

Statistical bulletin

UK trade: July 2017

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

- Between the 3 months to April 2017 and the 3 months to July 2017, the total UK trade (goods and services) deficit widened by £0.4 billion to £8.6 billion, due to a widening of the trade in goods deficit with non-EU countries, in turn primarily due to decreased exports and increased imports of finished manufactured goods.
- Between the 3 months to April 2017 and the 3 months to July 2017, the trade in goods deficit with non-EU countries widened by £2.4 billion; this impact was partially offset by a narrowing of the trade in goods deficit with EU countries by £1.3 billion and a widening of the trade in services surplus by £0.7 billion.
- Export and import prices of goods fell over the 3 months to July 2017 contributing to a more modest increase in trade in goods export and import values compared with a larger increase in goods export and import volumes.
- The total trade deficit (goods and services) remained unchanged at £2.9 billion between June 2017 and July 2017.
- A downward revision to both imports of goods and services (negative £0.6 billion and negative £0.8 billion respectively) and an upward revision of £0.3 billion to total trade exports resulted in a narrowing of the trade deficit by £1.7 billion in June 2017 compared with the previous UK trade release.

2 . Things you need to know about this release

Unless otherwise stated, all trade values discussed in this release are in current prices. The [time series dataset](#) also includes chained volume measures (series for which the effects of inflation have been removed), and these are indexed to form the volume series presented in the publication tables.

Data are supplied by over 30 sources, including several administrative sources; HM Revenue and Customs (HMRC) covering trade in goods is the largest. For trade in services, data are less timely than trade in goods estimates, and sourced mainly from survey data and a variety of administrative sources. The services data are processed quarterly, so monthly forecasts are made to provide a complete trade total. The most recent monthly data can therefore be considered more uncertain.

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.

Oil and other “erratic” commodities can make a large contribution to trade in goods, but often mask the underlying trend in the export or import values due to their volatility. The “erratics” series includes ships, aircraft, precious stones, silver and non-monetary gold. Therefore, we also publish data exclusive of these commodities, which may provide a better guide to the emerging trade picture.

This release has a revisions period back to June 2017 for trade in goods and a revisions period back to April 2017 for trade in services. This means that we have incorporated additional data for trade in goods. For trade in services, we have incorporated latest data available for April to June 2017 to ensure consistency with the most recent estimate of gross domestic product (GDP) published on 24 August 2017. This revisions period is consistent with the [National Accounts Revisions Policy](#).

UK trade for August 2017, due to be published on 10 October 2017, will include revisions back to January 1997. This will be in line with the open revision period for the 2017 Blue Book publication on 31 October 2017. The estimates will also be consistent with the Quarterly National Accounts published on 29 September 2017. These annual changes will include updating the reference year and last base year for annual chain-linking from 2013 to 2015.

The UK Statistics Authority [suspended the National Statistics designation of UK trade](#) on 14 November 2014. We have now responded to all of the specific requirements of the [reassessment of UK trade](#) and are in the final stages of providing evidence to the Authority. We are undertaking a programme of improvements to UK trade statistics in line with the UK trade development plan that will also address anticipated future demands. While delivering against this plan, we will continue to work with the [Office for Statistics Regulation](#) team to regain National Statistics status for UK trade statistics. We welcome feedback on this development plan.

3 . Deficit on trade in goods and services widened slightly to £8.6 billion in the 3 months to July 2017

Between the 3 months to April 2017 and the 3 months to July 2017, the value of the total UK trade (goods and services) deficit widened by £0.4 billion to £8.6 billion, primarily due to a widening of the trade in goods deficit by £1.1 billion, partially offset by a widening of the trade in services surplus by £0.7 billion.

Total trade exports increased by £0.9 billion, largely due to an increase of £0.8 billion in trade in services exports; while total trade imports increased by £1.3 billion, largely due to an increase of £1.2 billion in trade in goods imports.

The total trade in goods deficit increased by £1.1 billion to £34.4 billion, primarily due to an increase in the imports of finished manufactured goods, which increased by £0.9 billion (1.5%) and semi-manufactured goods, which increased by £0.8 billion (3.1%).

