

Statistical bulletin

International trade in services, UK: 2017

Product, industry and geographic annual breakdowns of imports and exports of services, excluding travel, transport and banking sectors.



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1 . Main points

- Total UK exports of services (excluding travel, transport and banking) continued to rise in 2017, from £142.7 billion in 2016 to £162.1 billion, an increase of 13.7%.
- Total UK exports of services (excluding travel, transport and banking) to Europe saw the largest rise in 2017, from £70.1 billion in 2016 to £80.9 billion, an increase of 15.5%.
- Financial services continued to be the largest service product exported globally by UK businesses in 2017.
- Total UK imports of services (excluding travel, transport and banking) also continued to rise in 2017, from £68.7 billion in 2016 to £78.7 billion, an increase of 14.6%.
- Europe continued to be a prime source for imports of services for UK businesses, increasing by £4.3 billion on 2016 to £41.0 billion in 2017.
- The total UK trade in services balance (excluding travel, transport and banking) increased from £73.9 billion in 2016 to £83.4 billion in 2017.

2 . Things you need to know about this release

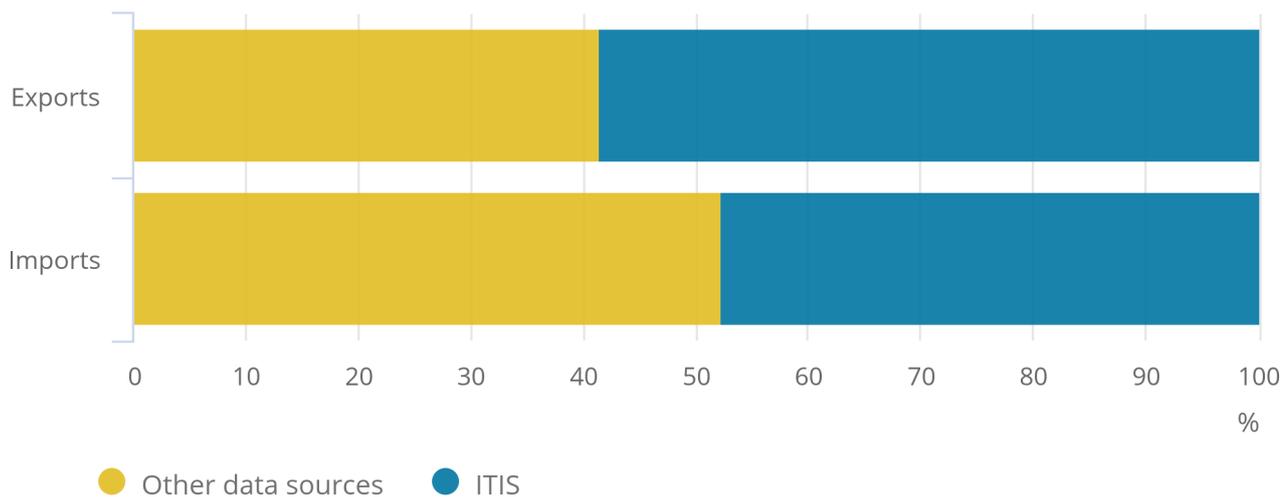
The 2017 International Trade in Services (ITIS) publication provides a detailed breakdown of annual trade in services estimates, analysing data by country, product and industry. These data are sourced from our [International Trade in Services Survey](#).

The ITIS survey is the main source of UK services trade data, although it is important to note that the survey does not cover the whole of the UK services economy. The travel, transport and banking industries are not covered by the ITIS survey, as these data are obtained from other sources such as the [International Passenger Survey](#) and the Bank of England. Estimates for the overall level of trade in services, including these industries, are published in our annual [Pink Book](#) and monthly [UK trade](#) publications.

Comparing the ITIS survey data with the annual estimates of total trade in services published in Pink Book 2018 shows that ITIS contributed approximately 58.5% and 47.6% respectively to the total trade in services export and import estimates for the whole of the UK in 2017 (Figure 1).

Figure 1: Percentage contribution of International Trade in Services Survey to total trade in services, UK, 2017

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Source: Office for National Statistics - International Trade in Services Survey

[Total UK trade in services](#) is now available on a quarterly basis, containing more detailed service type by partner country data than has ever been available before.

Statistics presented in this bulletin include some estimates for businesses operating in the financial services industry, and values of exports and imports of financial services products. The exclusion of banks and other related financial intermediaries does mean that these new estimates only capture part of UK trade in financial services.

Reported trade for the “financial services” industries only capture the exports and imports of businesses involved in non-banking activities, such as:

- businesses operating and supervising financial markets
- security and commodity contract brokers who deal on behalf of others
- auxiliary financial services such as transaction processing, settlement and advisory services
- businesses involved in auxiliary insurance and pension activities such as risk, evaluation and sales
- fund management services

Financial services products exported or imported by businesses operating in industries unrelated to financial services are also included.

3 . What was the overall picture in 2017?

