

Statistical bulletin

# International trade in services by partner country, UK: October to December 2017

Trade in services data, including breakdown of imports and exports by country and geographical region, EU and non-EU.



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# 1 . Main points

- This bulletin presents quarterly estimates of UK trade in services statistics by 54 countries; these statistics are based on the quarterly International Trade in Services (ITIS) survey and statistics for all four quarters of 2017 are presented.
- The European Union (EU) remained the UK's largest trading partner for both exports and imports of services in Quarter 4 (Oct to Dec) 2017, while the US was the largest trading partner when considering individual countries.
- UK exports of services increased from £39,317 million to £43,297 million between Quarter 3 (July to Sept) 2017 and Quarter 4 2017, reflecting rises among all regions except the Australasia, Oceania and Polar Regions.
- The EU was the largest contributor to the overall £3,979 million increase in UK services exports in Quarter 4 2017 compared with the previous quarter, with Ireland and the Netherlands experiencing the largest rises.
- UK imports of services decreased from £20,359 million to £20,086 million between Quarter 3 2017 and Quarter 4 2017, reflecting decreases in services imports from the EU, non-EU Europe, Central and South Americas and Africa.
- The EU made the largest contribution to the fall in UK imports over Quarter 4 2017, with Ireland and Spain seeing the largest decreases; partially offsetting these decreases were increases in imports from Asia, with Singapore seeing the largest rise.
- The increase in total services exports and decline in imports indicate that the UK's trade in services balance surplus increased from Quarter 3 to Quarter 4 2017, although figures presented will be affected by seasonal factors and exclude trade related to industries including banking, travel and transport.
- Provisional annual estimates for 2017 (obtained by summing quarterly data) indicate that the value of UK exports increased to £158,922 million from 2016 to 2017, while imports increased to £78,097 million over this period.
- The EU accounted for most of the increase in exports of services in 2017, while Asia made the single largest contribution to the rise of imports over the same period.

## 2 . Things you need to know about this release

Please note that the title of this statistical bulletin has changed this quarter, it was previously known as [Exports and imports statistics by country for UK trade in services](#).

The International Trade in Services (ITIS) survey is the main source of UK trade in services data, covering most industries but with a number of exceptions: travel; transport; banking and other financial institutions; higher education; charities, and most activities within the legal profession. Data for the excluded industries are obtained from other sources and are not included in this bulletin. Statistics presented are not seasonally adjusted.

Further to increased user demand for more timely granular trade in services statistics, Office for National Statistics (ONS) increased the sample size of its quarterly ITIS survey from approximately 1,100 to 2,200 businesses to allow for quarterly estimates by country and broad industry grouping to be produced. This bulletin presents the quarterly ITIS survey country-level estimates for all four quarters of 2017.

The quarterly ITIS survey accounts for approximately 55% and 43% of total UK trade in services exports and imports respectively. The other sources of trade in services data include information from the Bank of England, ONS's International Passenger Survey and other data sources.

While trade in services statistics presented in this release only relate to industries covered by the ITIS survey (excluding industries such as transport, travel and banking), we do plan to publish quarterly country estimates covering the whole of the UK economy once the systems used to process other data sources have been developed. We are also currently developing methods to allow for the production of quarterly trade in services statistics by broad industry grouping.

You are advised to be cautious when interpreting changes between quarters given that the series is not seasonally adjusted and few data points are presented. The quarterly ITIS estimates are subject to revision as more businesses' survey responses are received (further detail on response targets is found towards the end of this release).

### **3 . UK exports of services increased between Quarter 3 and Quarter 4 2017 while UK imports of services decreased over this period**

UK exports of services (excluding travel, transport and banking) were £43,297 million during Quarter 4 (Oct to Dec) 2017, compared with services imports of £20,086 million, see Table 1. The value of UK exports of services was therefore over double the value of UK imports of services during this period.

UK exports of services increased by 10.1% between Quarter 3 (July to Sept) 2017 and Quarter 4 2017, while UK imports of services fell by 1.3% during this period. Therefore, there was a rise in the trade in services balance surplus during the fourth quarter.

A provisional estimate for 2017 can be calculated from these quarterly estimates. These estimates indicate that the value of UK services exports reached £158,922 million in 2017 while the value of services imports was £78,097 million. It should be noted that these quarterly data are collected from a smaller sample than annual data from the [annual International Trade in Services survey](#) and you should be cautious when comparing annual data with estimates created from quarterly data.