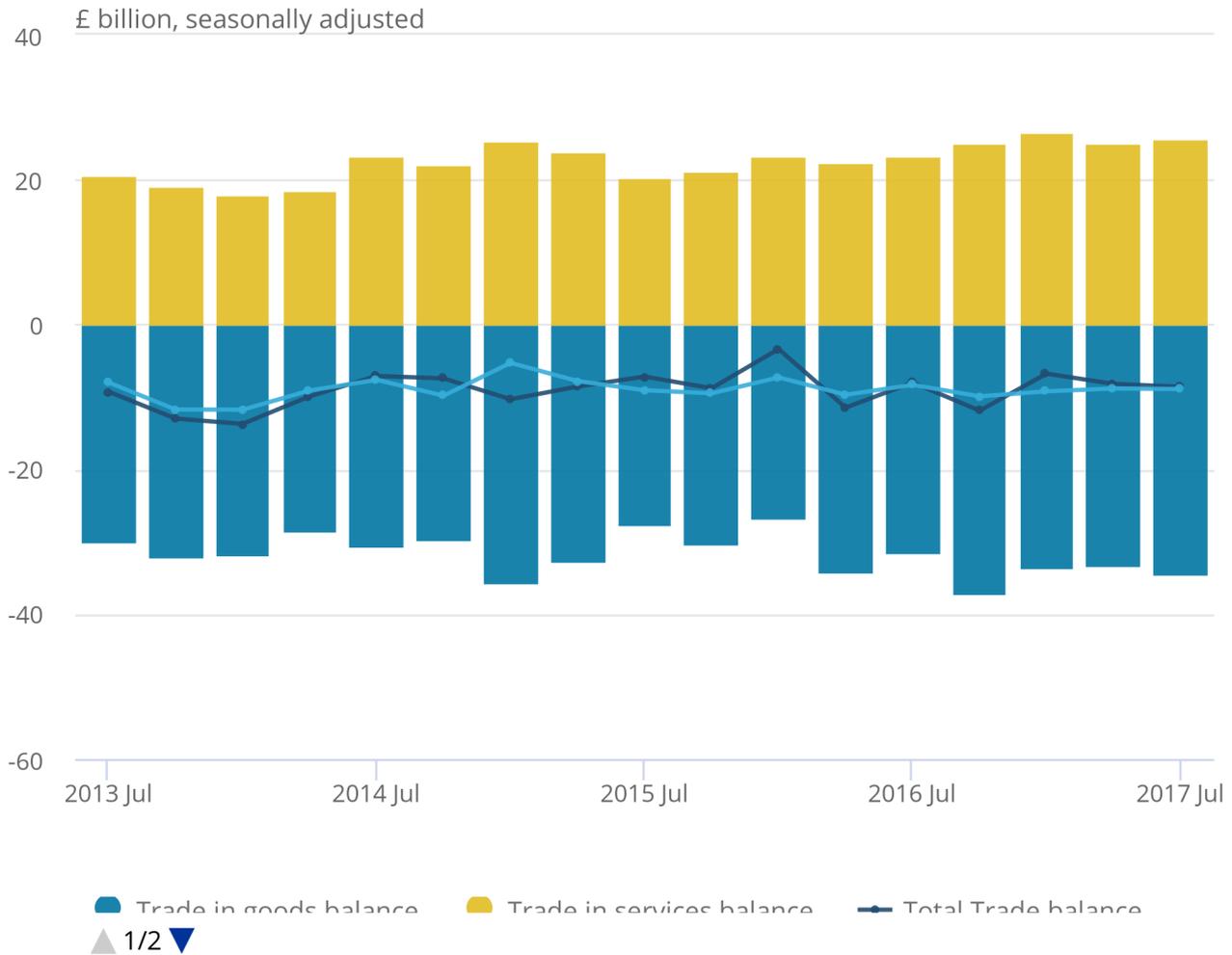
Of the £0.9 billion increase in finished manufactured goods, machinery increased by £0.6 billion (2.3%) – with mechanical machinery imports up £0.4 billion – and clothing and footwear increased by £0.3 billion (5.1%); while non-ferrous metals increased by £0.5 billion (23.0%), contributing to the £0.8 billion increase in imports for semi-manufactured goods.

The trade in goods deficit, excluding erratics, widened by £0.8 billion to £34.7 billion in the 3 months to July 2017. The rolling 3-month analysis of total trade (goods and services) including and excluding erratic commodities suggests that erratic commodities have had limited impact on the total trade balance in comparison with the latter half of 2016.