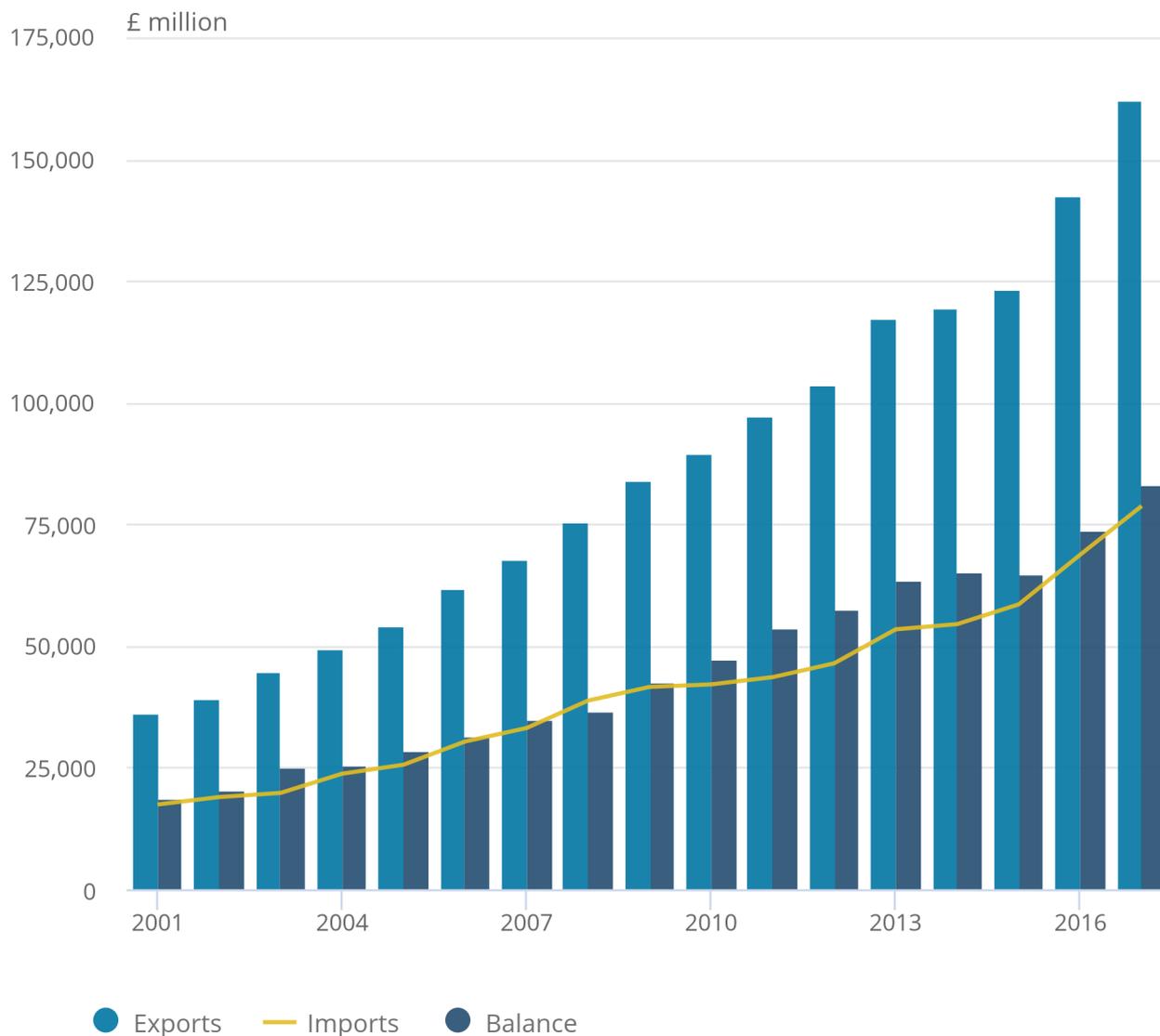
Total UK exports of services (excluding the UK travel, transport and banking industries) continued to follow an upward trend in 2017. UK exports of services reached a peak of £162,141 million in 2017 having risen by £19,484 million from 2016, an increase of 13.7% (Figure 2).

Total UK imports of services (excluding the UK travel, transport and banking industries) have also followed an upward trend in 2017. UK imports of services rose by £10,013 million in 2017 to a level of £78,731 million, an increase of 14.6% from 2016 (Figure 2).

Data from the International Trade in Services (ITIS) survey have shown that the UK has run a trade in services balance surplus; this is where the value of UK exports exceeds the value of UK imports. The larger increase in the value of UK services exports relative to UK services imports in 2017 resulted in the surplus increasing to £83,410 million, from £73,939 million in 2016.

Figure 2: Total international trade in services (excluding travel, transport and banking), UK, 2001 to 2017

Figure 2: Total international trade in services (excluding travel, transport and banking), UK, 2001 to 2017



Source: Office for National Statistics - International Trade in Services Survey

Notes:

1. All values are at current prices (see the Quality and methodology section for a definition).

4 . UK trade in services with the European Union continues to drive growth in Europe in 2017

Traditionally, Europe has been a major destination for UK exports of services; this trend continued in 2017 when UK exports of services to Europe (£80,938 million) accounted for nearly half of the overall total for UK exports of services (£162,141 million).

UK exports of services to Europe increased by £10,853 million (15.5%) in 2017 on the previous year; this was driven by increases in UK services exports to the European Union, which increased by £9,245 million to a level of £62,512 million. The Irish Republic and the Netherlands made the largest contributions to the increase in UK services exports within the European Union in 2017, with increases of £2,481 million and £2,068 million respectively.