**Table 1: Total UK trade in services exports and imports, Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017**

<b>£ million</b>	<b>Q1 2017</b>	<b>Q2 2017</b>	<b>Q3 2017</b>	<b>Q4 2017</b>	<b>2017</b>
UK exports	36,871	39,438	39,317	43,297	158,922
UK imports	18,549	19,103	20,359	20,086	78,097

Source: Office for National Statistics

Notes:

1. The sum of presented quarterly figures may not match annual totals due to rounding.

## **4 . UK services exports increased between Quarter 3 and Quarter 4 2017 for all regions except Australasia, Oceania and Polar Regions**

Most regions experienced an increase in total services exports between Quarter 3 (July to Sept) 2017 and Quarter 4 (Oct to Dec) 2017 as shown by Figure 1. The increase in services exports was led by services exports to the European Union (EU), which rose by 8.7% from £16,043 million during the third quarter to £17,433 million during the fourth quarter.

The EU continued to be the UK's largest services exports trading partner in Quarter 4 2017, where services exports accounted for 40.3% of total exports. The EU also saw the largest quarterly increase in value terms, rising by £1,390 million from the third quarter to the final quarter of 2017. Within the EU, Ireland was the destination country for the largest increase in services exports, where exports rose by £549 million to £3,267 million over Quarter 4 2017. Exports of "other trade in services" accounted for most of this increase, which includes "transactions between related businesses not included elsewhere".

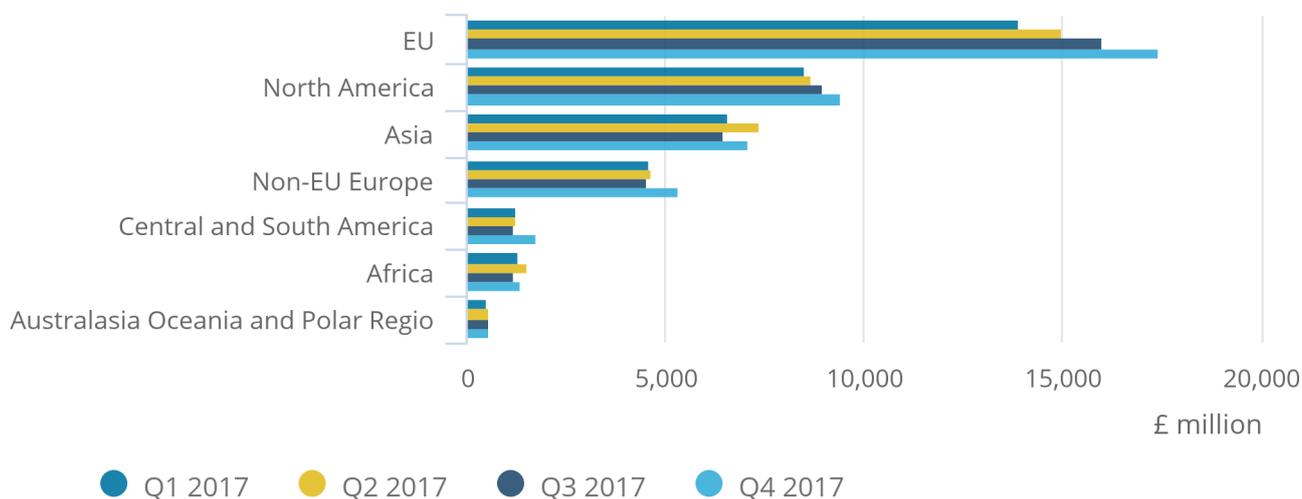
North America was the second-largest destination for UK exports, accounting for 21.8% of total exports. Exports to North America rose by £473 million to £9,445 million in Quarter 4 2017. The US was the destination country with the largest contribution to the increase, rising by £490 million. Within the US, exports of "legal accounting and management" services saw the largest increase.

UK exports to Asia increased in value terms by £617 million to £7,115 million in Quarter 4 2017 but remained below the Quarter 2 (Apr to June) level of £7,380 million. UK exports to the "Asia unallocated" region increased by £521 million, while exports to Hong Kong decreased by £126 million, due mainly to a decline in exports of "current account royalties".

