Article

International exports of services from subnational areas of Great Britain: 2016

Experimental estimated values of exports of services for 2016 for NUTS2 and NUTS3 geographies as well as 15 joint authorities of Great Britain.

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1 . Main points

- In 2016, the two NUTS3 areas of Camden and City of London (£35 billion) and Westminster (£25 billion) contributed almost a quarter (24%) of total Great Britain service exports.

- Of the joint authorities outside London, Greater Manchester Combined Authority had the largest service exports in 2016 with almost £7.5 billion; service exports by other joint authorities ranged between £0.9 billion from the Swansea Bay City Region and £6.7 billion from the Edinburgh and South East Scotland City Region.

- Financial services were an important category of service exports for the joint authorities, making up more than 18% of service exports in 12 of the 15 joint authorities analysed.

2 . Introduction

This article breaks down the Nomenclature of Territorial Units for Statistics (NUTS) NUTS1 level estimates of exports of services in our previous publication to the smaller NUTS3 geographies[1]. This article also investigates exports of services by "joint authority" geographies across Great Britain. The 15 joint authorities presented in this article include:

- the seven English Combined Authorities

- Greater London – split into Inner and Outer London

- the Mayoral authority of Sheffield City Region

- the Cardiff Capital Region

- the Swansea Bay City Region

- the Glasgow City Region

- the Aberdeen City Region

- the Edinburgh and South East Scotland City Region

The precise definitions of each of these joint authorities is presented in Appendix B. This publication does not cover geographies in Northern Ireland as data for Northern Ireland currently limit more granular analysis.

The NUTS3 level estimates are aggregates and do not include a "functional category" breakdown, as our previous publications did at the NUTS1 level. At the more granular NUTS3 level, a breakdown by category could potentially reveal confidential information regarding the estimated size of specific companies. In addition, we would expect the margin of error for estimates by category to be larger at this granular level compared with our previous NUTS1 estimates. However, we have included NUTS2 data broken down in eight functional categories. This is fewer than the 13 categories presented at the NUTS1 level as some categories had to be aggregated, again for reasons of confidentiality and reliability. The joint authority data are broken down in the same eight categories.

Our estimates of exports of services at the subnational level are broadly based upon the UK Balance of Payments, which presents the value of both goods and service exports, separately, from the UK to other countries.

Notes for: Introduction

1. The Nomenclature of Units for Territorial Statistics (NUTS) is a hierarchical classification of administrative areas, used across the EU for statistical purposes. There are 11 NUTS1 areas in Great Britain, which break down further into 40 NUTS2 areas, which in turn break down into 168 NUTS3 areas.

3 . Things you need to know about this release

In July 2016, we published the first estimated values of service exports from the Nomenclature of Territorial Units for Statistics (NUTS) NUTS1 level areas of the UK. That publication also explained the methodology used to calculate these experimental statistics and commentary on the initial set of results. The methodology used for this article is the same as used in the original publication, however, here we are analysing 2016 exports of services at smaller geographic levels, to add further insights into the composition of trade.

The methodology merges figures from the International Trade in Services survey (ITIS) with the Inter-Departmental Business Register (IDBR), allowing us to produce estimates for nine industries. Weighted returns from ITIS are allocated to the smallest constituent parts of a business (the "local unit") by merging with records in the IDBR, which are then summed to calculate the value of exports from each industry from each geographic breakdown. As this publication focuses on smaller geographies, some industries are too small to produce reliable and safe estimates at this level; therefore we aggregated some of the industries together to make four industry-based categories.

The methodology also uses the UK Balance of Payments (the Pink Book), the International Passenger Survey (IPS), the Business Register and Employment Survey (BRES) and parts of ITIS to produce estimates for four product-based categories, namely transport, travel, finance, and insurance and pension services. Broadly we use BRES numbers of employees to break estimates down from NUTS1 to NUTS3 level, with the addition of using IPS data for travel and some ITIS data for finance. This release therefore contains eight "functional categories" in total, four of which are based upon industries and four of which are based upon products. We aim to convert all estimates onto an industry basis in the near future.

4 . NUTS3 service exports

In 2016, total estimated service exports from Great Britain amounted to £251 billion, as presented in our previous publication. In Figure 1 we can see the distribution of exports of services from each NUTS3 area across the whole country. Of the 168 Nomenclature of Territorial Units for Statistics (NUTS) NUTS3 areas in Great Britain, almost half (79) exported less than £0.5 billion of services, and only 26 exported more than £2.0 billion of services. Please note that estimates of service exports at the NUTS3 level are presented in the aggregate only, as disaggregating by category would present both statistical and confidentiality challenges. However, estimates at the NUTS2 level are available disaggregated by category in the downloadable data table in this release.

