

Article

# Recent trends in UK trade volumes and balances: 2010 to 2023

Analysis of recent trends in UK trade volumes and balances.

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# 1 . Main points

- UK trade trends have been volatile over recent years following a range of overlapping economic and trade shocks.
- UK export growth has become increasingly dominated by services since 2010, with goods exports increasing by just 7% in real terms, compared with services exports growing by 63% over the same period.
- Most goods commodities have seen falls in exports but rises in imports since 2010; in contrast, most service types have seen an increase in both exports and imports.
- Most goods commodities have seen falling exports to EU countries and increased exports to non-EU countries; however, most service types have seen higher exports to both the EU and non-EU countries.
- The UK has consistently reported a trade deficit overall with EU countries and trade surpluses with non-EU countries.

Please note that all trade figures exclude non-monetary gold (NMG) and other precious metals unless otherwise stated. This is because movements in NMG, an important component of precious metals, can be large and highly volatile, distorting underlying trends in goods exports and imports.

## 2 . Impacts on the UK economy

Developments in UK international trade flows have been an important interest for policymakers over recent years as a series of shocks have affected the UK economy. These include changing trade arrangements with the European Union, the local and global effects of the coronavirus (COVID-19) pandemic, global supply chain disruption, and a European energy crisis. More recently, there has been interest in the potential impacts of trade disruption in the Middle East. There have also been cyclical and structural changes in global trade flows in the period after the 2008 global financial crisis.

The impacts of these large economic shocks are complex. Our focus in this article is how trade flows have evolved in the period since the global financial crisis to better understand how the UK's external position with the rest of the world has changed. We focus on trade volumes (inflation-adjusted values), alongside values (current prices), as this shows how much the quantity of goods and services being traded has changed, without the distorting effects of recent high energy prices and inflation.

It should be noted that HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.

### 3 . Recent trends in UK exports and imports

The total volume – or inflation-adjusted value – of UK exports has seen considerable volatility in recent years. This includes stockpiling effects in response to uncertainty around the UK leaving the European Union through 2019 (as shown in our [Recent trends in the international trade flows of G7 economies article](#)) and the effects of the coronavirus (COVID-19) pandemic in 2020 and 2021, as well as the structural break in data collection following Brexit.

We have compared the performance of goods and services exports over the last 14 years. Goods exports, excluding precious metals, have yet to return to their 2018 levels in real terms, and have been broadly flat in recent years. By contrast, services exports surpassed their pre-pandemic peak in late 2021 and have continued to grow.

Figure 1 shows how exports and imports of goods and services have evolved since 2010 in both current prices and chained volume measures (which adjusts values to account for inflation). In current prices, goods exports have increased by 48% over this period, while there has been a 7% increase in volume terms. In contrast, services exports have increased by 147% over these 14 years in current prices and by 63% in volume terms. This price effect has been particularly pronounced in recent years as inflationary pressure has driven current price measures of trade higher, relative to trade volumes. There are similar trends in the value and volume of UK imports. The value and volume of imports has grown more than exports for both goods and services since 2010.

#### **Figure 1: Exports and imports have grown more in current prices than volume terms for both goods and services**

**UK exports and imports index, chained volume measure and current prices, seasonally adjusted, Quarter 1 2010 to Quarter 4 2023, Quarter 1 2010 = 100**

##### **Notes:**

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.

Figure 2 shows the annual changes in goods and services exports and imports in inflation-adjusted terms over this period. Goods exports increased by 2.6% per year on average from 2010 to 2019, while services exports increased by 3.8% per year over the same period. Services exports have also performed relatively more strongly since 2021. There has also been stronger import growth for services than for goods, while the growth in imports for goods and services has been higher than that for exports. Goods imports increased by 3.4% per year on average between 2010 and 2019, and services imports increased 5.1% per year over the same period.

#### **Figure 2: Services exports and imports have outpaced goods since 2010**

**Annual percentage change in export and import volumes, seasonally adjusted, UK, 2010 to 2023**

##### **Notes:**

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.