Australasia, Oceania and the Polar Regions was the only destination to experience a decrease in exports from the UK from Quarter 3 2017 to Quarter 4 2017. The slight decrease (of £12 million to £581 million in Quarter 4) can be attributed mainly to a fall in exports to Australia, specifically "current account royalties".

**Figure 1: UK exports of services by geographical region, Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017, £ million**

Figure 1: UK exports of services by geographical region, Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017, £ million



**Source: Office for National Statistics**

**Notes:**

1. Trade in services excludes travel, transport and banking.
2. All values are at current prices.
3. Geographical groupings can be found in the Interpreting international trade in services statistics section.
4. Excludes a relatively small value of exports that were not allocated to any specific region by respondents.

## 5 . The US remains the UK’s biggest trading partner for UK services exports

Table 2 provides export statistics for the 10 partner countries with the highest quarterly trade in services export values for all four quarters of 2017. Trade in services statistics for 54 countries are found in the data downloads accompanying this release.

In Quarter 4 (Oct to Dec) 2017, the top 10 trading partners accounted for almost three-fifths of all UK services exports.

The single largest market for UK services exports was the US, where the UK exported £8,979 million in Quarter 4 2017, or 19.9% of the total. Ireland replaced Germany as the UK's second-largest export market in Quarter 4 2017, where the value of UK services exports was £3,267 million or 7.2% of the total.

**Table 2: Ten largest UK quarterly trade in services export partner countries, Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017**

	£ Million				Cumulative percentages			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
United States	8,040	8,164	8,489	8,979	21.8	20.7	21.6	19.9
Ireland	2,203	2,274	2,718	3,267	27.8	26.5	28.5	27.1
Netherlands	1,994	2,462	2,698	2,931	33.2	32.7	35.4	33.6
Germany	2,552	2,507	2,742	2,837	40.1	39.1	42.3	39.9
Switzerland	2,065	1,906	1,978	2,140	45.7	43.9	47.4	44.6
France	1,708	1,807	1,865	2,032	50.3	48.5	52.1	49.1
Saudi Arabia	1,334	1,524	1,149	1,207	54.0	52.3	55.0	51.8
Luxembourg	832	733	819	970	56.2	54.2	57.1	53.9
Japan	759	880	848	855	58.3	56.4	59.3	55.8
Spain	725	798	837	808	60.2	58.5	61.4	57.6
Rest Of World	14,658	16,384	15,175	17,270	100.0	100.0	100.0	100.0
World Total	36,871	39,438	39,317	43,297				

Source: Office for National Statistics

Notes:

1. Quarter 1 is January to March, Quarter 2 is April to June, Quarter 3 is July to September and Quarter 4 is October to December.

2. The sum of constituent items may not match world totals due to rounding.

## 6 . UK imports of services from the EU led the decrease in UK total imports

Changes in UK services imports between Quarter 3 (July to Sept) 2017 and Quarter 4 (Oct to Dec) 2017 varied by region. Services imports from the European Union (EU), non-EU Europe, Central and South America and Africa decreased during this time, whereas services imports from all other regions increased, as shown by Figure 2. The trend in UK imports of services over all four quarters of 2017 was supported by the trend in UK services imports from the EU.

The EU was the main trading partner for UK imports of services (excluding travel, transport and banking), accounting for 41.8% of total imports. UK imports from the EU were valued at £8,399 million in Quarter 4 2017. Although this was a decrease of 4.0% compared with the previous quarter, services imports remained above the Quarter 2 (Apr to June) 2017 value. The largest contributing member state to the decrease was Ireland and the main service contributing to this decrease was "trade in other services", which includes "transactions between related businesses not included elsewhere".

North America was the second-largest geographical region, accounting for 23.8% of total imports. Services imports from North America totalled £4,785 million in Quarter 4 2017, an increase of £38 million compared with the previous quarter. Greater values of UK services imports from Canada in “trade in other services” contributed to the majority of this increase. This was partially offset by a decrease from the US, so that UK imports of services from North America did not reach levels seen previously in Quarter 2 2017.

UK imports from Asia rose from £3,207 million in Quarter 3 2017 to £3,355 million in Quarter 4 2017, an increase of £148 million. The main contributor to this increase was Singapore, where a £42.6 million rise in services imports could be attributed to increases in “miscellaneous tech” imports and “trade in other services”, where “miscellaneous tech” refers to technical, maintenance and repair, operational leasing and other business services.