Figure 1: Total value of exports of services by NUTS3, 2016

Download the data

Two NUTS3 areas, "Camden and City of London" and "Westminster", contributed almost a quarter (24%) of total Great Britain service exports between them. In Figure 1 we can see these two areas deviate from the vast majority of NUTS3 areas across Britain. Exports of services from NUTS3 areas in London were more widely distributed in terms of total value than seen in any other region.

Outside London, Berkshire had the highest exports of services of NUTS3 areas, with service exports over £7.7 billion, followed by some of the larger cities including Edinburgh (£5.3 billion), Manchester (£4.6 billion), and Aberdeen City and Aberdeenshire (£4.0 billion).

While the average (mean) value of service exports of all 168 NUTS3 areas in Great Britain was approximately £1.5 billion exports of services, if we exclude London then the average across the remaining 147 NUTS3 areas was £0.9 billion. Six NUTS3 areas exported less than £100 million according to our estimates:

- Blackburn with Darwen, and Blackpool (in the North West)

- Powys (in Wales)

- Na h-Eileanan Siar (Western Isles), Shetland Islands, and the Scottish Borders (in Scotland)

In contrast, only four NUTS3 areas were estimated to have exported more than £10 billion in services:

- Camden and City of London (£35 billion)

- Westminster (£25 billion)

- Tower Hamlets (£12 billion)

- Hounslow and Richmond upon Thames (£11 billion).

The NUTS3 breakdown also provides some new insights when looking into the composition of each NUTS1 area. The North West had the fourth highest service exports of the 11 Great Britain NUTS1 areas, with £18 billion, after London, the South East and Scotland. Manchester made up 25% of North West exports, while Liverpool made up 11%. Greater Manchester, which is five NUTS3 areas added together, created 42% of the North West's service exports. Greater Manchester is therefore an important driver of service exports from the North West. Similarly, in Yorkshire and The Humber, Leeds constituted 36% of service exports, and in Wales, Cardiff and Vale of Glamorgan exported 34% of Welsh service exports. The highest share of a NUTS1 total by a single NUTS3 area was held by Tyneside with 42% of the North East's service exports. The full list of highest contributing NUTS3 areas within each Great Britain NUTS1 region is presented in Table 1.

Table 1: Largest contributing NUTS3 to service exports from each Great Britain NUTS1, 2016

NUTS1 area	NUTS3 area	Value of service exports (£m)	Percentage of NUTS1 area
North East	UKC22 Tyneside	1,789	42%
North West	UKD33 Manchester	4,616	25%
Yorkshire and The Humber	UKE42 Leeds	2,783	36%
East Midlands	UKF24 West Northamptonshire	1,000	17%
West Midlands	UKG31 Birmingham	2,769	30%
East of England	UKH23 Hertfordshire	2,929	21%
London	UKI31 Camden and City of London	34,859	30%
South East	UKJ11 Berkshire	7,717	20%
South West	UKK13 Gloucestershire	2,608	23%
Wales	UKL22 Cardiff and Vale of Glamorgan	1,901	34%
Scotland	UKM75 City of Edinburgh	5,251	28%

Source: Office for National Statistics – UK Balance of Payments - The Pink Book; International Trade in Services

5 . Comparing service exports of joint authorities

In this section we investigate the exports of services from 15 City Regions and Combined Authorities across Great Britain, which we have collectively termed "joint authorities". The exact composition of these authorities is detailed in the Appendix.

Together the service exports of all 15 joint authorities contributed almost two-thirds (65%) of total GB service exports, although Inner London alone contributed 38% of total GB service exports. When looking at the eight functional categories in each joint authority, Inner London was the largest service exporter in six of the eight categories, only overshadowed by Outer London in transport, and in manufacturing by multiple other joint authorities. In terms of overall size, Inner London (£95 billion) was considerably larger than any other joint authority, with Outer London (£22 billion) being the next largest.