Looking at the split between trade with the European Union (EU) and with non-EU countries, we can see a divergence relating to goods. Exports to both the EU and non-EU countries have been volatile since 2019 but, looking between 2010 and 2018, exports to non-EU countries grew at a faster pace than exports to EU countries (Figure 3). This was not the case for imports. Since 2013 the growth in goods imports from the EU has outpaced those from non-EU countries.

### **Figure 3: Export growth of goods to non-EU countries have outpaced that to EU countries**

**UK goods excluding precious metals exports and imports index, EU and non-EU, chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023, Quarter 1 2010 = 100**

#### **Notes:**

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.

For services, growth in trade with the EU and non-EU countries looked very similar before the pandemic, with exports to both rising by around 40% between 2010 and 2018. During the pandemic, EU exports fell by more than non-EU exports, but both have since resumed a similar pattern. The same is true for service imports, with both EU and non-EU imports increasing in real terms by around 60% between 2010 and 2018, before diverging during the pandemic.

### **Figure 4: Services exports have followed similar patterns for EU and non-EU countries but imports have diverged more**

**UK services exports and imports index, EU and non-EU, chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023, Quarter 1 2010 = 100**

## **4 . Trade balances with the EU and the rest of the world**

The trade balance shows the exports of goods and services net of the imports of goods and services. The UK's trade balance has widened from 0.2% of GDP in Quarter 1 (Jan to Mar) 2010 to negative 2.2% in Quarter 4 (Oct to Dec) 2023. However, this reflects a contrasting trade performance for EU and non-EU countries. The difference between the UK's trade balance with EU and with non-EU countries has widened over the period, albeit with considerable volatility during the coronavirus (COVID-19) pandemic period of 2020 and 2021. Recent volatility may also partly reflect data collection changes. The UK's EU trade deficit has fallen from negative 1.1% of GDP in Quarter 1 2010 to negative 4.5% in Quarter 4 2023. In contrast, the UK's non-EU trade surplus has risen from 1.3% of GDP in Quarter 1 2010 to 2.3% in Quarter 4 2023.

### **Figure 5: The UK's trade balance as a percentage of GDP has widened by around 2% since 2010**

**Trade balances as a percentage of GDP, EU and non-EU, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023**

#### **Notes:**

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.

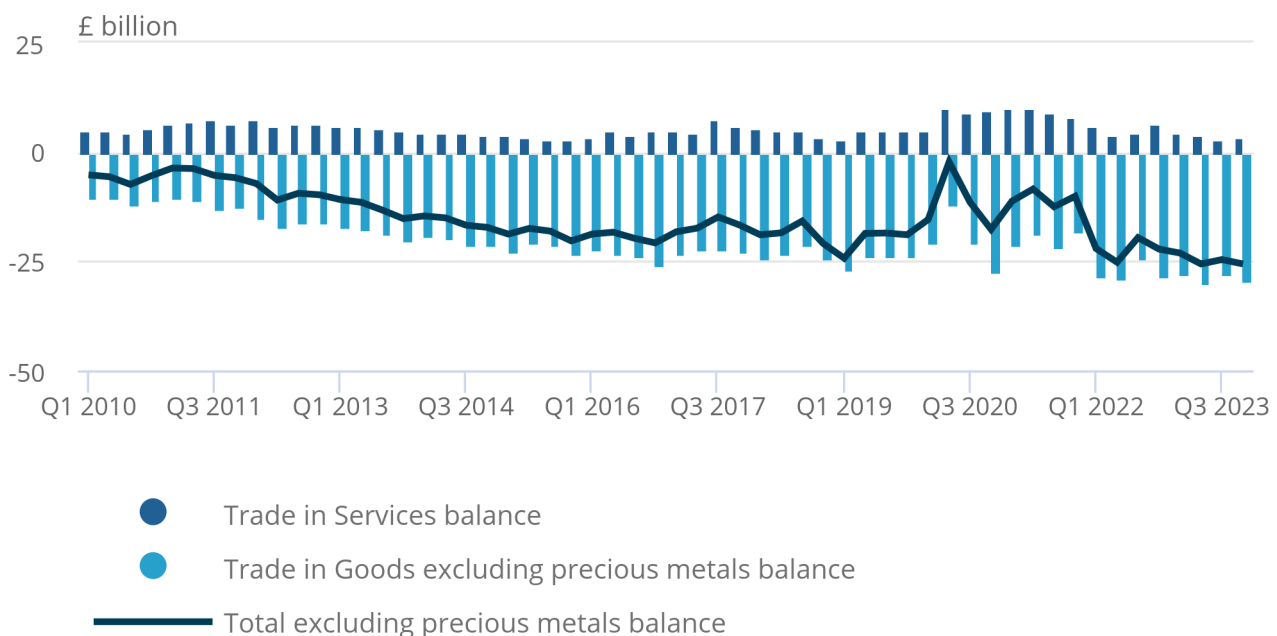
Figure 6 shows that the UK has consistently run a trade deficit with the EU, where we import more from EU countries than we export to them. This is driven by a goods deficit, which is only partly offset by a services surplus. For goods, this reflects a rise in the volumes of imports from the EU while the volume of UK exports has remained at similar levels across the period. For services, import and export volumes have followed similar trends, but imports have been increasing at a faster rate than exports since the pandemic. After narrowing markedly during the pandemic period, the UK's trade deficit with the EU appears to have resumed its previous pattern of gradual widening seen over the previous decade.