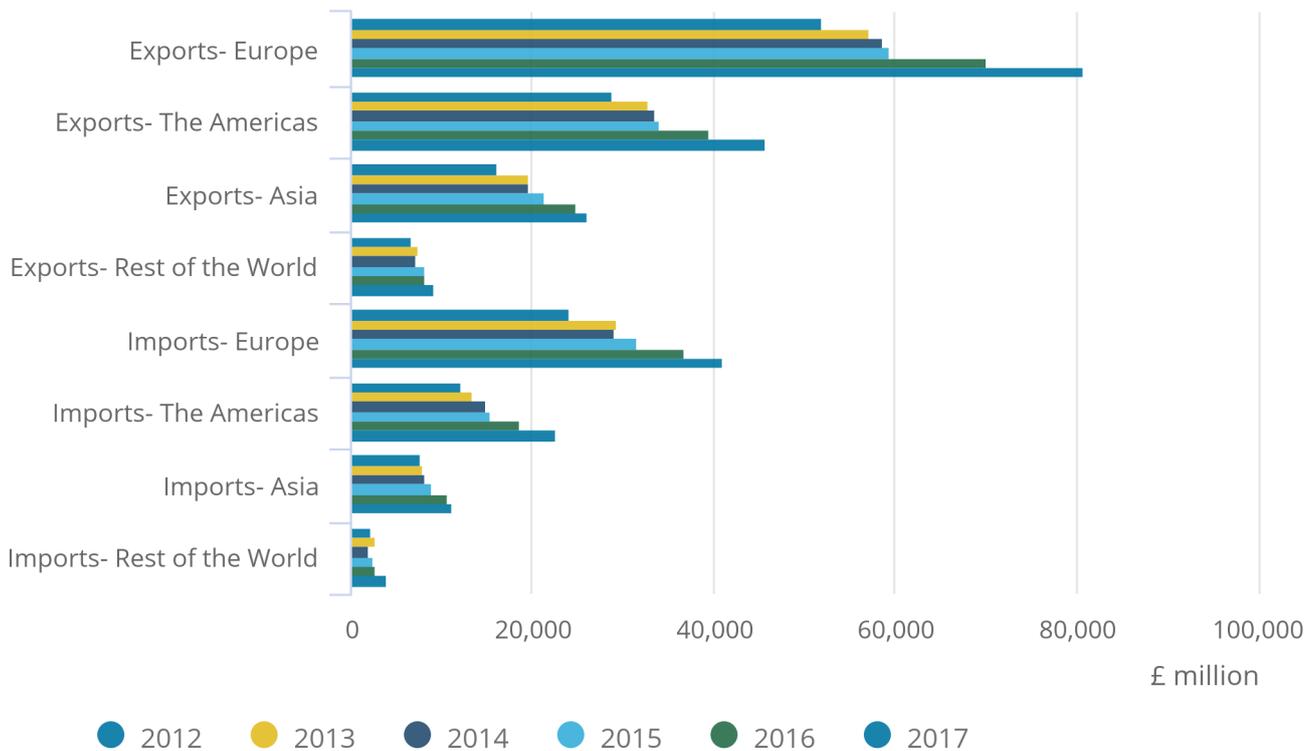
The Americas continued to be the second-largest destination for UK services exports in 2017 and accounted for 28% of the overall UK services export total. UK services exports to the Americas increased by £6,215 million in 2017 to a level of £45,890 million; the USA made the largest contribution to the increase, rising by £5,490 million (Figure 3).

Europe continued to be a major source for UK imported services in 2017 and accounted for just over half of the overall UK imports total of £78,731 million. UK imports of services originating from Europe increased by £4,294 million to £41,004 million in 2017. The Irish Republic and France were the main individual countries driving the increase in 2017, with increases of £604 million and £525 million respectively.

The Americas also made a notable contribution to the overall UK imports of services total in 2017 and remained the second-largest region for UK imported services. UK imports of services from the Americas increased from £18,650 million in 2016 to £22,689 million in 2017. The increase was driven by imports from the USA, rising by £2,935 million in 2017 to £19,669 million (Figure 3).

Figure 3: UK international trade in services (excluding travel, transport and banking) by continent, 2012 to 2017

Figure 3: UK international trade in services (excluding travel, transport and banking) by continent, 2012 to 2017



Source: Office for National Statistics - International Trade in Services Survey

Notes:

1. All values are at current prices (see the Quality and methodology section for a definition).
2. Geographical groupings can be found in the Quality and methodology section.

5 . UK exports and imports of services were dominated by the professional, scientific and technical activities, and information and communication industries in 2017