In Figure 2 we present the relative sizes and distributions of service exports from 13 joint authorities, excluding London because of its dominating size. Inner and Outer London data are presented separately in Figure 3. Greater Manchester Combined Authority was the largest non-London exporter of services, having exported £7.5 billion in 2016, followed by the Edinburgh and South East Scotland City Region which exported £6.7 billion of services. Exports of services from the remaining 11 joint authorities ranged from £0.9 billion from the Swansea Bay City Region to £5.6 billion from the West Midlands Combined Authority.

Figure 2: Exports of services from each joint authority by functional category, 2016

Download the data

Figure 3: Exports of services from each joint authority by functional category, 2016

The distribution of categories exported by Liverpool City Region Combined Authority was fairly evenly spread. Financial services were the largest category at 21.0% of Liverpool's £3 billion service exports, followed closely by transport services with 19.3%. Four categories exported more than 10% of the total each, leaving information and communication services being the smallest contributor providing 6.2% of Liverpool's service exports. Greater Manchester had a similar distribution, although manufacturing was a smaller proportion of Manchester's total at only 4.3%.

The other joint authorities, however, had distributions with a stronger focus on a few specific categories. Service exports from Sheffield City Region, for instance, were largely driven by financial service products, which constituted 40.0% of their total service exports. In fact, financial service exports were an important driver of service exports across most of the joint authorities, accounting for 18% or more of service exports from most joint authorities except for Outer London (8.3%), Cambridgeshire and Peterborough (6.1%), and Aberdeen City Region (3.0%).

Almost half of Aberdeen City Region's service exports were of real estate, professional, scientific and technical services (49.2%). Cambridgeshire and Peterborough's service exports also had a focus in real estate, professional, scientific and technical services (30.7%), but also in information and communication services (25.4%). These two categories together constituted more than half of Cambridgeshire and Peterborough's total service exports.

In most joint authorities, manufacturing services were less than 10% of their total service exports, except in Tees Valley where manufacturing contributed 36.5% to their service exports, and 27.0% in the Cardiff Capital Region Deal. Manufacturing was the largest category of exports for Tees Valley.

6 . Further developments

These estimates remain experimental as development work continues. In the coming months we intend to:

- convert the current functional categories onto a full industry basis

- ensure the service exports are fully consistent with the Pink Book and aligned with HM Revenue and Customs' (HMRC's) goods export statistics

- complete work on breakdown of service exports by country of destination

- create estimates of 2017 exports of services using all developments to-date

This continued development of estimates of service exports remains part of the [our Devolution programme][3], and also part of the UK trade development plan. The current aim is to create an ongoing publication containing all the breakdowns and consistencies listed previously before April 2020, with a view to the completed suite of subnational outputs becoming official statistics thereafter. Other developments, including alternative weighting methodologies and analysis of imports, may form part of our analysis but these topics depend upon resourcing and outputs of other programmes.

We welcome feedback from users through the statistical contact for this release, particularly suggestions toward improving the methodology or upon whether this approach meets user needs.

7 . Appendix A

Table 2: Functional categories used in analysis of NUTS3 service exports

Functional category	SIC07 section
Manufacturing	C
Transport[1]	-
Travel[1]	-
Information and communications	J
Real estate, professional, scientific and technical services	L, M
Financial[1]	-
Insurance and pension services[1]	-
Other	A, B, D, E, F, G, N, O, P, Q, R, S

Source: Office for National Statistics – UK Balance of Payments - The Pink Book; International Trade in Services

Notes

1. The categories shown above are UK Standard Industrial Classification 2007 (SIC07) sections used to analyse the ITIS and ABI data excepting the categories indicated by an asterisk (*) symbol which are compiled on a product basis from the Pink Book. Back to table

8 . Appendix B

Table 3: Definitions of joint authorities used in exports analysis based upon Local Authority geographies