The increase of the trade in services surplus in the 3 months to July 2017 was primarily due to an increase in trade in services exports (£0.8 billion), particularly other business services (such as engineering services and other trade-related services), intellectual property services and travel services.

Figure 1: Rolling 3-month UK trade balances, July 2013 to July 2017

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Source: Office for National Statistics

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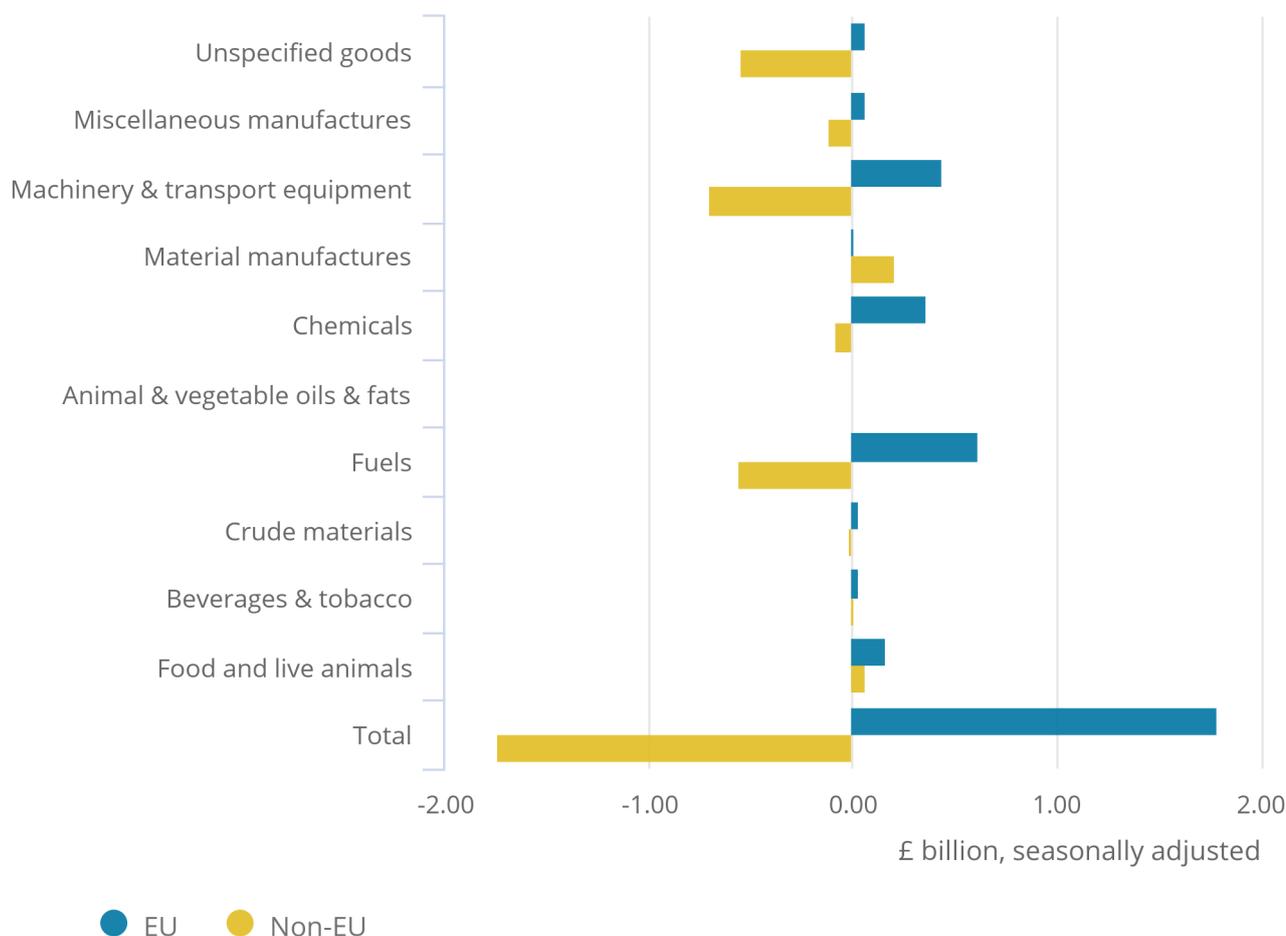
4 . Trade in goods deficit with other EU countries narrows, while goods deficit with non-EU countries widens, in the 3 months to July 2017

Exports of goods to non-EU countries decreased by £1.7 billion (3.9%) between the 3 months to April 2017 and the 3 months to July 2017. This was mainly due to decreases in exports of finished manufactured goods, which decreased by £0.8 billion (3.2%), and particularly exports of machinery, which decreased by £0.6 billion (5.6%).