UK exports of services by industry

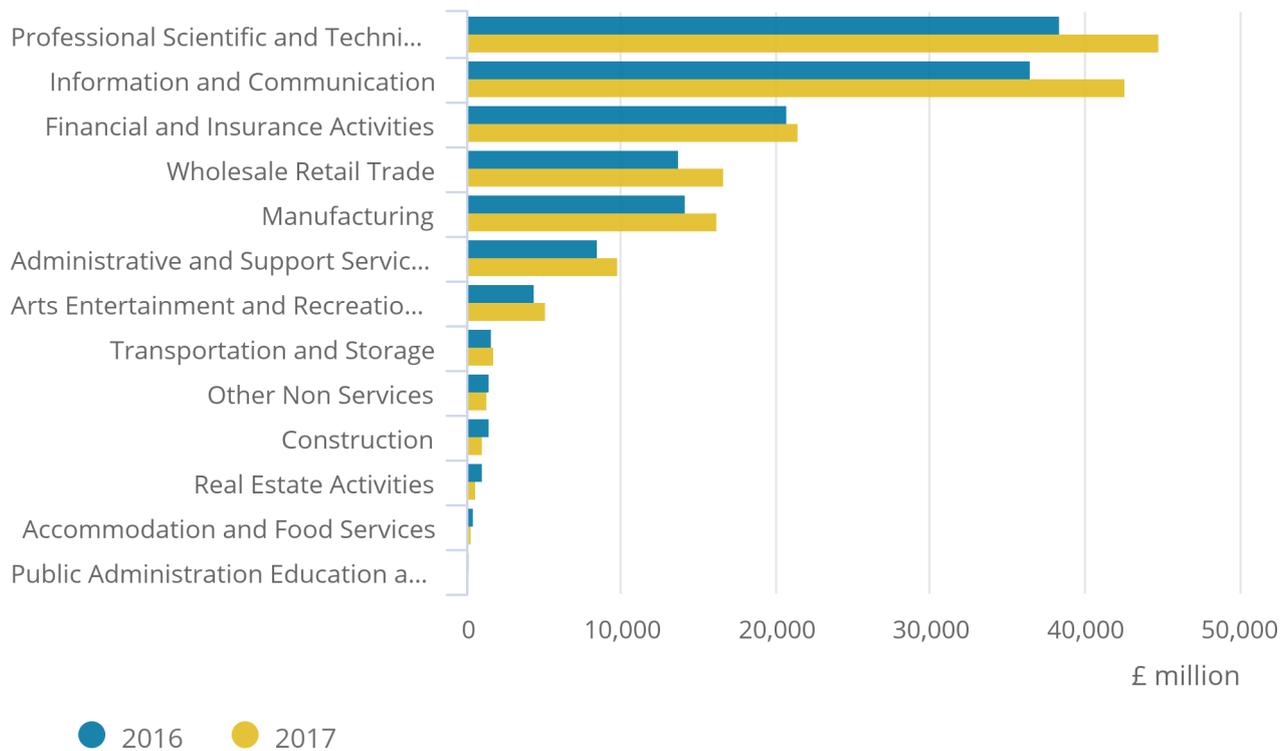
The professional, scientific and technical activities (£44,956 million in 2017) and information and communication (£42,681 million in 2017) industries continued to be the dominant industries responsible for exporting services outside of the UK (Figure 4). These industries combined accounted for over half of the UK exports total and each experienced increases in 2017 of £6,453 million and £6,150 million respectively.

The professional, scientific and technical activities industries exported a varied range of services in 2017, but UK exports of “services between related enterprises” (£5,256 million), “legal services” (£5,046 million) and “provision of research and development services” (£4,986 million) were the dominant service types exported within these industries and combined accounted for just over one-third of the overall exports total for these industries. UK exports of “business management and management consulting services” within these industries showed the largest increase in 2017, rising from £3,830 million in 2016 to £4,762 million.

Within the information and communication industries, UK exports of telecommunication, computer and information services (£17,310 million) made the largest contribution to the overall total for these industries. Despite making the largest contribution to the overall total, UK exports of these types of services within the information and communication industries showed a small decline in 2017; this was driven by a fall in telecommunication services, which declined from £7,949 million in 2016 to £6,465 million in 2017.

Figure 4: UK international trade in services (excluding travel, transport and banking) exports by industry, 2017

Figure 4: UK international trade in services (excluding travel, transport and banking) exports by industry, 2017



Source: Office for National Statistics - International Trade in Services Survey

Notes:

