

Statistical bulletin

# UK Trade: July 2015

The total value of UK imports and exports of goods together with indices of volume and price, including an early monthly estimate of the value of trade in services.

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# 1. Main points for July 2015

- UK Trade shows import and export activity and is a main contributor to the overall economic growth of the UK. All data are shown on a seasonally adjusted, balance of payments basis, at current prices unless otherwise stated
- The UK's deficit on trade in goods and services was estimated to have been £3.4 billion in July 2015, a widening of £2.6 billion compared with June 2015. This widening of £2.6 billion is attributed to trade in goods where the deficit has increased from £8.5 billion in June 2015 to £11.1 billion in July 2015
- Exports of goods decreased by £2.3 billion to £22.8 billion in July 2015, the lowest export figure since September 2010. This is attributed to decreases in semi-manufactures (specifically chemicals) of £1.0 billion and finished manufactures of £0.8 billion. Imports of goods increased by £0.3 billion to £33.9 billion over the same period
- In the 3-months to July 2015, the UK's deficit on trade in goods and services was estimated to have been £4.7 billion; narrowing by £4.1 billion when compared with the 3-months to April 2015
- In the 3-months to July 2015, the trade in goods deficit narrowed by £3.8 billion to £27.8 billion. Exports increased by £1.2 billion to £73.2 billion and imports decreased by £2.6 billion to £101.0 billion over the same period. The decrease in imports for the 3-months to July 2015 is attributed to a £2.5 billion decrease in non-EU imports, the lowest 3-monthly non-EU import figure since June 2010. This is attributed to decreases in finished manufactures of £1.4 billion and semi-manufactures of £0.4 billion
- In the 3-months to July 2015, the trade in services surplus widened by £0.3 billion to £23.0 billion. There was an increase of £0.1 billion in exports and a decrease of £0.1 billion to imports over the same period