Exports of goods to the EU increased by £1.8 billion (4.4%) between the 3 months to April 2017 and the 3 months to July 2017 (Figure 2). Fuels exports to other EU countries increased by £0.6 billion (13.7%), particularly crude oil, which increased by £0.4 billion (16.9%), while machinery and transport equipment increased by £0.4 billion (3.1%).

Figure 2: EU and non-EU value of goods exports contribution to UK total goods exports, 3 months on 3 previous months, July 2017

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Source: Office for National Statistics

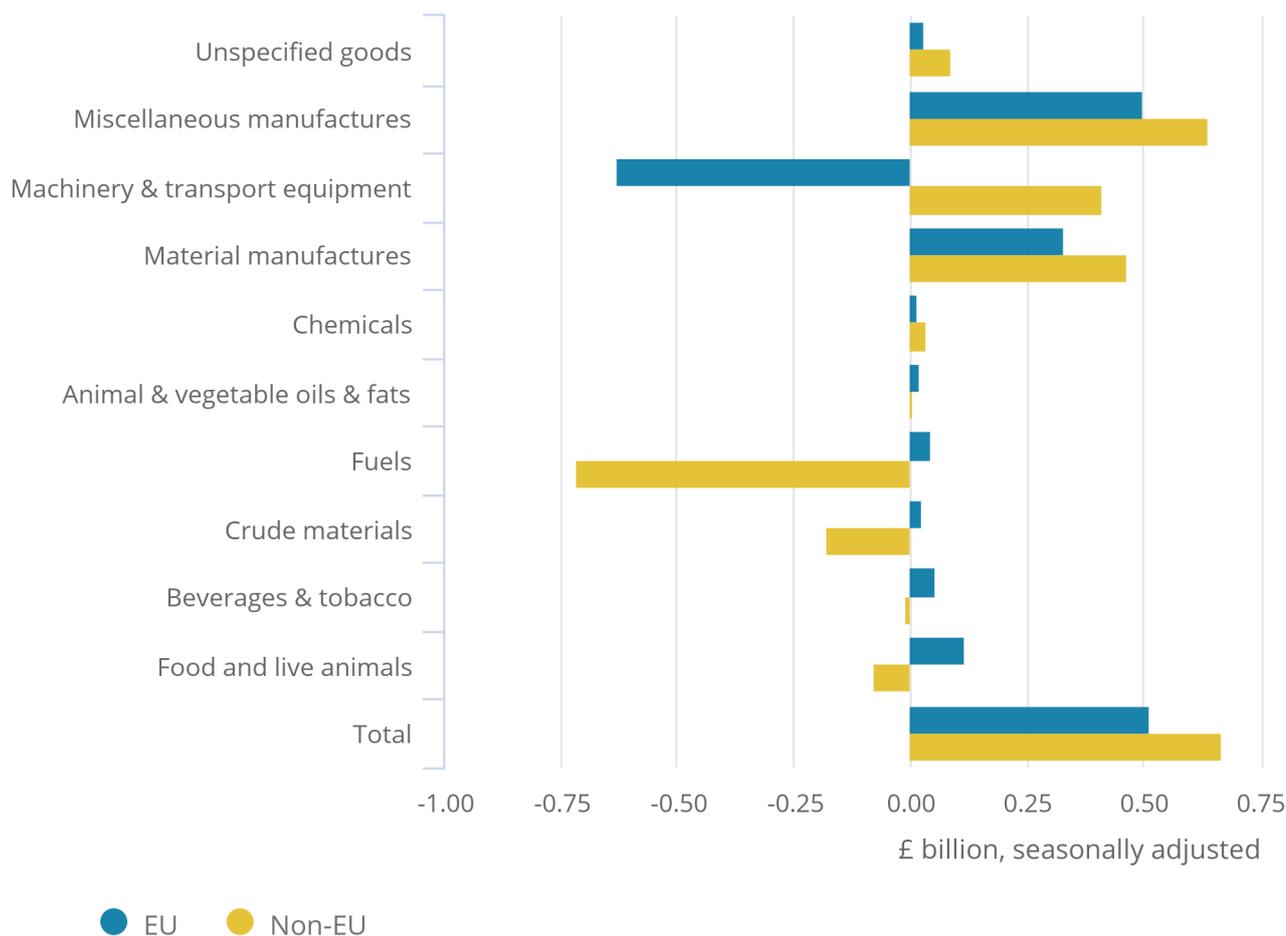
Source: Office for National Statistics

Figure 3 shows that imports of goods from the EU increased by £0.5 billion (0.8%), while non-EU imports of goods increased by £0.7 billion (1.3%) between the 3 months to April 2017 and the 3 months to July 2017.

A decrease in imports of machinery and transport equipment from the EU (£0.6 billion; 2.4%), particularly road vehicles imports (which decreased by £0.5 billion), partially offset increases in imports of other goods from the EU.

Figure 3: EU and non-EU value of goods imports contribution to UK total goods imports, 3 months on 3 previous months, July 2017

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Source: Office for National Statistics