1. All values are at current prices (see the Quality and methodology section for a definition).

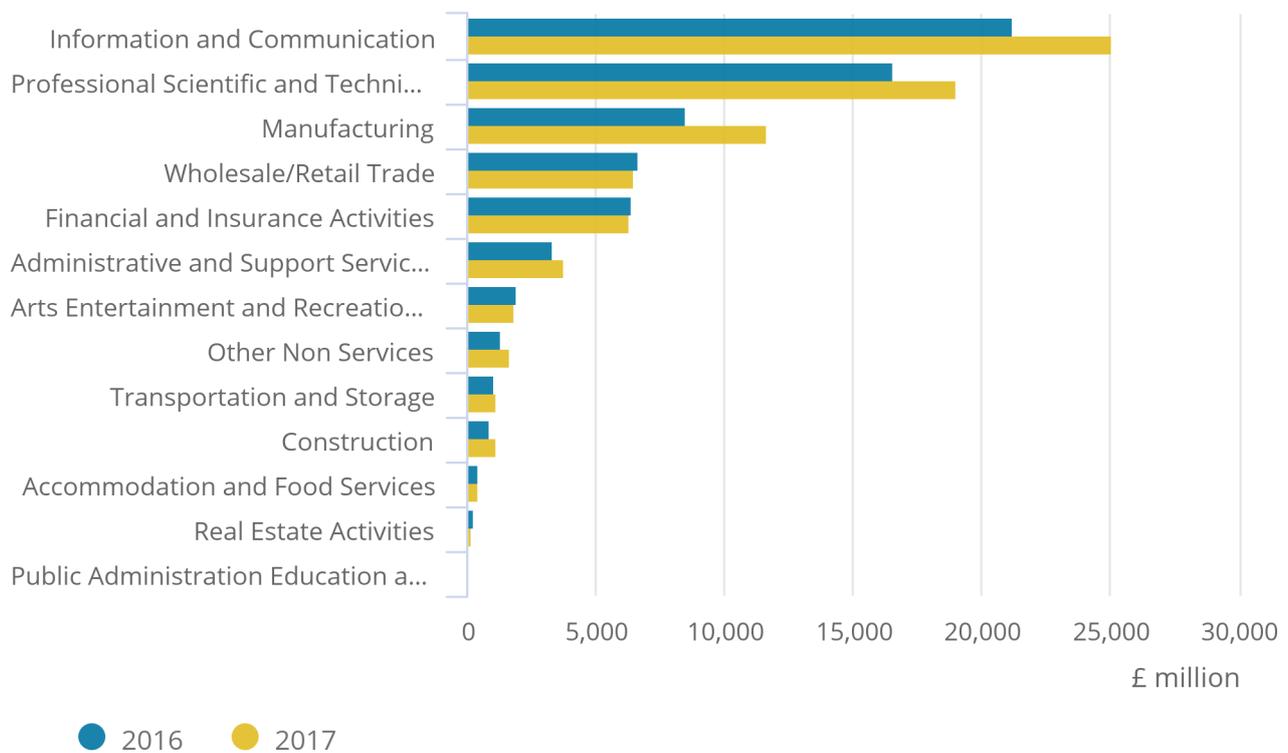
UK imports of services by industry

The information and communication industries continued to follow an upward trend in 2017 and made the largest contribution to overall UK imports of services, increasing from £21,241 million in 2016 to £25,080 million in 2017, a rise of 18.1% (Figure 5). Dominant service products imported by the information and communication industries in 2017 included services between related enterprises, computer services and telecommunication services.

The professional, scientific and technical activities, and manufacturing industries also made notable contributions to the overall UK imports of services total in 2017 and witnessed increases of £2,457 million and £3,130 million respectively.

Figure 5: UK international trade in services (excluding travel, transport and banking) imports by industry, 2017

Figure 5: UK international trade in services (excluding travel, transport and banking) imports by industry, 2017



Source: Office for National Statistics - International Trade in Services Survey

Notes:

1. All values are at current prices (see the Quality and methodology section for a definition).

6 . Financial services were the largest UK services export in 2017

UK exports of services by product

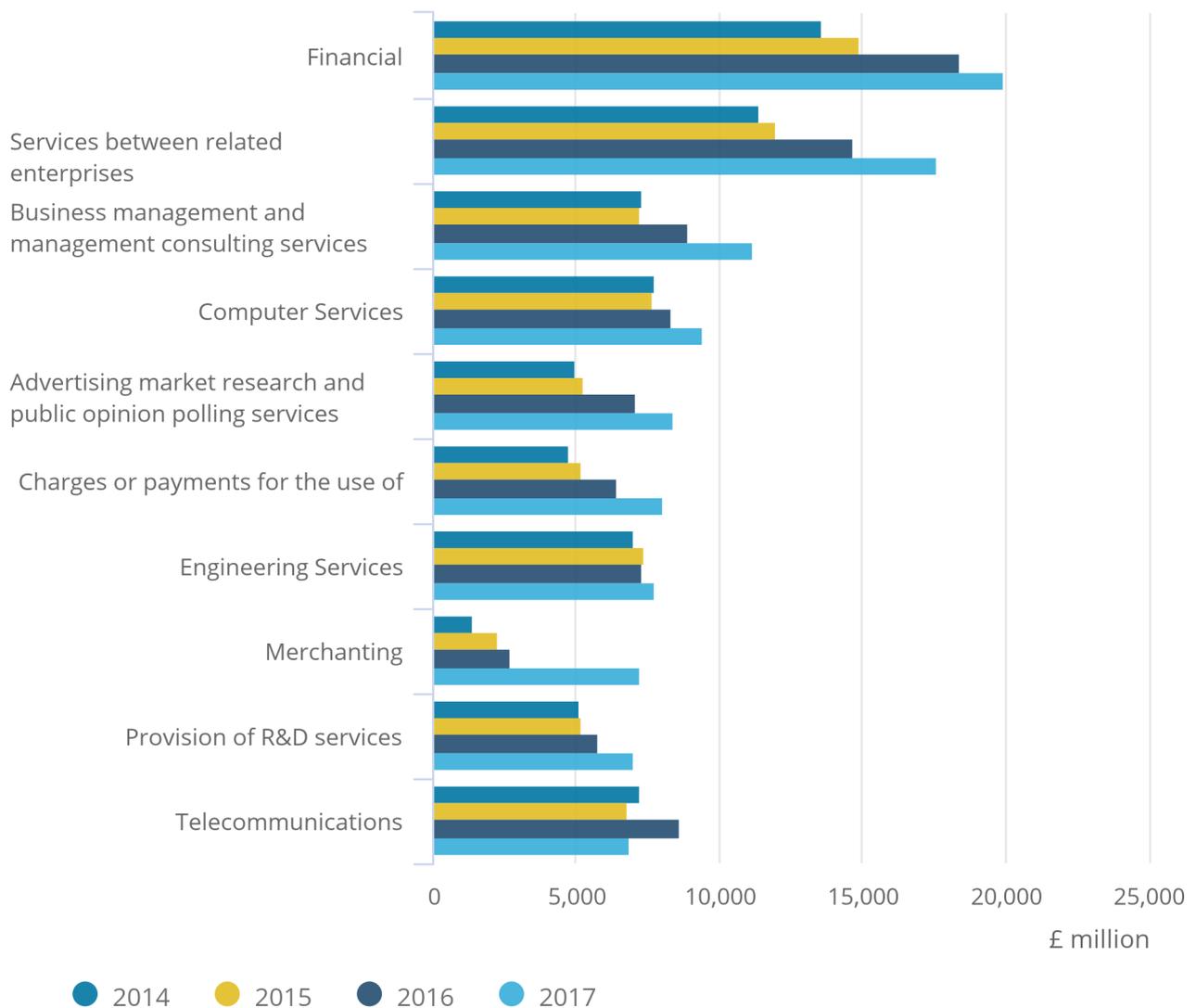
Analysing UK exports of services by the types of services traded (referred to as services products) shows that in 2017, financial services continued to be the single-largest service product exported globally from the UK. With the exception of 2014, UK exports of financial services has been increasing annually since 2013; this trend continued in 2017 with UK exports of financial services increasing from £18,415 million in 2016 to a peak of £19,971 million in 2017 (Figure 6).

