-andrew-dilnot-to-john-pullinger-141114.pdf>) on 14 November 2014. The Authority's re-assessment of UK trade (<http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/index.html>) against the Code of Practice for Official Statistics has been completed.

One of the recommendations of the re-assessment was to consult with users on the use of UK trade statistics. The results of this user engagement survey (<http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/uk-trade-survey/feedback-from-consultations-on-ons-uk-trade-outputs.doc>) can be found on our website.

HMRC methodology change for gas and revisions to past years

HMRC trade statistics are amending the mechanism for the data source used in the compilation of Natural Gas traded with non-EU partners (<http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/may-2015/information-note--hmrc-methodology-changes-and-revisions-to-gas.html>). We will implement these revisions in a phased approach. More details can be found on our website.

EMU enlargement

As of 1 January 2015, Lithuania joined the European Monetary Union (EMU). Therefore the EMU totals in this UK trade release include Lithuania.

EMU coverage

The coverage of EMU countries was extended to cover Cyprus and Malta from October 2008, Slovakia from January 2009, Estonia from January 2011, Latvia from January 2014 and Lithuania from January 2015. Some EU and non-EU breakdowns of commodity data for chained volume measures which are available on request may be less reliable than the current price data. Please consult Katherine Kent on +44 (0)1633 455829 if you are considering using them.

Data have been combined for the United States and Puerto Rico and for Dubai, Abu Dhabi and Sharjah (the United Arab Emirates) from January 2009 onwards. Estimates are separately available for the United States and Dubai up to the end of 2008 on request.

Erratics

Non-monetary gold is now included in the erratics series; along with ships, aircraft, precious stones and silver. In compliance with the BPM6 changes, non-monetary gold which is held as a store of wealth is now recorded within trade in goods.

Deflation

It is common for the value of a group of financial transactions to be measured in several time periods. The values measured will include both the change in the volume sold and the effect of the change of prices over that year. Deflation is the process whereby the effect of price change is removed from a set of values.

Chain-linked indices (chained volume measures), which are indexed to form the volume series in this bulletin, differ from fixed base indices in that the growth from one year to the next is estimated by weighting the components using the contribution to value of trade in the immediately preceding year (effectively re-basing every year). This series of annually re-weighted annual growths is then “chain-linked” to produce a continuous series.

The implied price deflators, derived by comparing current price data to chained volume measures data are not the same as the price indices published in this statistical bulletin, because the former are current weighted while the latter are base (2012) weighted.

Changes in trade associated with VAT MTIC fraud mean that comparisons of volume and prices (both including and excluding trade associated with VAT MTIC fraud) should be treated with a great deal of caution.

Interpreting the data

In months where quarterly and 3-monthly ending percentage changes for index data coincide, there may be small differences between the data for methodological reasons. Quarterly data are the indexed form of an underlying constant price (for volume indices) or consistent quantity (for price indices) series. 3-month ending data are the average of the index data in that period.

Seasonal adjustment

Seasonal adjustment aims to remove effects associated with the time of the year or the arrangement of the calendar so that movements within a time series may be more easily interpreted.

17. Records sheet

The UK trade record information for January 2016

(<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/uktraderecordsheet>) can be accessed on our website.

18. Background notes

1. This month's release

What's new - trade development plan

The trade development plan

(<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/articles/uktradedevelopmentplan/2016>) has now been launched for consultation. We are seeking feedback by 27 May 2016, any comments or feedback should be directed to the UK trade inbox (trade@ons.gsi.gov.uk).

2. Special events

An article outlining the ONS policy on special events (<http://www.ons.gov.uk/ons/guide-method/method-quality/general-methodology/special-events-group/index.html>) is available on our website.

3. Code of Practice for Official Statistics

National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics (<http://www.ons.gov.uk/ons/guide-method/the-national-statistics-standard/code-of-practice/index.html>). They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

4. Summary quality report

A quality and methodology information report for this statistical bulletin and associated data can be found on our website.

5. Publication policy

A list of the organisations given pre-publication access to the contents of this bulletin can be found on our website.

6. Details of the policy governing the release of new data are available

(<http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>) or from the Media Relations Office email: media.relations@ons.gsi.gov.uk. These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.

19 . Methodology

UK trade QMI

(<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/qmis/uktradeqmi>)

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