

Statistical bulletin

# International trade in services, UK: 2018

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



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# 1 . Main points

- The total UK trade in services surplus (excluding travel, transport and banking) widened to £93.2 billion in 2018; this was an increase of 11.7% from 2017.
- Total UK exports of services (excluding travel, transport and banking) rose by 14.3% in 2018 to £185.3 billion; imports of services increased by 17.0% to £92.1 billion.
- By region, Europe continued to be the largest export and import markets of UK businesses in 2018, accounting for 51.4% and 56.2% respectively.
- Financial services continued to be the largest service product exported globally, with £21.7 billion worth exported by UK businesses (excluding travel, transport and banking industries) in 2018.

# 2 . Things you need to know about this release

The 2018 International trade in services (ITIS) bulletin 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 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. Any reference to trade in services within this bulletin therefore means services excluding travel, transport and banking.

Estimates for the overall level of trade in services, including these industries, are published in our annual [Pink Book](#), monthly [UK trade](#) publications, and quarterly [UK trade in services by partner country](#) publications.

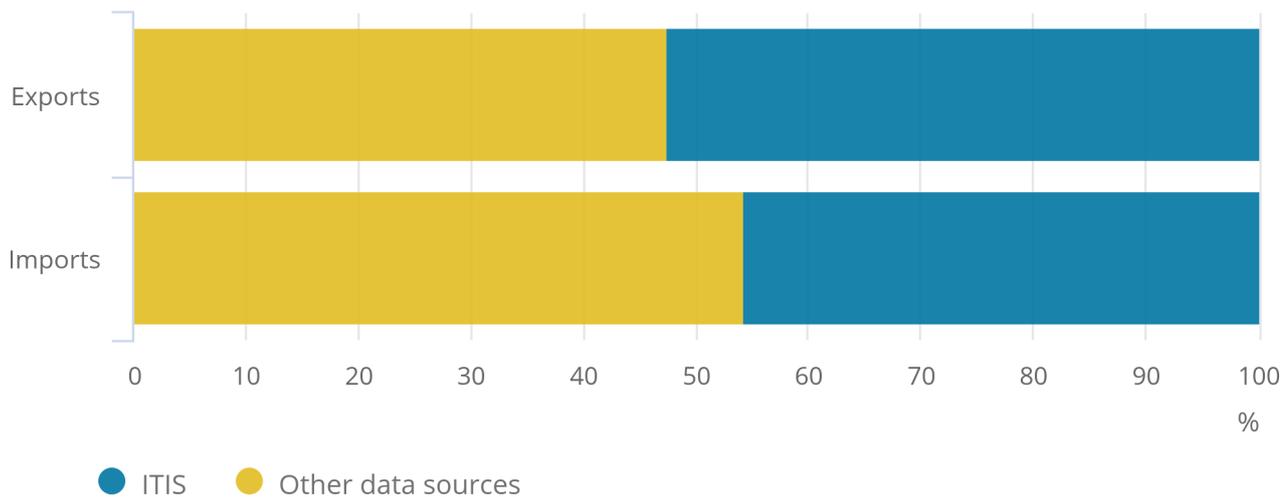
Comparing the ITIS Survey data with the annual estimates of total trade in services published in Pink Book 2019, ITIS contributed approximately 52.6% and 45.7% respectively of the total trade in services export and import estimates for the UK in 2018 (Figure 1).

**Figure 1: International trade in services contributed 52.6% of the total trade in services export estimates in 2018**

Percentage contribution of Trade in Services Survey to total trade in services, UK, 2018

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Percentage contribution of Trade in Services Survey to total trade in services, UK, 2018



**Source: Office for National Statistics – International Trade in Services Survey**

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 means that these estimates only capture part of UK trade in financial services. Reported trade for the “financial services” industries only capture 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 . The total UK trade in services surplus increased in 2018

The UK has run a trade in services balance (excluding travel, transport and banking) surplus for many years, where the value of UK exports has exceeded the value of UK imports. The services surplus widened 11.7% in 2018, from £83.4 billion in 2017 to £93.2 billion.