UK exports of merchanting services showed the largest product level growth in 2017, increasing from £2,691 million in 2016 to £7,223 million, a rise of £4,532 million. A similar level (£7,635 million) for UK exports of merchanting services was last recorded in 2011. Merchanting estimates in this publication include earnings for arranging the sale of goods where they never enter the UK. Merchantable goods can include high-value commodities that are subject to large price variations such as oil and gas. Businesses holding stocks of these types of commodities often choose to sell when the prices rise, this in turn can result in increases in exports of merchanting services recorded by UK businesses.

Despite showing a decline of £1,730 million, UK exports of telecommunication services remained one of the top 10 services exported globally by UK businesses in 2017, although decreasing from £8,617 million in 2016 to £6,887 million.

Figure 6: Top 10, UK international trade in services (excluding travel, transport and banking) exports by product, 2017

Figure 6: Top 10, UK international trade in services (excluding travel, transport and banking) exports by product, 2017



Source: Office for National Statistics - International Trade in Services Survey

Notes:

1. All values are at current prices (see the Quality and methodology section for a definition).

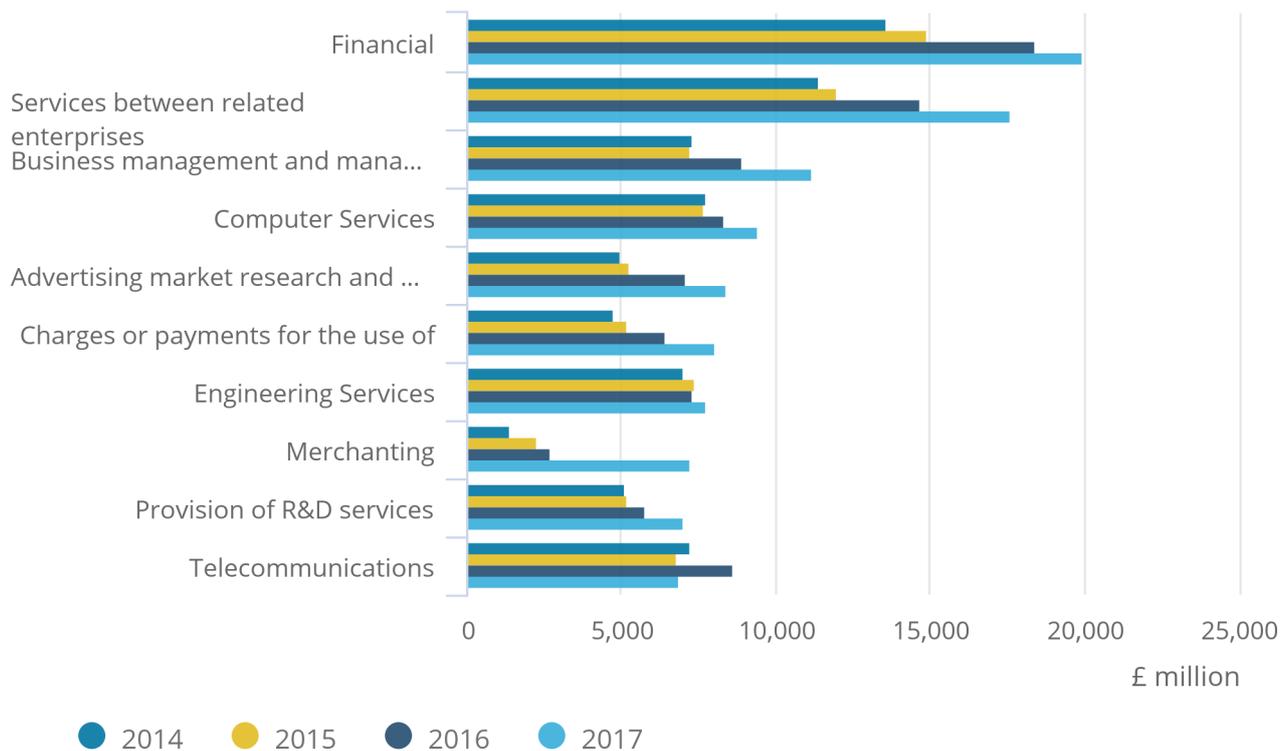
UK imports of services by product

Looking at services imported to the UK by product shows that services between related enterprises was the main service type imported to the UK in 2017 (Figure 7). The time series from 2013 onwards shows that imports of services between related enterprises has been increasing annually; this trend continued in 2017 when imports of this services product increased from £11,520 million in 2016 to £14,111 million.