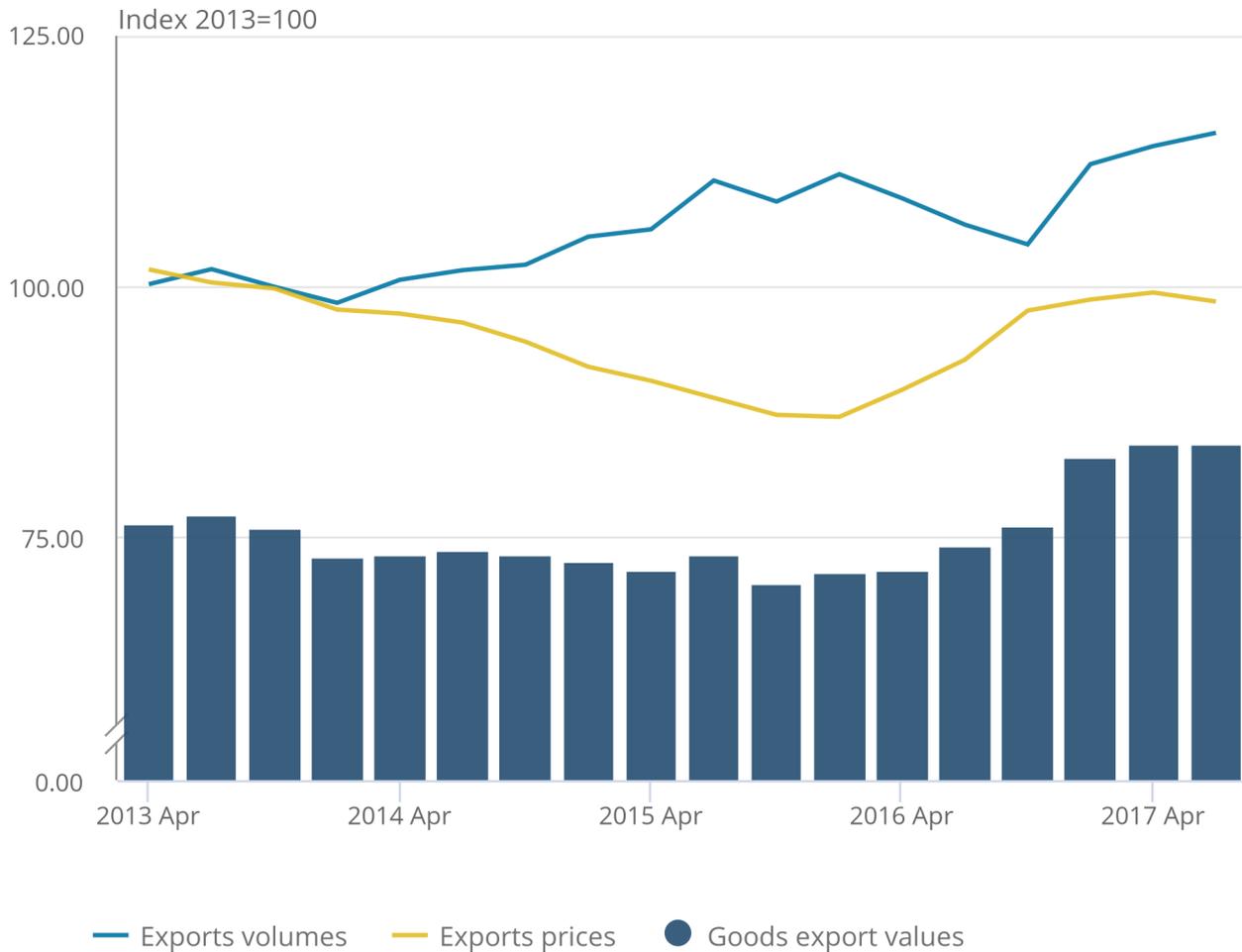
Source: Office for National Statistics

5 . Exports and import volumes rise over 3 months to July 2017

Between the 3 months to April 2017 and the 3 months to July 2017, export and import volumes increased by 1.2% and 1.4% respectively, alongside a 0.9% and 0.5% decrease in export and import prices respectively. These movements contributed to smaller increases in the trade in goods export and import values over the same period (0.1% and 1.0% respectively).

Figure 4: Rolling 3 month,UK goods exports values, volumes and prices, July 2013 to July 2017

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Source: Office for National Statistics