UK exports of services continued to follow an upward trend in 2018, increasing £23.2 billion, or 14.3%, from £162.1 billion in 2017 to £185.3 billion

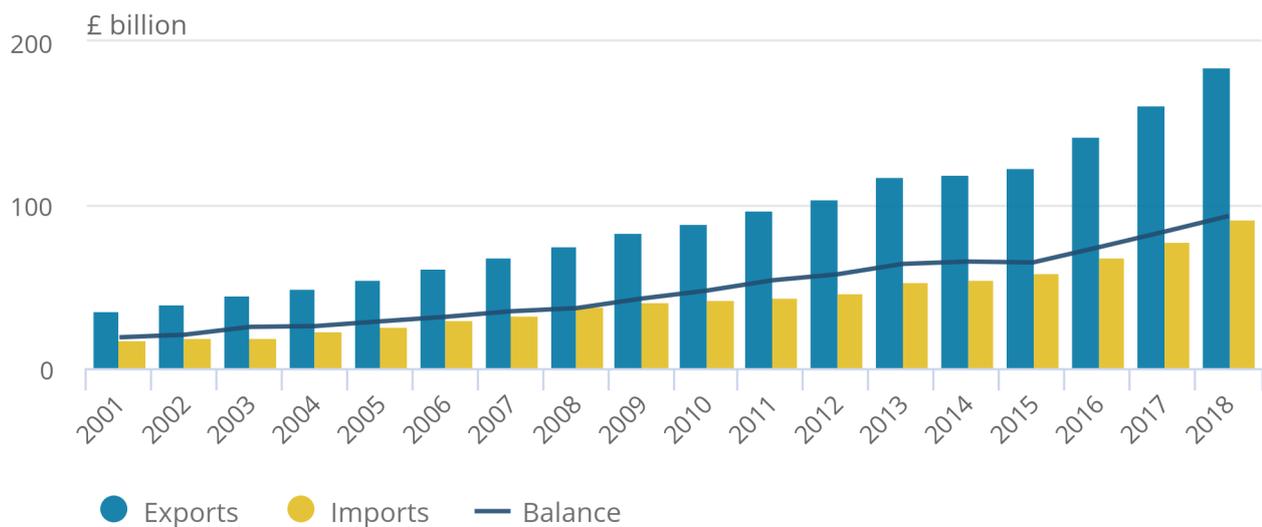
UK imports of services also continued to rise, increasing by £13.4 billion, or 17.0%, from £78.7 billion in 2017 to £92.1 billion in 2018.

**Figure 2: The trade in services surplus continued to widen in 2018**

Total trade in services (excluding travel, transport and banking), 2001 to 2018

Figure 2: The trade in services surplus continued to widen in 2018

Total trade in services (excluding travel, transport and banking), 2001 to 2018



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 Europe continued to drive trade growth in 2018

Europe has traditionally been a major destination for UK exports of services (excluding travel, transport and banking). This trend continued in 2018, with UK services exports to Europe accounting for 51.4% of the total.

UK exports of services to Europe increased by 17.6% in 2018, from £80.9 billion in 2017 to £95.2 billion. This was driven by increases in UK service exports to the EU, which increased by £10.1 billion to £72.6 billion, largely because of increased exports to Ireland, Sweden, the Netherlands, and Austria.

By geographical region, the Americas continued to be the second-largest destination for UK services exports in 2018, accounting for 27.8% of the overall total. Exports to the Americas increased by 12.3% in 2018, from £45.9 billion in 2017 to £51.5 billion. The United States (US) was the largest contributor to this increase, rising by £5.2 billion to £43.4 billion.

Europe also continued to be a major source of UK service imports in 2018, accounting for 56.2% of the overall total. Imports from the continent increased by 26.3% from £41.0 billion in 2017 to £51.8 billion. This was driven by increased service imports from the EU, which increased by £9.2 billion to £43.2 billion. Ireland, Sweden and France were the largest contributors to this increase.