Having seen an increase of £1,339 million in 2017, research and development was the second-largest services type imported by UK businesses, rising from £4,906 million in 2016 to £6,245 million.

Figure 7: Top 10, UK international trade in services (excluding travel, transport and banking) imports by product, 2017

Figure 7: Top 10, UK international trade in services (excluding travel, transport and banking) imports by product, 2017



Source: Office for National Statistics - International Trade in Services Survey

Notes:

1. All values are at current prices (see the Quality and methodology section for a definition).

7 . Quality and methodology

Basic quality information

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

- 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 data

Accuracy

Sampling error is the error caused by observing a sample instead of the whole population. While each sample is designed to produce the “best” estimate of the true population value, a number of equal-sized samples covering the population would generally produce varying population estimates. Sampling error is affected by a number of factors including sample size.

Sample surveys are used instead of censuses, because the process would be too lengthy and costly to be viable. Standard errors are an estimate of the sampling error and provide a measure of the precision of the estimate. A low standard error indicates a precise estimate. To aid comparison, the standard error is also expressed as a percentage of the total value. This quantity is called the coefficient of variation and it allows the standard errors to be put into context.

In addition to sampling errors, there is the potential for non-sampling error that cannot be easily quantified. For example, undetected deficiencies may occur in the survey register and errors may be made by the contributors when completing the survey questionnaires.

Table 1: Standard errors, 2017

Industries	Exports			Imports		
	Estimate (£ million)	Standard error (£ million)	Relative Standard error (%)	Estimate (£ million)	Standard error (£ million)	Relative Standard error (%)
Total ITIS	162,141	1,873	1	78,731	980	1
Manufacturing	16,299	163	1	11,652	100	1
Wholesale and Retail	16,687	196	1	6,471	237	4
Information and Communication	42,681	966	2	25,080	565	2
Professional, Scientific and Technical	44,956	984	2	19,049	605	3
Administrative and Support Services	9,746	753	8	3,799	317	8
Arts, Entertainment and Recreation	5,156	26	1	1,845	22	1

Source: Office for National Statistics

Non-response bias is a potential issue for all statistical surveys. Non-response bias occurs where the answers of respondents may have differed from the potential answers of non-responders. The risk of non-response bias is minimised by efforts to maximise response rates. Estimation techniques can attempt to correct for any bias that might be present. Despite this, it is not easy, on any survey, to quantify the extent to which non-response bias remains a problem. However, there is no evidence to suggest that non-response bias presents a particular issue for the International Trade in Services (ITIS) survey.

Imputation methods are used to estimate values for all businesses in the sample that did not return data. Estimation methods are used to estimate values for all non-sampled businesses within the population to produce an overall estimate for the population.

The response rate for the 2017 annual survey is shown in Table 2.

Table 2: International trade in services response rates, 2017
UK

2017 Results	
Sample size	16,452
Forms with response	14,251
Forms non response	2,201
Overall response rate (%)	87

Source: Office for National Statistics

Notes to tables

The tables present ITIS estimates through a variety of formats. Some tables compare figures over several years but the majority provide the most recent geographic information by industry or product. The tables provide information in as much detail as possible without disclosing the details of any individual companies. It is important to note that within the geographical tables, amounts are shown against the geographical area from which they were received, irrespective of where they were first earned.

The European Free Trade Association (EFTA) comprises Iceland, Liechtenstein, Norway and Switzerland. The sum of constituent items in tables may not always agree exactly with the totals shown due to rounding. The following symbols have been used throughout:

- “..” is used for figures suppressed to avoid disclosure of information relating to individual enterprises
- “-” is used for nil or less than half the final digit shown

Values shown are in current prices, which refer to the price at which the services were either bought or sold in the market.

Guidance on interpreting international trade in services statistics

The ITIS survey collects data relating to the amounts spent on both the imports and exports of UK businesses and collects geographical information as to where the services have either been imported from or exported to.

Types of transactions covered

Product

The statistical output from the ITIS survey covers the value of transactions between the UK and residents in other countries in respect of 52 products. The 2013 ITIS questionnaire was revised in accordance with new international regulations. A breakdown showing the services products collected up to 2012 and from 2013 onwards can be found in Table 3.