Joint authority	Constituent Local Authorities
Aberdeen City Region	Aberdeen, Aberdeenshire
Cambridgeshire and Peterborough Combined Authority	Peterborough, Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire
Cardiff Capital Region	Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taff, Torfaen, Vale of Glamorgan
Edinburgh and South East Scotland City Region	Edinburgh, East Lothian, Mid Lothian, West Lothian, Fife, Scottish Borders
Glasgow City Region	Glasgow City, North Lanarkshire, South Lanarkshire, East Dunbartonshire, West Dunbartonshire, Renfrewshire, East Renfrewshire, Inverclyde
Greater Manchester Combined Authority	Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, Wigan
Liverpool City Region Combined Authority	Knowsley, Liverpool, St. Helens, Sefton, Wirral, Halton
North of Tyne Combined Authority	Newcastle-upon-Tyne, North Tyneside, Northumberland
Sheffield City Region	Barnsley, Doncaster, Rotherham, Sheffield
Swansea Bay City Region	Carmarthenshire, Neath Port Talbot, Pembrokeshire, Swansea
Tees Valley Combined Authority	Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton-on-Tees, Darlington
West of England Combined Authority	Bath and North East Somerset, City of Bristol, South Gloucestershire
West Midlands Combined Authority	Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, Wolverhampton
Inner London	Camden, City of London, Hammersmith and Fulham, Kensington and Chelsea, Wandsworth, Westminster, Hackney, Haringey, Islington, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets
Outer London	Bromley, Croydon, Kingston upon Thames, Merton, Sutton, Barnet, Brent, Ealing, Harrow, Hillingdon, Hounslow, Richmond upon Thames, Barking and Dagenham, Bexley, Enfield, Greenwich, Havering, Redbridge, Waltham Forest

Source: Office for National Statistics – UK Balance of Payments - The Pink Book; International Trade in Services

Table 4: Definitions of joint authorities used in exports analysis based upon NUTS3 geographies

Joint authority	Constituent NUTS3 areas
Aberdeen City Region	UKM50 (Aberdeen City and Aberdeenshire)
Cambridgeshire and Peterborough Combined Authority	UKH11 (East Derbyshire), UKH12 (Cambridgeshire CC)
Cardiff Capital Region	UKL15 (Central Valleys), UKL16 (Gwent Valleys), part of UKL17 (local authority Bridgend), UKL21 (Monmouthshire and Newport), UKL22 (Cardiff and Vale of Glamorgan)
Edinburgh and South East Scotland City Region	Part of UKM72 (local authority Fife), UKM73 (East Lothian and Mid Lothian), UKM75 (City of Edinburgh), UKM78 (West Lothian), UKM91 (Scottish Borders)
Glasgow City Region	Parts of UKM81 (local authorities West Dunbartonshire and East Dunbartonshire), UKM82 (Glasgow City), UKM83 (Inverclyde, East Renfrewshire, Renfrewshire), UKM84 (North Lanarkshire), UKM95 (South Lanarkshire)
Greater Manchester Combined Authority	UKD33 (Manchester), UKD34 (Greater Manchester South West), UKD35 (Greater Manchester South East), UKD36 (Greater Manchester North West), UKD37 (Greater Manchester North East)
Liverpool City Region Combined Authority	UKD71 (East Merseyside), UKD72 (Liverpool), UKD73 (Sefton), UKD74 (Wirral)
North of Tyne Combined Authority	UKC21 (Northumberland), part of UKC22 (local authorities Newcastle upon Tyne and North Tyneside)
Sheffield City Region	UKE31 (Barnsley, Doncaster, Rotherham), UKE32 (Sheffield)
Swansea Bay City Region	Parts of UKL14 (local authorities Carmarthenshire and Pembrokeshire), part of UKL17 (local authority Neath Port Talbot), UKL18 (Swansea)
Tees Valley Combined Authority	UKC11 (Hartlepool and Stockton-on-Tees), UKC12 (South Teesside), UKC13 (Darlington)
West Midlands Combined Authority	UKG31 (Birmingham), UKG32 (Solihull), UKG33 (Coventry), UKG36 (Dudley), UKG37 (Sandwell), UKG38 (Walsall), UKG39 (Wolverhampton)
West of England Combined Authority	UKK11 (Bristol), part of UKK12 (local authorities Bath and North East Somerset and South Gloucestershire)
Inner London	UKI31 (Camden and City of London), UKI32 (Westminster), UKI33 (Kensington & Chelsea and Hammersmith & Fulham), UKI34 (Wandsworth), UKI41 (Hackney and Newham), UKI42 (Tower Hamlets), UKI43 (Haringey and Islington), UKI44 (Lewisham and Southwark), UKI45 (Lambeth)
Outer London	UKI51 (Bexley and Greenwich), UKI52 (Barking & Dagenham and Havering), UKI53 (Redbridge and Waltham Forest), UKI54 (Enfield), UKI61 (Bromley), UKI62 (Croydon), UKI63 (Merton, Kingston upon Thames and Sutton), UKI71 (Barnet), UKI72 (Brent), UKI73 (Ealing), UKI74 (Harrow and Hillingdon), UKI75 (Hounslow and Richmond upon Thames)