**Figure 2: UK imports of services by geographical region, Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017, £ million**

Figure 2: UK imports of services by geographical region, Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017, £ million



**Source: Office for National Statistics**

**Notes:**

1. Trade in services excludes travel, transport and banking.
2. All values are at current prices.
3. Geographical groupings can be found in the Interpreting international trade in services statistics section.
4. Excludes a relatively small value of exports that were not allocated to any specific region by respondents.

## 7 . The 10 highest value trading partners for services imports accounted for two-thirds of total services imports

Table 3 provides statistics for the 10 partner countries with the highest quarterly trade in services import values for Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017. The top-10 trading partners accounted for close to two-thirds of all UK services imports in Quarter 4 2017.

The single largest source country for UK services imports was the US, from which the UK imported £4,551 million of services in Quarter 4 2017, or 22.7% of total services imports. The UK's second-largest source country was Germany, where the value of UK services imports was £1,594 million for Quarter 4 2017, or 7.9% of the total.

**Table 3: Ten largest UK quarterly trade in services import partner countries, Quarter 1 (Jan to Mar) 2017 to Quarter 4 (Oct to Dec) 2017**

	£ Million				Cumulative percentages			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
United States	4,364	4,899	4,586	4,551	23.5	25.6	22.5	22.7
Germany	1,441	1,404	1,649	1,594	31.3	33.0	30.6	30.6
Ireland	1,053	1,170	1,390	1,242	37.0	39.1	37.5	36.8
France	1,196	1,106	1,272	1,219	43.4	44.9	43.7	42.8
Japan	892	794	897	919	48.2	49.1	48.1	47.4
Netherlands	915	927	955	905	53.2	53.9	52.8	51.9
Switzerland	650	630	700	663	56.7	57.2	56.2	55.2
Luxembourg	590	610	593	634	59.8	60.4	59.2	58.4
India	601	600	535	572	63.1	63.6	61.8	61.2
Sweden	341	558	600	572	64.9	66.5	64.7	64.1
Rest Of World	6,507	6,405	7,181	7,216	100.0	100.0	100.0	100.0
World Total	18,549	19,103	20,359	20,086				

Source: Office for National Statistics

Notes:

1. Quarter 1 is January to March, Quarter 2 is April to June, Quarter 3 is July to September and Quarter 4 is October to December.

2. The sum of constituent items may not match world totals due to rounding.

## 8 . The value of UK exports of services remained over double that of imports in 2017

Table 4 provides statistics on annual trade in services as split by region. Annual figures for international trade in services for periods up to 2016 can be found in the [International Trade in Services statistical bulletin](#), published 31 January 2018. Estimated figures for 2017 are calculated from quarterly data presented in this bulletin. These figures are initial estimates and are subject to revision, but can be used as a comparison to published annual figures.

Initial estimates indicate that the value of UK exports increased by £16,265 million from 2016 to 2017, while the value of imports increased by £9,379 million over this period. This led the trade in services balance surplus to increase to £80,826 million in 2017. Most of the increase in the value of UK exports has been led by the EU, where exports increased by £9,095 million. The rise in the value of imports has been split more evenly across regions, although the largest single increase came from Asia.

**Table 4: Annual trade in services by continent, including estimated quarterly data, 2014 to 2017**

£ million								
	Exports				Imports			
	2014	2015	2016	2017	2014	2015	2016	2017
EU	42,475	44,098	53,267	62,362	24,554	25,866	30,879	32,660
North America	29,235	29,467	34,822	35,634	13,737	14,443	17,441	19,132
Asia	19,703	21,452	24,778	27,562	8,248	9,065	10,662	12,867
Non-EU Europe	16,236	15,420	16,818	19,176	4,531	5,617	5,831	7,598
Central and South America	4,289	4,586	4,853	5,418	1,126	969	1,210	2,344
Africa	5,081	5,335	4,970	5,381	1,160	1,138	1,551	1,760
Australasia, Oceania and Polar Regions	2,175	2,023	2,261	2,252	929	1,172	903	1,207
World Total	119,703	123,231	142,657	158,922	54,455	58,508	68,718	78,097

Source: Office for National Statistics

Notes:

1. Provisional figures for 2017, estimated by summing quarterly data. These data are initial estimates and are therefore subject to revision.
2. The sum of constituent items may not match world totals, as figures for world totals include a relatively small value of exports or imports that were not allocated to any specific region by respondents.