**Figure 6: The UK's falling trade balance with the EU is driven by a goods deficit**

UK trade balances with EU, chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023, £ billion

Figure 6: The UK's falling trade balance with the EU is driven by a goods deficit

UK trade balances with EU, chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023, £ billion



Source: Quarterly National Accounts and Trade data from the Office for National Statistics

Notes:

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.

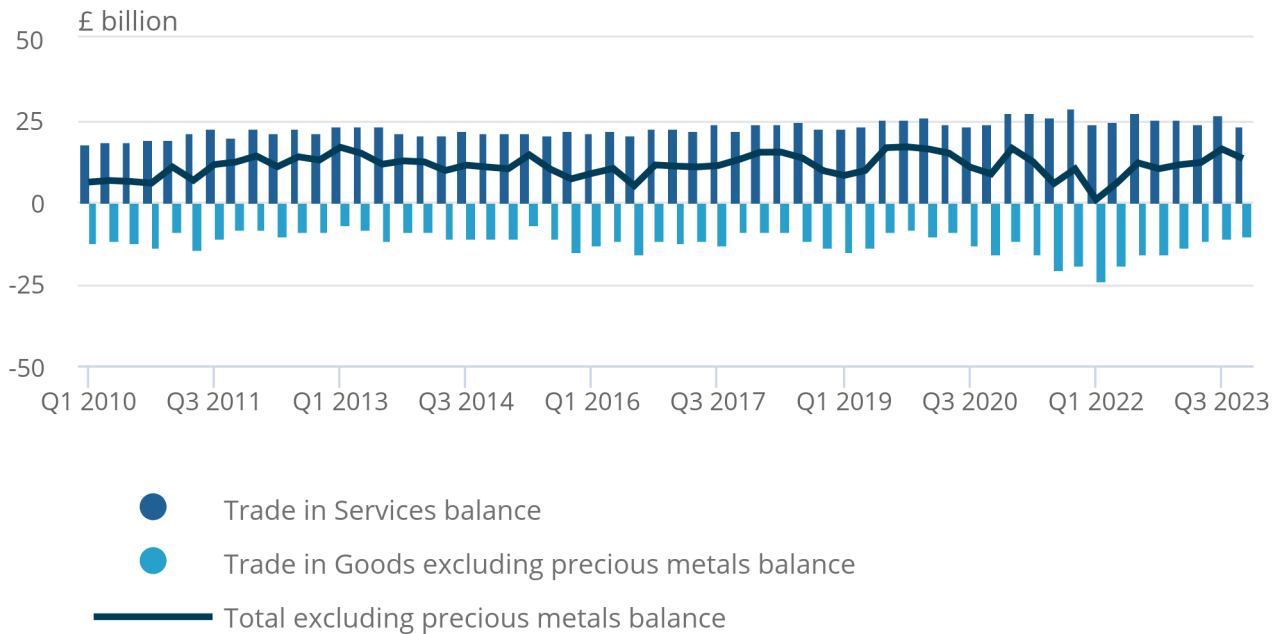
In contrast, the UK has run a trade surplus with non-EU countries over the same period. For services, export volumes have consistently been around double the volume of imports. The volume of imports and exports for goods has been fairly stable for most of the period but, since early 2022, the volume of imports has fallen back, increasing the overall trade surplus.