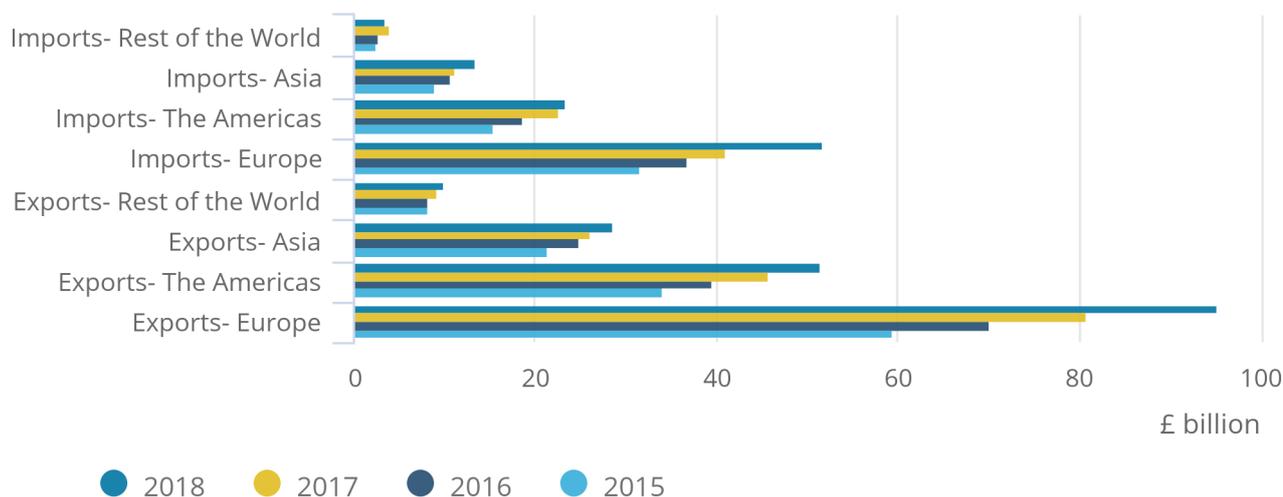
The Americas remained the second-largest regional source for UK service imports in 2018, accounting for 25.3% of the total. Imports from the region increased by 2.7% from £22.7 billion in 2017 to £23.3 billion. The increase was largely driven by a rise in service imports from the US, which grew by £1.3 billion to £21.0 billion.

### Figure 3: UK trade in services with Europe continued to drive trade growth in 2018

UK trade in services (excluding travel, transport and banking) by continent, 2012 to 2018

## Figure 3: UK trade in services with Europe continued to drive trade growth in 2018

UK trade in services (excluding travel, transport and banking) by continent, 2012 to 2018



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. Financial services was the largest UK service export in 2018

### UK exports of services by product

Financial services continued to be the single largest service product exported from the UK. UK exports of financial services have been increasing annually since 2014; this trend continued in 2018 with exports increasing by 8.6% from £20.0 billion in 2017 to £21.7 billion.

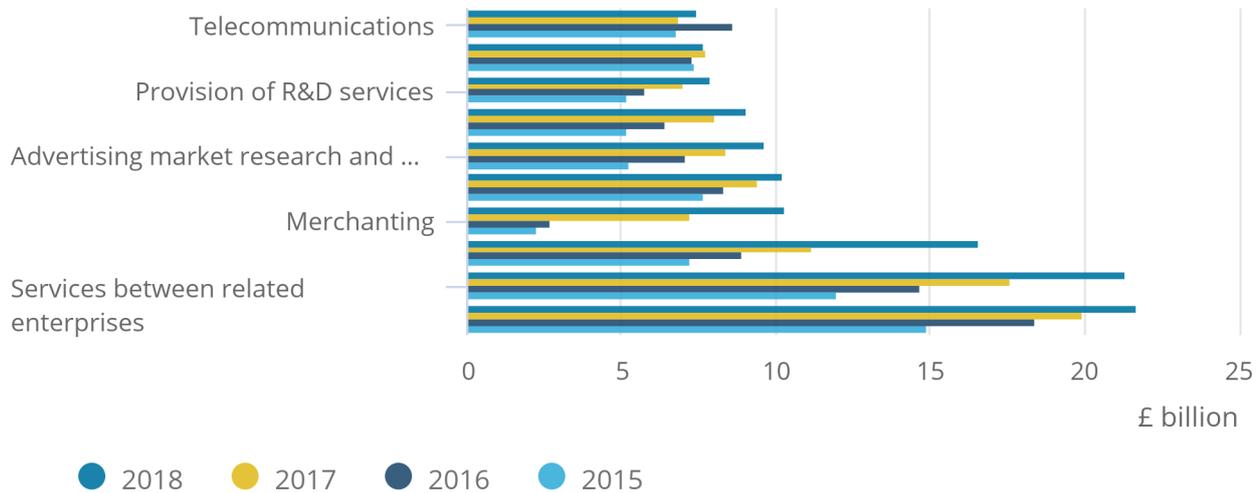
Though financial services was the largest service type exported, UK exports of business management, and management consulting services showed the largest product level growth in 2018, increasing by 48.8% from £11.1 billion in 2017 to £16.6 billion.