## 9 . Links to related statistics

Detailed annual country, industry and product estimates for UK trade in services can be found in the [International Trade in Services \(ITIS\) statistical bulletin](#) published 31 January 2018, which contains annual estimates for periods up to 2016. Estimates for 2017 will be published on 31 January 2019.

Quarterly estimates for nine non-EU countries for total UK trade in services (including industries not captured by the ITIS survey) can be found in the [UK Economic Accounts](#) (Table B6B) published 29 March 2018, which contains quarterly estimates for periods up to Quarter 4 (Oct to Dec) 2017.

Detailed annual country-level estimates for total UK trade in services (including industries not captured by the ITIS survey) can be found in [Pink Book 2017](#) published 31 October 2017, which contains annual estimates for periods up to 2016.

## 10 . Quality and methodology

The International Trade in Services (ITIS) [Quality and Methodology](#) information report contains important information regarding the methodology for producing annual ITIS statistics, specifically:

- the strengths and limitations of these data and how they compare with related data
- users and uses of these data
- how the output was created
- the quality of the output including the accuracy of these data

A review of the quarterly ITIS sampling methodology, undertaken between September and December 2016, concluded that the quarterly sample should be doubled to improve the coverage of data collection for 54 countries and broad industrial sections. The new sample design was adopted for the Quarter 1 (Jan to Mar) 2017 reference period. These data have since been compiled and have been released via this bulletin. This change reflects the wider trade transformation programme aimed at improving the quality, granularity and timeliness of trade statistics.

## **11 . Interpreting International Trade in Services statistics**

The ITIS survey collects data relating to the amounts spent on both the services imports and exports of UK businesses and collects geographical information regarding the destination of services exports or source of services imports.

### **Types of transactions covered**

#### **Product**

The ITIS survey collects the value of transactions between the UK and residents in other countries in respect of 52 services products. These data are made available in the annual ITIS publication.

#### **Industry**

The ITIS survey collects information regarding the industries of the UK businesses that have conducted international trade in services. The industries are identified using an economic classification that well-defines areas of the economy, known as the SIC (2007) classification, an internationally-consistent standard industrial classification. This provides a framework for the collection, tabulation, presentation and analysis of data about economic activities. Note that the following industries are not covered by the ITIS survey: travel; transport; banking and other financial institutions; higher education; charities, and most activities within the legal profession.

#### **Geographical**

The tables within this bulletin show the countries to which services are exported and from which services are imported. The geographical groupings used in the tables are shown in Table 5.



**Table 5: Geographical groupings for the continents for quarterly international trade in services (ITIS)**

EU	Non-EU Europe	Africa	North America	Central and South America	Asia	Australia, Oceania and Polar Regions
Austria	Albania	Algeria	Canada	Anguilla	Afghanistan	American Samoa
Belgium	Andorra	Angola	Greenland	Antigua and Barbuda	Armenia	Antarctica
Bulgaria	Belarus	Benin	USA	Argentina	Azerbaijan	Australia
Croatia	Bosnia and Herzegovina	Botswana		Aruba	Bahrain	Bouvet Island
Cyprus	Faroe Islands	British Indian Ocean Territory		Bahamas	Bangladesh	Christmas Islands
Czech Republic	Gibraltar	Burkina Faso		Barbados	Bhutan	Cocos (Keeling) Islands
Denmark	Guernsey	Burundi		Belize	Brunei Darussalam	Cook Islands
Estonia	Holy See (Vatican State)	Cameroon		Bermuda	Burma /Myanmar	Fiji
Finland	Iceland	Cape Verde		Bolivia	Cambodia (Kampuchea)	French Polynesia
France	Isle of Man	Central African Republic		Bonaire, St Eustatius and Saba	China	French Southern Territories
Germany	Jersey	Chad		Brazil	Georgia	Guam
Greece	Kosovo	Comoros		Cayman Islands	Hong Kong	Heard Island and McDonald Islands
Hungary	Liechtenstein	Congo		Cayman Islands	India	Kiribati
Ireland	Macedonia, the former Yugoslav Republic of	Congo, the Democratic Republic of the		Chile	Indonesia	Marshall Islands
Italy	Moldova	Cote d'Ivoire		Colombia	Iran	Micronesia, Federated States of
Latvia	Montenegro	Djibouti		Costa Rica	Iraq	Nauru
Lithuania	Norway	Egypt		Cuba	Israel	New Caledonia
Luxembourg	Russian Federation	Equatorial Guinea		Curaçao	Japan	New Zealand
Malta	San Marino	Eritrea		Dominica	Jordan	Niue
Netherlands	Serbia	Ethiopia		Dominican Republic	Kazakhstan	Norfolk Island
Poland	Switzerland	Gabon		Ecuador	Kuwait	Northern Mariana Islands