## Figure 7: The UK has consistently posted trade surpluses with non-EU countries

UK trade balances with non-EU countries, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023, £ billion

### Figure 7: The UK has consistently posted trade surpluses with non-EU countries

UK trade balances with non-EU countries, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023, £ billion



Source: Quarterly National Accounts and Trade data from the Office for National Statistics

#### Notes:

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.

## 5 . Inflation-adjusted goods exports by commodity

There is considerable variation in trends by commodity. Between Quarter 1 (Jan to Mar) 2010 and Quarter 4 (Oct to Dec) 2023 the annual growth rate of goods exports, excluding precious metals, was around 0.5% with three commodities having positive annual growth, five having negative growth and one having no growth.

Machinery and transport equipment exports had the highest annual growth rate over the period at 2.5% while fuels had the largest fall at negative 3.3%. This likely reflects a substantial impact from the energy crisis following the Russian invasion of Ukraine in 2022 as the volume of fuel exports has fallen considerably since. From 2010 to 2019 the annual growth for fuel was 1.4%, but from 2022 to 2023 the rate was negative 20.1%, a very unusually large fall in just one year.

Imports have seen a consistently positive annual growth rate over the period with only material manufactures seeing a small negative growth rate.

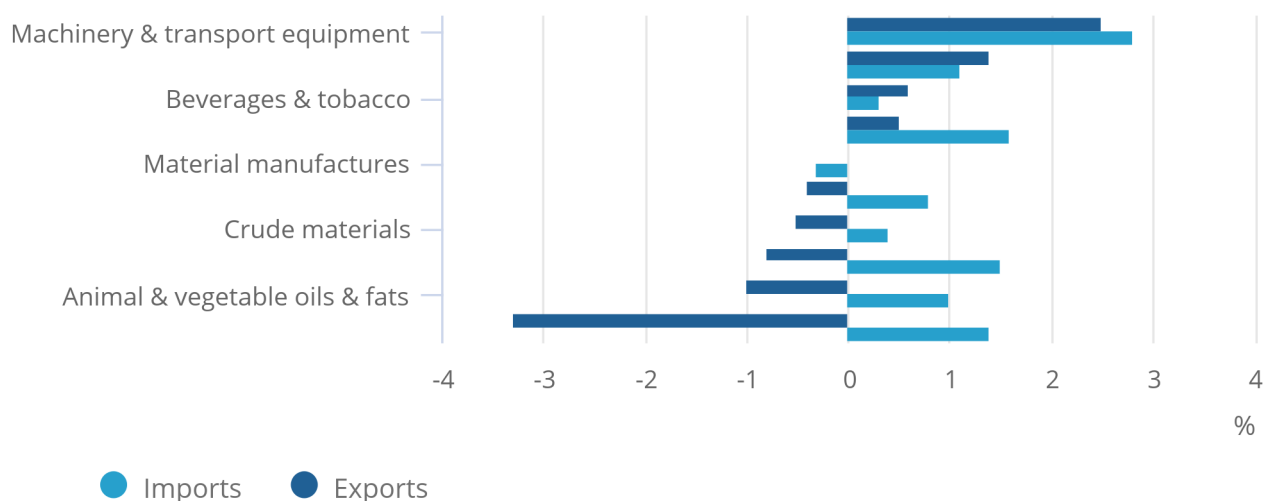


## Figure 8: Most goods commodities have seen falls in exports but rises in imports since 2010

Compound annual growth rate by commodity type, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023

### Figure 8: Most goods commodities have seen falls in exports but rises in imports since 2010

Compound annual growth rate by commodity type, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023



Source: Trade data from the Office for National Statistics

#### Notes:

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.
2. SITC 9 Unspecified goods removed because of volatility.
3. This chart shows compound annual growth rates (CAGR), which smooths out the volatile nature of annual growth rates by taking an average over several years. Our chosen approach uses a period from Quarter 1 2010 to Quarter 4 2023.