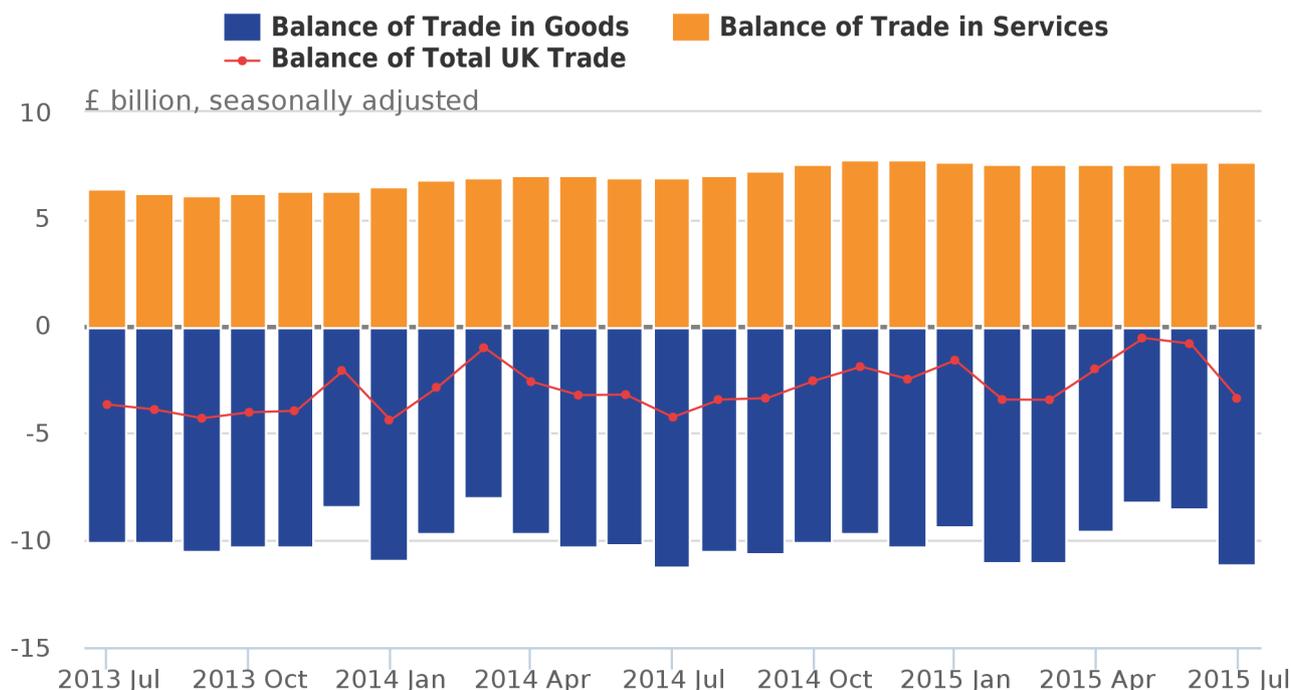
# 2. Main figures for July 2015

**Table 1: Balance of UK trade in goods and services, July 2014 and May 2015 to July 2015**

	Balance of trade in goods			Balance of trade in services	Total trade balance
	EU	Non-EU	Total		
2014 Jul	-6.8	-4.4	-11.2	7.0	-4.3
2015 May	-6.9	-1.2	-8.2	7.6	-0.6
Jun	-7.0	-1.5	-8.5	7.7	-0.8
Jul	-7.6	-3.5	-11.1	7.7	-3.4

Source: Office for National Statistics

**Figure 1: Balance of UK trade, July 2013 to July 2015**



Source: Office for National Statistics

### 3. Understanding and working with UK trade statistics

#### Short guide to UK trade

UK Trade shows the extent of import and export activity and is an important contributor to the overall economic growth of the UK. Trade is measured through both imports and exports of goods and/or services. Data is supplied from over 30 feeder sources including a variety of administrative sources, the main one being HM Revenue and Customs (HMRC).

This monthly release contains tables showing the total value of trade in goods together with index numbers of volume and price. Figures are analysed by broad commodity group (values and indices) and according to geographical areas (values only). In addition the UK Trade statistical bulletin also includes early monthly estimates of the value of trade in services.

This bulletin focuses more on trade in goods due to the coverage and comprehensiveness of the administrative data sources available for goods as well as it being easier to quantify and measure. Trade in services is harder to measure, and source data is provided mainly on a quarterly or annual basis principally from ITIS (International Trade in Service). Monthly estimates are created using this quarterly data on services, therefore the data are less robust on a monthly basis compared with goods.

As more information becomes available on trade in services this bulletin will focus on the values, volumes and geographic breakdown in a 3 monthly cycle described below:

## Trade in services detail

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Month	Trade in services detail
March, June, September and December	Focus on the estimated Quarterly change in exports and imports of services by the main types of service
April, July, October, January	Focus on trade in services in volume terms
May, August, November, February	Focus on trade in services with EU and selected Non- EU countries

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## Understanding UK trade

We make every effort to provide informative commentary on the data in this release. Where possible, the commentary draws on evidence from other sources of information to help explain possible reasons behind the observed changes. However, in some instances it can prove difficult to draw out detailed reasons for movements, consequently, it is not possible for all data movements to be fully explained.

Trade statistics for any one month can be erratic. For that reason, it is recommended to compare the latest 3 months against the preceding 3 months and the same 3 months of the previous year.

When examining the trade in goods data, oil and “erratics”, which are high value, low volume products, are removed from the analysis as they are extremely influential on trade in goods as a whole. Therefore we publish data inclusive and exclusive of these categories. We also provide a separate analysis of oil because it is subject to erratic price fluctuations and therefore volume is provided in metric tonnes as well as value (£ million).

## UK trade National Statistics suspension

Due to a series of errors during 2014, the UK Statistics Authority [suspended the National Statistics designation of UK trade](#) on 14 November 2014. The Authority's [reassessment of UK trade](#) against the Code of Practice for Official Statistics has been completed. We are committed to meeting the requirements and regaining National Statistics status for UK trade as soon as possible and will keep users informed of progress.

One of the recommendations of the reassessment was to consult with users on the use of UK trade statistics. The [results of this user engagement survey](#) can be found on our website.

During the next few months we will be improving this release and its associated commentary based on the Authority's reassessment (see background note for this months changes). We would welcome any feedback you might have on the improvements. To provide feedback on the bulletin please contact us via email [trade.in.goods@ons.gsi.gov.uk](mailto:trade.in.goods@ons.gsi.gov.uk)

## Definitions and explanations

A glossary of terms is published in the [UK Balance of Payments - The Pink Book, 2014](#).

## Use of the data

UK trade is a key economic indicator due to the importance of international trade to the UK economy. It is also a very timely statistic, providing an early indicator of what is happening more generally in the economy.

In addition, it is a major component of 2 other key economic indicators: UK gross domestic product (GDP) and the UK balance of payments. This means that there is a threefold potential for UK Trade statistics to inform the government's view of the UK economy, as well as the views of others, such as economists, city analysts, academics, the media and international organisations.