Portugal	Turkey	Gambia	El Salvador	Kyrgyzstan	Palau
Romania	Ukraine	Ghana	Falkland Islands (Malvinas)	Laos	Papua New Guinea
Slovak Republic	Europe Unallocated	Guinea	Grenada	Lebanon	Pitcairn
Slovenia		Guinea - Bissau	Guatemala	Macao	Samoa
Spain		Kenya	Guyana	Malaysia	Solomon Islands
Sweden		Lesotho	Haiti	Maldives	South Georgia and the South Sandwich Islands
Institutions without ECB and ESM		Liberia	Honduras	Mongolia	Tokelau
European Central Bank		Libya	Jamaica	Nepal	Tonga
European Stability Mechanism		Madagascar	Mexico	North Korea	Tuvalu
		Malawi	Montserrat	Oman	US Minor Outlying Islands
		Mali	Nicaragua	Pakistan	Vanuatu
		Mauritania	Panama	Palestinian Territory	Wallis and Futuna
		Mauritius	Paraguay	Philippines	Oceania Unallocated
		Morocco	Peru	Qatar	
		Mozambique	Saint Lucia	Saudi Arabia	
		Namibia	St Kitts and Nevis	Singapore	
		Niger	St Marteens	South Korea	
		Nigeria	St Vincent and the Grenadines	Sri Lanka	
		Rwanda	Suriname	Syria	
		Sao Tome and Principe	Trinidad and Tobago	Taiwan	
		Senegal	Turks and Caicos Islands	Tajikistan	
		Seychelles	Uruguay	Thailand	
		Sierra Leone	Venezuela	Timor-Leste	
		Somalia	Virgin Islands, British	Turkmenistan	

South Africa	Virgin Islands, United States	United Arab Emirates
South Sudan	America Unallocated	Uzbekistan
St Helena, Ascension and Tristan da Cunha		Viet Nam
Sudan		Yemen
Swaziland		Asia Unallocated
Tanzania		
Togo		
Tunisia		
Uganda		
Zambia		
Zimbabwe		
Africa Unallocated		

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Source: Office for National Statistics

The figures for the European Union (EU) relate to the 27 other member states. Trade with EU Institutions is also included in the EU totals and excluded from the International Organisations totals.

Earnings from third country-trade, that is, from arranging the sale of goods between two countries other than the UK and where the goods never physically enter the UK are included. This activity is known as “merchanting”. Earnings from commodity trading are also included. As with merchanting, the service element is the profit or loss.

## Types of transactions not covered

The purpose of the ITIS survey is to record international transactions that impact on the UK’s Balance of Payments, hence businesses are asked to exclude trade expenses such as the cost of services purchased and consumed abroad, from their earnings. Trade in services exports or imports that are invoiced for the export or import of goods are excluded as they are already counted in the estimates for trade in goods.

## 12 . ITIS survey response

This bulletin analyses ITIS survey data for the most recent quarter based upon response data received up to eight weeks after the reference period. It also uses the previous quarter’s data containing information received up to 20 weeks after the reference period. Values for non-responding businesses have been estimated using the imputation methods outlined in the ITIS QMI document referenced previously. ITIS data will be revised in each quarterly bulletin, as response increases between weeks 8 and 20 in the survey round, leading to improved quality of the ITIS survey estimates.

The response rate targets for the quarterly ITIS survey are 77% at eight weeks after the reference period (used to produce first quarterly estimates in this release) and 85% at 20 weeks after the periods (revising earlier data points in the time series as they are added to this release in future).