Table 3: International Trade in Services (ITIS) questionnaire codes, 2012 to 2013 onwards, UK

**Questionnaire breakdown
up to and including 2012**

01. Agricultural Services
02. Mining Services
03. Waste treatment and depollution
04. Other on-site processing services
05. Accountancy, auditing, bookkeeping and tax consulting services
06. Advertising
07. Management consulting
08. Public relations services
09. Recruitment and training
10. Other business management services (see 7)
11. Legal services
12. Market research and public opinion polling (see 6)
13. Operational leasing services
14. Procurement
15. Property management
16. Research & Development
17. Services between related enterprises
18. Other business and professional services
19. Postal and courier services
20. Telecommunication services
21. Computer services
22. News agency services
23. Publishing services
24. Other information provision services
25. Construction in the UK
26. Construction outside the UK
27. Financial services

Questionnaire breakdown 2013 onward

01. Agricultural, forestry and fishing services
02. Mining and oil gas extraction services
03. Waste treatment and depollution services
04. Manufacturing services on goods owned by others
05. Maintenance and repair services
06. Accountancy, auditing, bookkeeping and tax consulting services
07. Advertising, market research and public opinion polling services
08. Business management and management consulting services
09. Public relations services
10. Recruitment services
08. Business management and management consulting services
11. Legal services
07. Advertising, market research and public opinion polling services
12. Operating leasing services
13. Procurement services
14. Property management services
16. Provision of R&D services
17. Provision of product development and testing activities
51. Transactions between related businesses not included elsewhere
15. Other business and professional services
21. Postal and courier services
22. Telecommunication services
23. Computer services
25. News agency services
24. Publishing services
26. Information services
27. Construction in the UK
28. Construction outside the UK
29. Financial services

28. Auxilliary services	36. Auxilliary services
29. Claims	32. Freight insurance claims
30. Premiums	33. Freight insurance premiums
31. Claims	30. Life insurance claims
32. Premiums	31. Life insurance premiums
33. Claims	Removed
34. Premiums	Removed
35. Claims	34. Other direct insurance claims
36. Premiums	35. Other direct insurance premiums
No equivalent	37. Pension service receipts
No equivalent	38. Pension service charges
No equivalent	39. Standardised guarantee service claims
No equivalent	40. standardised guarantee service premiums
37. Merchanting	41. Merchanting
38. Other trade-related services	42. Other trade-related services
39. Audio-visual and related services	43. Audio-visual and related services
40. Health services	44. Health services
41. Training and educational services	45. Training and educational services
42. Other personal, cultural and recreational services	46. Heritage and recreational services
43. Use of franchise and similar rights fees	18b. Charges or payments for the use of the above, but without transfer of ownership
44. Other royalties and license fees	19b. Charges or payments for the use of the above, but without transfer of ownership
45. Purchases ans sales of franchises and similar rights	20b. Charges or payments for the use of the above, but without transfer of ownership
46. Purchases ans sales of other royalties and licenses	18a. Outright sales and purchases of the above, resulting in transfer of ownership
	19a. Outright sales and purchases of the above, resulting in transfer of ownership
	20a. Outright sales and purchases of the above, resulting in transfer of ownership
42. Other personal, cultural and recreational services	47. Social, domestic and other personal services
47. Architectural	48. Architectural services
48. Engineering	49. Engineering services
49. Surveying (see 50)	50. Scientific and other technical services (including surveying)
50. Other technical services (see 49)	

Source: Office for National Statistics

Industry

The industry analysis enables estimation for the total international transactions in services by economic classification for well-defined areas of the economy using Standard Industrial Classification (SIC) information. Data from 2009 in this publication have been published in [SIC 2007 classification](#), which is an internationally-recognised classification. This provides a framework for the collection, tabulation, presentation and analysis of data about economic activities. Prior to 2009, SIC 2003 classification was used.

Geographical

Both industry and product information are analysed geographically. The tables within this publication provide geographical breakdowns of countries to which UK services are exported to and from where services are imported to the UK. The definitions of the geographical groupings used in the tables can be found in the [International trade in services Quality and Methodology Information](#) report.

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 companies are asked to exclude from their earnings trade expenses such as the cost of services purchased and consumed abroad. Trade in services exports or imports that are invoices for the export or import of goods are excluded as they are already counted in the estimates for trade in goods.

The ITIS survey currently selects for the whole of the economy, with a number of exceptions, such as:

- travel
- transport
- banking and other financial institutions
- higher education
- charities
- most activities within the legal profession

Coverage

The figures for the European Union (EU) relate to the other 27 member states of the EU from 2013 onwards. Trade with EU institutions is also included in the EU totals and excluded from the international organisations totals. Please note that all tables in this publication only include data collected via the ITIS and [Annual Business Survey](#) surveys.

The film and television (FTV) industries are included in the published data from 2009 onwards. For 2008, FTV figures were collected via a separate survey and data were published in the [International transactions of the UK film and television industries statistical bulletin 2008](#).

The ITIS survey is just one component of trade in services (TIS) estimates. Data for TIS in this report are consistent with the UK Balance of Payments, which can be found in [Pink Book Chapter 3](#).

By analogy with trade in goods we refer to the type of service traded as a “product analysis” – the products being consistent with the sixth edition of the [Balance of Payments Manual](#). The second type of analysis is referred to as the “industry analysis” – covering well-defined areas of the economy.

Both types of tables, industry and product, have been analysed on a geographical basis by showing the countries to which services are exported and from where they are imported. Both of these types of analyses are preceded by geographical analysis of imports and exports of total international trade in services.

The industry analysis allows us to estimate the total international transactions in services for well-defined areas of the economy. It also tells us the exporting or importing country in relation to the UK.

Discussing business statistics online

There is a [Business and Trade Statistics](#) community on the [StatsUserNet](#) website. StatsUserNet is the Royal Statistical Society’s interactive site for users of official statistics. The community objectives are to promote dialogue and share information between users and producers of official business and trade statistics about the structure, content and performance of businesses within the UK. Anyone can join the discussions by registering via either of the previous links.