## Figure 4: Financial services was the largest UK service export in 2018

Top 10, UK trade in services (excluding travel, transport and banking) exports by product, 2018

### Figure 4: Financial services was the largest UK service export in 2018

Top 10, UK trade in services (excluding travel, transport and banking) exports by product, 2018



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

Services between related enterprises (services between businesses within the same group, for example parent companies, branches, associates, subsidiaries or affiliates) remains the single largest service product imported to the UK in 2018, with imports steadily increasing annually. In 2018, imports of this service product increased 19.4%, from £14.1 billion in 2017 to £16.8 billion.

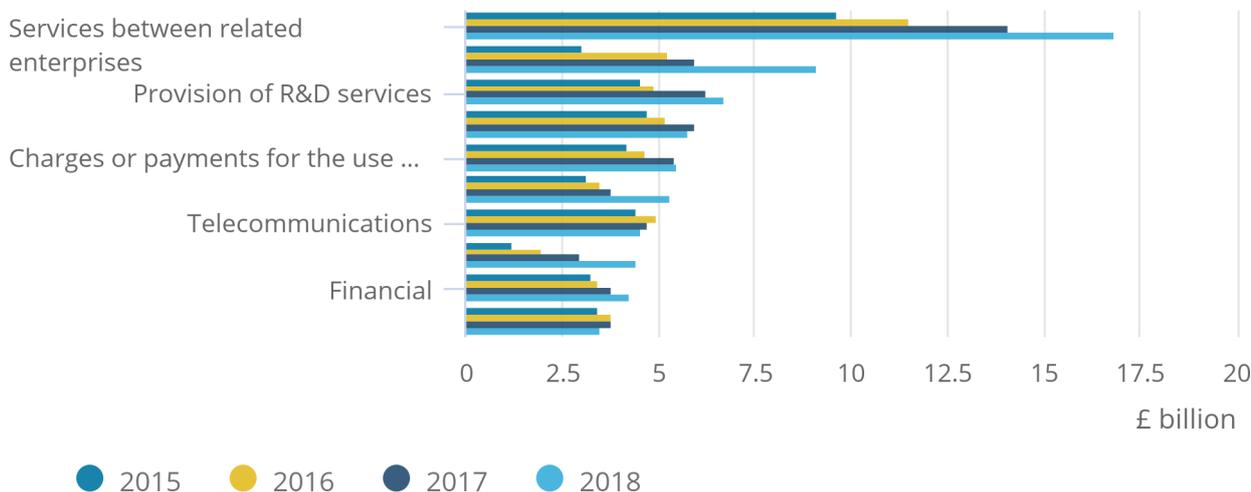
Business management, and management consulting services was the second-largest service product imported to the UK in 2018, as well as having the largest year-on-year increase, rising by 53.3% from £5.9 billion in 2017 to £9.1 billion in 2018.

**Figure 5: Services between related enterprises was the largest UK service import in 2018**

Top 10 UK trade in services (excluding travel, transport and banking) imports by product, 2018

**Figure 5: Services between related enterprises was the largest UK service import in 2018**

Top 10 UK trade in services (excluding travel, transport and banking) imports by product, 2018



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 . UK exports and imports of services were dominated by the professional, scientific & technical activities, and information & communication industries in 2018**

**UK exports of services by industry**

The professional, scientific and technical activities, and information and communication industries continued to be the dominant industries responsible for exporting services (excluding travel, transport and banking) in 2018. These industries accounted for a combined 54.8% of UK services exports.