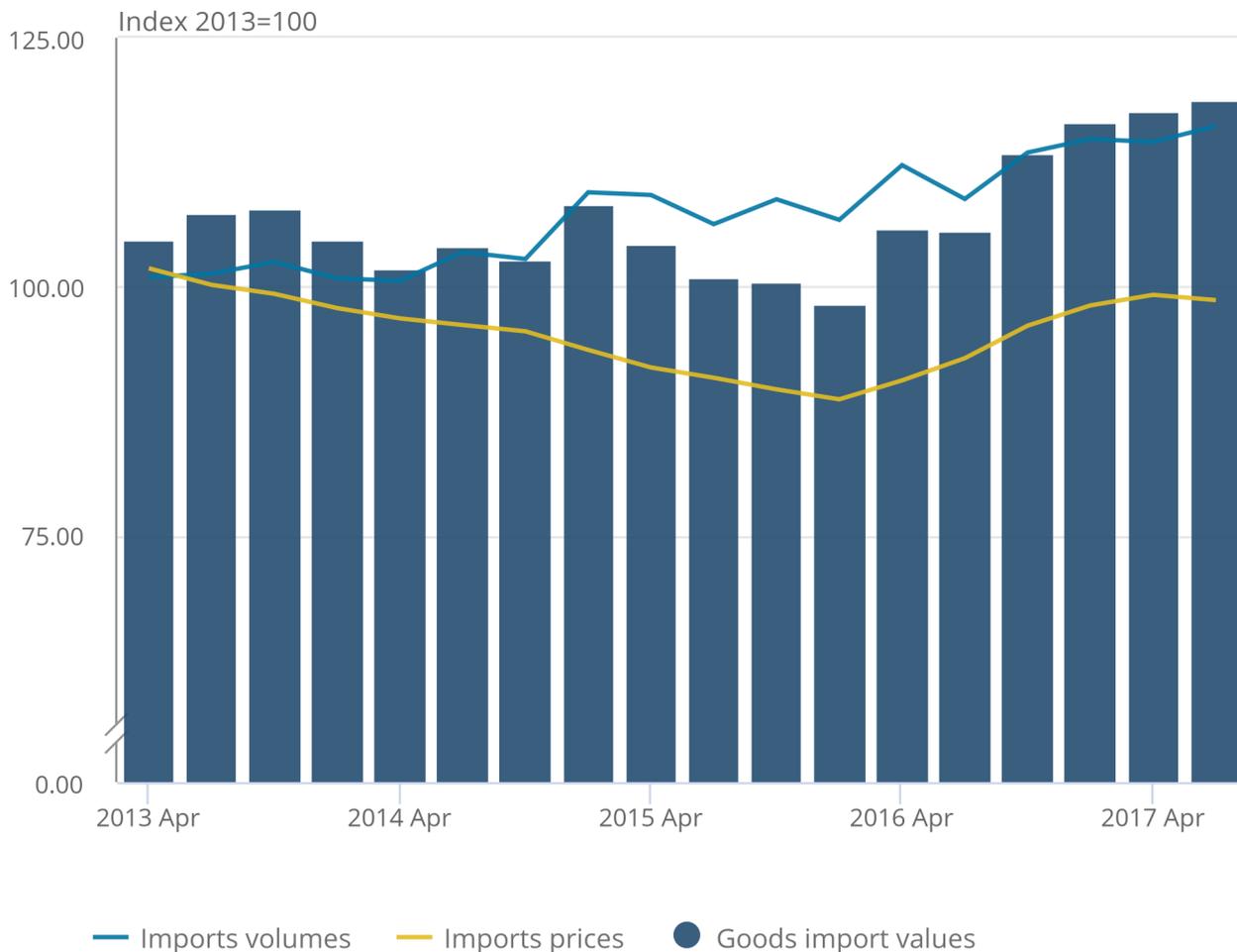
Source: Office for National Statistics

Notes:

1. Index 2013=100

Figure 5: Rolling 3 month, UK goods imports values, volumes and prices, July 2013 to July 2017

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Source: Office for National Statistics

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Notes:

1. Index 2013=100

Between the 3 months to April 2017 and the 3 months to July 2017, the 5.8% increase in the volume of goods exported to the EU was partially offset by a 3.4% decrease in the volume of goods exported to non-EU countries. Over the same period, imports of goods from the EU decreased by 0.4% while imports from non-EU countries increased by 3.6%. This was alongside a larger decrease in export prices with non-EU countries (1.3%) compared with the decrease in EU export prices (0.4%). Non-EU import prices decreased (1.8%), while EU import prices increased (0.6%).

This corresponds with the widening of goods deficit with non-EU countries by £2.4 billion while the EU trade in goods deficit narrowed by £1.3 billion between the 3 months to April 2017 and the 3 months to July 2017.

6 . Total trade deficit remained unchanged at £2.9 billion between June and July 2017

The UK's total trade deficit (goods and services) remained unchanged at £2.9 billion between June 2017 and July 2017.

While total trade exports decreased by £0.1 billion, trade in goods exports excluding erratics and oil increased by £0.6 billion – therefore decreases in exports of erratics and oil more than offset export increases elsewhere.

7 . What are the revisions to trade values since last month?

Since June 2017 there has been downward revisions to both imports of goods and services (negative £0.6 billion and negative £0.8 billion respectively) and an upward revision of £0.3 billion to total trade exports, resulting in a narrowing of the trade deficit by £1.7 billion in June 2017 compared with the previous UK trade release.

8 . Links to related statistics

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 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. You can download the complete statistical bulletin in a choice of formats, or view and download your own selection of individual series.