Figure 9 shows the annual growth rate between 2010 and 2023 to the EU and to non-EU countries for each goods category. The picture is quite varied but only one commodity, machinery and transport equipment, has seen higher exports to both the EU and non-EU countries. Two others – fuels and miscellaneous manufactures – have seen lower exports to both, while the rest have seen a split with exports to the EU falling and exports to non-EU countries increasing in real terms.

## Figure 9: Goods export growth has varied considerably between EU and non-EU countries since 2010

Compound annual growth rate of goods exports by commodity, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023

**Notes:**

1. HM Revenue and Customs (HMRC) data collection changes following Brexit have affected statistics on UK trade in goods with the EU, resulting in a structural break from January 2021. Our [Impact of trade in goods data collection changes on UK trade statistics articles](#) provide more detail.
2. SITC 9 Unspecified goods removed because of volatility.
3. This chart shows compound annual growth rates (CAGR), which smooths out the volatile nature of annual growth rates by taking an average over several years. Our chosen approach uses a period from Quarter 1 2010 to Quarter 4 2023.

Exports of food and live animals have seen a substantial difference in trends between EU and non-EU exports over the period. This is primarily driven by a rise in non-EU exports, which have steadily increased and roughly doubled in real terms since Quarter 1 2010. Exports to EU countries rose by around 34% between Quarter 1 2010 and Quarter 1 2019 but have since fallen back to be roughly the same as their Quarter 1 2010 volume, but still remain higher than non-EU exports in absolute terms.

There has been a fall in fuels exports to both EU and non-EU countries but the picture varies between the two. While both have seen a considerable fall in exports recently, for EU exports this continues a broadly downward trend since 2010, whereas non-EU exports of fuels almost doubled between Quarter 1 2010 and Quarter 2 (Apr to Jun) 2017 but have fallen by almost two-thirds since Quarter 3 2019.

## 6 . Inflation-adjusted services exports by type

For services exports, the majority of service types have had a positive annual growth rate since Quarter 1 (Jan to Mar) 2010, with only transport, financial services and government services (n.i.e.) seeing a fall over the period. The largest growth in exports was for construction services and telecoms, computer and information services. In total, services exports had an annual growth rate of over 3%, compared with only around 0.5% for goods.

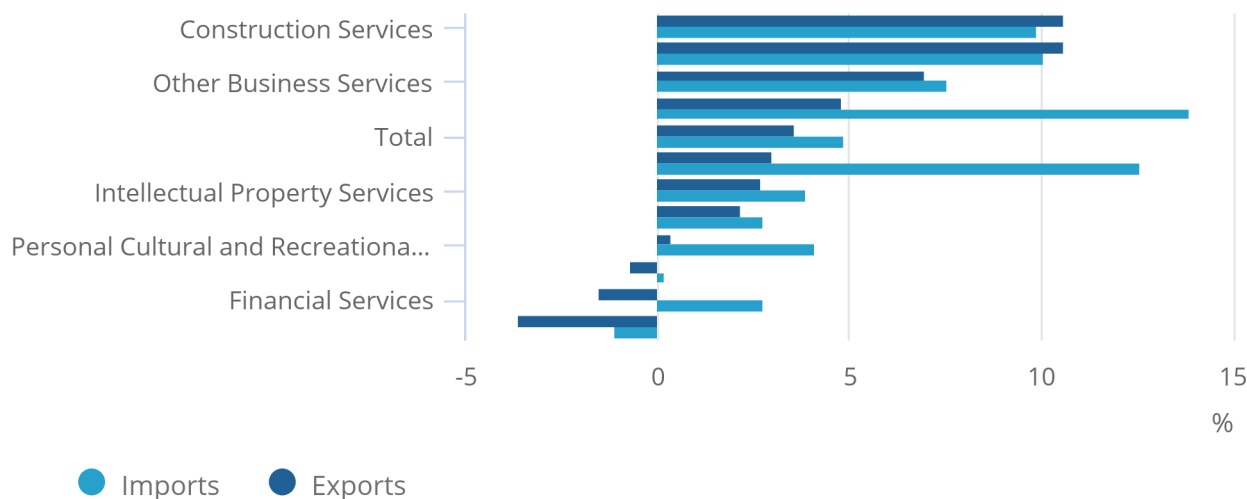
Imports of most service types grew over the period, with only government services (n.i.e.) seeing a fall.