Exports by the professional, scientific and technical activities industries increased by 20.0%, from £45.0 billion in 2017 to £54.0 billion in 2018. This was driven by increased exports of legal services, which rose £1.5 billion to £6.6 billion, and business management and management consulting services, which grew by £1.1 billion to £5.9 billion.

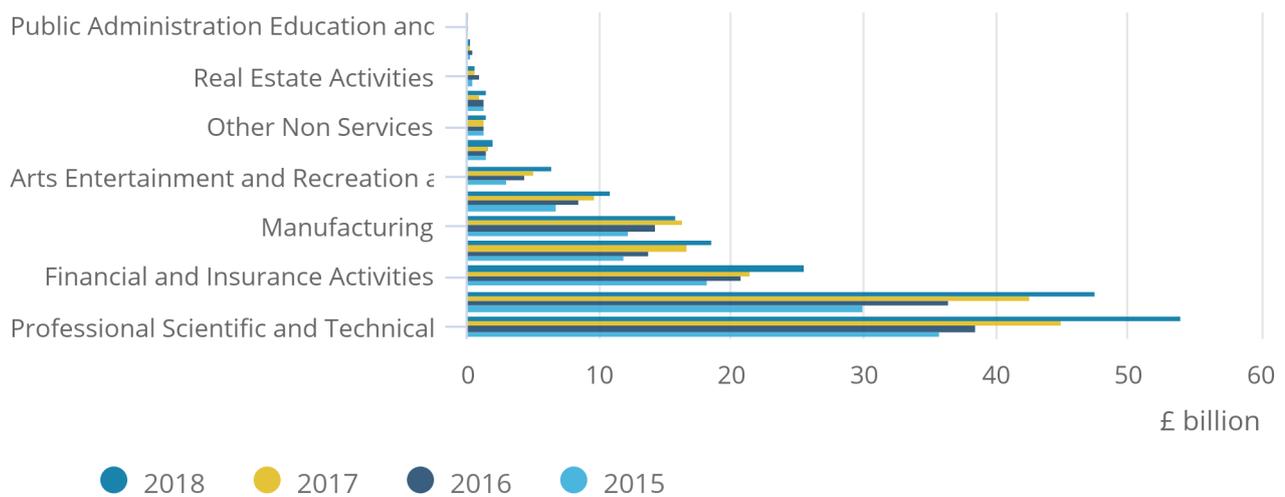
Service exports by the information and communication industry increased 11.3% from £42.7 billion in 2017 to £47.5 billion in 2018. Exports of business management and management consulting services saw the largest year-on-year growth within the industry from £3.3 billion in 2017 to £5.2 billion.

**Figure 6: Professional, scientific and technical activities was the dominant industry in exports in 2018**

UK trade in services (excluding travel, transport and banking) exports by industry, 2018

Figure 6: Professional, scientific and technical activities was the dominant industry in exports in 2018

UK trade in services (excluding travel, transport and banking) exports by industry, 2018



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, and professional, scientific and technical activities industries continued to be the dominant industries for services imports (excluding travel, transport and banking) in 2018. These industries accounted for a combined 55.0% of total UK imports of services.

Imports by the information and communication industry increased by 11.1% from £25.1 billion in 2017 to £27.9 billion in 2018. This was driven by increased imports of services between related enterprises, which rose £0.7 billion to £6.4 billion, and advertising, market research and public opinion polling services, which grew by £0.6 billion to £1.6 billion.