Data are available by commodity and partner country separately, but not commodity by partner country. However, one of our objectives in the [UK trade development plan](#) is to produce these breakdowns in the future. Commodity by country breakdowns are available via [HM Revenue and Customs](#), but on an Overseas Trade Statistics (OTS) basis only. These aggregate estimates will differ slightly from those that are published by us on a [Balance of payments \(BoP\)](#) basis, as the two sets of data are compiled using different concepts.

We now publish the [proportion of sales that are exports in the manufacturing industries](#) as an Excel table to accompany the Index of Production release. The proportion of export sales have been published for industries collected by the Monthly Business Survey where the value of exports are reported as well as the total turnover. These are non-seasonally adjusted series.

On 28 October 2016, we published an article containing information on trade - [Why has the value of the pound been falling and what could this mean for people in the UK?](#)

On 5 September 2016, we published a short story on the [UK trade and investment relationship with the USA](#). This is part of a series that began in June 2015; previous topics cover [South America](#), [China](#) and [Africa](#).

Additional [statistical data and analyses for UK trade statistics](#) that have not been included in our standard publications are also available.

9 . Quality and methodology

Trade is measured through both imports and exports of goods and/or services. Data are supplied by over 30 sources including several administrative sources, HM 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.

Further qualitative data and information can be found in the attached datasets. This includes data on:

- [response rates](#)
- [revision triangles](#)

Detailed methodological notes are published in the [UK Balance of Payments, The Pink Book 2016](#).

The [UK trade methodology web pages](#) have been developed to provide detailed information about the methods used to produce UK trade statistics.

The [UK trade Quality and Methodology Information report](#) contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data