**Figure 10: Most services have seen an increase in both exports and imports since 2010**

Compound annual growth rate by service type, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023

Figure 10: Most services have seen an increase in both exports and imports since 2010

Compound annual growth rate by service type, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023



Source: Trade data from the Office for National Statistics

Notes:

1. This chart shows compound annual growth rates (CAGR), which smooths out the volatile nature of annual growth rates by taking an average over several years. Our chosen approach uses a period from Quarter 1 2010 to Quarter 4 2023.

The majority of service types have increased exports to both the EU and non-EU countries since 2010. Only financial services and government services (n.i.e.) saw exports decrease to both the EU and non-EU countries while two commodities – transport and personal, cultural and recreational services – saw a split with decreasing exports to the EU and increasing exports to non-EU countries.

## Figure 11: Most service types have higher exports in 2023 than in 2010 for both EU and non-EU countries

Compound annual growth rate of services exports by service type, chained volume measures, seasonally adjusted, UK, Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2023

### Notes:

1. This chart shows compound annual growth rates (CAGR), which smooths out the volatile nature of annual growth rates by taking an average over several years. Our chosen approach uses a period from Quarter 1 2010 to Quarter 4 2023.

## 7 . Trade data

### [UK trade: goods and services publication tables](#)

Dataset | Released 12 April 2024

Monthly data on the UK's trade in goods and services, including trade inside and outside the EU.

### [GDP – data tables](#)

Dataset | Released 28 March 2024

Annual and quarterly data for UK gross domestic product (GDP) estimates, in chained volume measures and current market prices.

### [Breakdown of trade](#)

Dataset | Released 28 March 2024

A breakdown of trade data on a current price and chained volume measure basis, UK, quarterly.

## 8 . Data sources and quality

The UK leaving the EU and the subsequent transition period, along with the impact of the coronavirus (COVID-19) pandemic, supply chain disruption and global recession, have caused higher levels of volatility in trade statistics in recent years.

### Data collection changes

Since the UK left the EU on 31 January 2020, the arrangements for how the UK trades with the EU have changed.

HM Revenue and Customs (HMRC) implemented some data collection changes following Brexit, which affected statistics on UK trade in goods with the EU. We have made adjustments to our estimates of goods imports from the EU in 2021 and 2022 to account for these changes, however a structural break remains in the full time series for goods imports from, and exports to, the EU from January 2021.

We therefore advise caution when interpreting and drawing conclusions from these statistics. Our article, [Impact of trade in goods data collection changes on UK trade statistics: summary of adjustments and the structural break from 2021](#) provides more detail.

## 9 . Related links

### [UK trade: February 2024](#)

Bulletin | Released 12 April 2024

Total value of UK exports and imports of goods and services in current prices, chained volume measures and implied deflators.

### [UK trade in goods, year in review: 2023](#)

Article | Released 1 March 2024

Analysis of UK trade in goods in 2023 in the context of volatile pricing trends.

### [Impact of trade in goods data collection changes on UK trade statistics: summary of adjustments to UK trade statistics](#)

Article | Released 22 January 2024

Summary of adjustments that have been applied to UK trade statistics to account for the impact of HMRC data collection changes following the UK's departure from the EU.

## 10 . Cite this article

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