

Article

UK trade statistics transformation: achievements and forward look, October 2018

A summary of our transformation of UK trade statistics, highlighting the delivery of new detail and analysis, and the focus of ongoing developments.

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1 . Introduction

The demand for improved and more detailed UK trade statistics has increased significantly since the EU referendum. The UK government, economists, analysts and the wider community need more data to help provide a better understanding of the UK's trading relationship with the rest of the world. The need spans a requirement for more detail on the goods and services being traded, the sections of the UK economy engaged in this trade, and greater geographic detail of where trade is taking place.

As well as more detail, users need insightful analysis and relevant commentary to better understand the data. Greater insights into trade asymmetries – where different countries' data can often paint differing pictures with each other – and the effects of globalisation are of strong interest to a wide base of users.

This short article summarises our transformation of UK trade statistics, outlining what we have already delivered, what we have provided today (24 October 2018) and what can be expected over the next year.

2 . Delivering transformed trade statistics

Over the last two to three years, we have driven forward an ambitious transformation of UK trade statistics, collaborating with data source providers, analysts and users of these statistics domestically and internationally. This transformation is now delivering a breadth and range of trade data, commentary and insights that outstrips anything previously possible.

We have invested in new systems and processes that have not only provided us with greater capacity for analysis, but also enabled us to process bigger and ever more detailed datasets.

For trade in goods, this has been made possible through the strong collaboration of HM Revenue and Customs (HMRC) providing our main goods data source. Combined with our use of more powerful technology, this has led to our successful publication of much more granular trade in goods data by country and commodity, consistent with the wider UK's National Accounts and Balance of Payments, increasing our number of published trade series from around 1,000 to over 60,000 in the summer of 2018.

Alongside these “game changing” details we have provided innovative new tools for users to access and analyse the data – we now publish interactive maps that show 234 countries' trading relationships with the UK, broken down by 125 types of goods. These new detailed data are updated with the latest available month, every month, within our [UK trade release](#).

We have delivered wide-reaching analysis of the UK trade asymmetries, providing context and explaining some of the reasons behind the asymmetries. We focused initially on the US and the Republic of Ireland, publishing two articles, [followed by further work](#) expanding our international collaboration and analyses to include Germany, France, The Netherlands, Luxembourg and Belgium. These analyses have highlighted cases where other countries are moving to revised international standards at a slower pace compared with the UK.

We have also teamed up with internationally renowned economist, Thomas Baranga at Harvard University, who has conducted detailed research that shows UK trade in goods asymmetries are similar compared with other developed economies. Our analysis is providing us and partner countries with valuable information about the causes of our asymmetries. As this work progresses we anticipate that we and other producers of these statistics may revise data as appropriate to begin to reduce the asymmetries.

Our recent development focus turned to providing fuller [experimental trade in services estimates](#), covering all industries, by type of service and country, on a quarterly basis. We have published these data for the first time today (24 October 2018). The estimates cover the whole of the UK's services trade down to a very detailed level. This builds on our earlier delivery of more detailed services data for those industries covered by our International Trade in Services (ITIS) Survey, for which we doubled the sample size at the beginning of 2017. That earlier release excluded most of the travel, transport and financial services, but the new data includes these industries and we are now publishing more quarterly detail by service type and country than ever before and will be updating these data on a quarterly basis.

We have also used HMRC micro-data on trade in goods to produce experimental estimates by industry to enable users not only to see what goods are exported, but what areas of the economy are involved in this trade. These new experimental trade in goods by industry estimates, published today (24 October 2018), have been developed and delivered at pace to meet demand and now allow the breakdown of goods statistics by industry, commodity and country. Development of the methods underpinning these experimental statistics continues.

Taken together, these significant improvements mean that the number of trade data series we publish have increased 100-fold over the last two years, from around 1,000 to just over 100,000 series.

There is also a keen need for a greater understanding of trade at the local geographic level, to better understand how parts of Wales, Scotland, Northern Ireland and the regions of England are trading with the rest of the world. Recent workshops held by the Centre for Subnational Analysis highlighted even greater need for this information for local enterprise partnerships (LEPs) and combined authorities in designing their strategic economic plans and local industrial strategies. This was also borne out in responses users submitted to our consultation in 2017.

Therefore, today (24 October 2018) we have also updated our [NUTS1-level estimates of exports of trade in services](#) to include more recent data, extending the time series to include 2016 and give details of our planned developments over coming months.

3 . Keeping pace with the demand

Looking forward, we have begun an intensive period of work researching methods and investigating new data sources to continue our expansion of trade in services. Complementing our release today, we will provide initial estimates of trade in services by industry in the first half of 2019. We have also initiated a pilot study, asking more questions through our International Trade in Services (ITIS) survey, to better understand the mode of supply of services. We expect early estimates from this pilot to be available in summer 2019.

Development work of exports of services at the regional level will continue in 2019. Proposed publications include geographic breakdowns beyond the regional level, consolidation of estimates onto a full industry basis and a complete breakdown of country of destination. The aim is to have a full breakdown of exports of services at the subnational level that is consistent with both UK trade publications and with HMRC's data on trade in goods, and that this can be continued as a regular publication in the future.

Other developments and analysis we are pursuing are further analysis of trade in services asymmetries, trade in value added, digital trade, and further methodological reviews of our data processing. Our asymmetries work will focus on the main service accounts that show commonality across our datasets. We will share this analysis in spring 2019. Thomas Baranga is also repeating his analysis on global asymmetries, now with services data, which will give us an important insight into the international picture of trade in services asymmetries.

Our collaborative efforts through the Economic Statistics Centre of Excellence and with academics will provide further insights into the import intensity, size and behaviours of UK producers involved in exports, supplying internationally important additional analysis about trade in value added.

The next stage of the project will also see us collaborate with other government departments to undertake initial work on digital trade, emerging as an important aspect of trade in services. We will undertake both expert user engagement and extensive literature and methodological reviews to begin to understand this complex topic. Our annual releases in 2019 will see improved methodologies underpinning important statistical and conceptual adjustments, which we apply to our trade in goods data. These releases will also benefit from recent methodological improvements to our trade deflators, used to remove fluctuating price effects from our data series to allow analyses over time. Our methodological review work will continue in both these areas, as we strive to provide users with the highest quality data available to us.

We are delivering at pace against a pressing and ever-expanding demand. Our transformation of UK trade statistics has already delivered data and analysis that are informing the debate and enabling better decisions. We will continue our developments, working collaboratively and innovatively to meet users' demands as the UK leaves the EU.

We welcome feedback on our new trade statistics, developments and future plans. To provide your comments please email trade@ons.gov.uk referencing "UK trade statistics transformation".