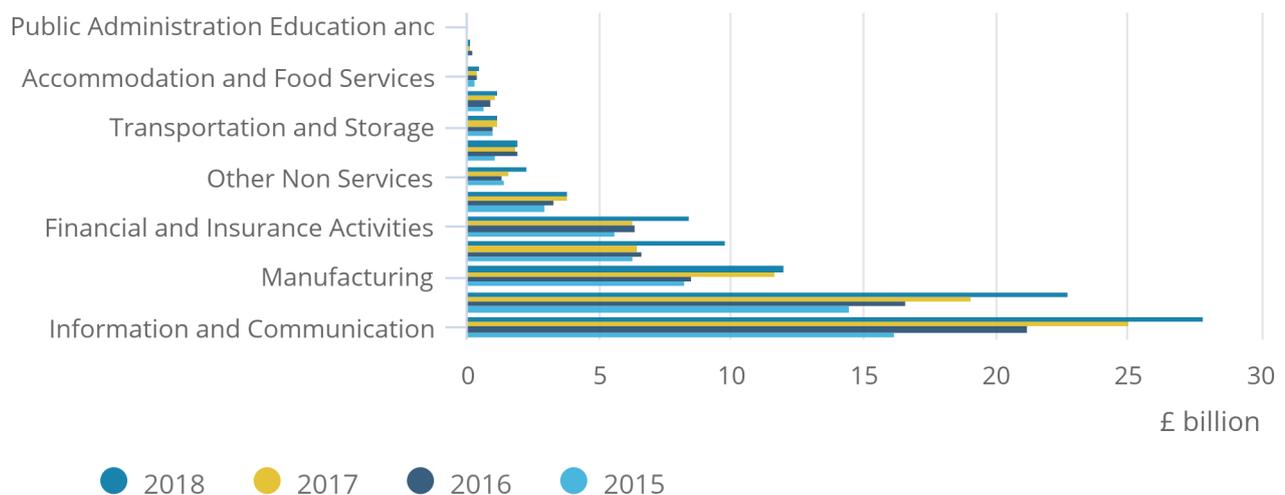
Imports of services by the professional, scientific and technical activities industry increased by 19.6% from £19.0 billion in 2017 to £22.8 billion. The increase was largely driven by business management & management consulting services, which rose £1.1 billion to £3.0 billion, and services between related enterprises, which grew by £0.8 billion to £3.2 billion.

**Figure 7: Professional, scientific and technical activities was the dominant industry in imports in 2018**

UK trade in services (excluding travel, transport and banking) imports by industry, 2018

Figure 7: Professional, scientific and technical activities was the dominant industry in imports in 2018

UK trade in services (excluding travel, transport and banking) imports by industry, 2018



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:

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

## Accuracy

Sample surveys are used instead of censuses because the process of conducting a census would be too lengthy and costly to be viable. When observing a sample instead of a whole population, sampling error can be introduced. While each sample is designed to produce the most accurate estimate of the true population value, a number of equal-sized samples covering the population would generally produce varying population estimates. 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, allowing the standard error to be put in context.

Table 1: Standard errors, 2018

Industries	Exports			Imports		
	Estimate (£ million)	Standard error (£ million)	Relative Standard error (%)	Estimate (£ million)	Standard error (£ million)	Relative Standard error (%)
Total ITIS	185,301	4,388	2	92,108	1764	2
Manufacturing	15,806	156	1	12,036	128	1
Wholesale and Retail	18,664	1524	8	9,803	1244	13
Information and Communication	47,512	1130	2	27,862	699	3
Professional, Scientific and Technical	53,968	3516	7	22,779	605	3
Administrative and Support Services	10,932	983	9	3,874	599	15
Arts, Entertainment and Recreation	6,470	66	1	1,956	43	2

Source: Office for National Statistics

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.

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 attend 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 an 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 2018 annual survey is shown in Table 2.

Table 2: International trade in services response rates, 2018  
UK

<b>2018 Results</b>	
Sample size	16,759
Forms with response	14,369
Forms non response	2,390
Overall response rate (%)	86

#### Notes to tables

The tables presented in this bulletin estimate international trade in services (excluding travel, transport and banking) through a variety of formats. Some tables compare figures over several years but the majority provide the most recent geographical 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 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 information relating to individual companies
- “-” is used for nil or less than £500,000

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.



**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 recretional 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)	
51. Other trade in services	52. Other trade in services

## Industry

The industry information 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](#), 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 was used.

## Geography

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

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 affect the UK's Balance of Payments; 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 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 Survey and [Annual Business Survey](#).

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 the [Pink Book](#).

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.