## Notes on tables

Rounding: The sum of constituent items in tables does not always agree exactly with the totals shown due to rounding.

Symbols: .. Not applicable - Nil or less than half the final digit shown.

## 4. Summary of latest UK Trade statistics

The deficit on trade in goods and services for July 2015 was £3.4 billion compared with a deficit of £0.8 billion in June 2015. The trade position reflects exports minus imports and the widening of the deficit mainly reflects a fall in exports of £2.3 billion between June 2015 and July 2015. Imports increased by £0.3 billion over the same period. These monthly movements are attributed to trade in goods as services remained broadly unchanged between June 2015 and July 2015.

The deficit on trade in goods was £11.1 billion in July 2015; widening £2.6 billion when compared with June 2015. Between June 2015 and July 2015, exports of goods fell by £2.3 billion to £22.8 billion, the lowest level since September 2010.

The largest decrease was in export of chemicals which fell by £1.0 billion, specifically organic chemicals, which fell by £0.6 billion from the record high observed last month. Exports of cars fell by £0.3 billion and works of art by £0.2 billion. Imports of goods rose by £0.3 billion to £33.9 billion between June 2015 and July 2015, reflecting increases in imports of machinery and transport equipment.

Nearly 3-quarters of the fall in exports was attributed to a fall in exports of goods to countries outside of the EU. In percentage terms non-EU exports fell by 12.6% the largest fall since July 2013. Falls in exports to the USA (£0.9 billion), Switzerland (£0.3 billion) and China (£0.2 billion) were the most notable. In terms of commodities, the majority of the decrease was within exports of chemicals.

Exports of goods to EU countries fell by £0.6 billion to £11.0 billion, the lowest level since November 2009. This fall was attributed to decreases in exports of oil and machinery and transport equipment.

## 3-monthly analysis

In the 3-months to July 2015 the total trade deficit narrowed to £4.7 billion from £8.9 billion in 3-months to April 2015, reflecting both an increase in exports and a fall in imports.

Exports of goods increased £1.2 billion (1.7%) in the 3-months to July 2015, as exports of oil increased £1.4 billion returning to levels seen at the end of 2014. There were also increases in exports of unspecified goods (£0.6 billion) and aircraft (£0.4 billion); offset by falls in exports of medicinal and pharmaceutical products (£0.5 billion) and material manufactures (£0.4 billion).

In the 3-months to July 2015 imports of goods fell by £2.6 billion to £101.0 billion in the 3-months to July 2015, the lowest level since June 2011. Imports to countries outside the EU decreased by £2.5 billion to £45.1 billion the lowest level since the 3-months to June 2010. Almost half of this decrease was attributed to machinery and transport equipment, with the remaining spread-out across all other commodities.

In Quarter 2 April to June 2015 exports of services increased marginally, nevertheless, they reached a record high of £55.2 billion and is the 4th quarter of consecutive growth.

Revisions to Quarter 2 April to June 2015 reduced the deficit by £1.2 billion from that originally reported in last month's bulletin.

Following upward revisions to exports of goods, the growth in Quarter 2 April to June 2015 in volume terms was 7.3%, this is the highest increase since Quarter 2 April to June 2006.

## **5. Longer-term perspective**

The value of trade in goods grew steadily from the beginning of 2007 to mid-2008. The onset of the global economic downturn in mid-2008 affected the economic performance of the UK's major trading partners and the value of both UK exports and imports fell sharply until quarter 2 April to June 2009. Growth in the value of trade in goods resumed from mid-2009 with improving global economic conditions. However, the value of both UK exports and imports has remained largely flat since mid-2011 with the continuing difficulties in many economies.

## **6. Value of UK trade in goods**

In July 2015, the UK's deficit on trade in goods was £11.1 billion, widening by £2.6 billion when compared with June 2015. Total exports decreased by £2.3 billion (9.2%) to £22.8 billion and total imports increased by £0.3 billion (0.8%) to £33.9 billion.

In the 3-months to July 2015, the deficit on trade in goods was £27.8 billion, narrowing by £3.8 billion when compared with the 3-months to April 2015.

Total exports increased by £1.2 billion (1.7%) to £73.2 billion and total imports decreased by £2.6 billion (2.5%) to £101.0 billion, over the same period.

At the commodity level, the data are shown in Table 2.

**Table 2: Change in UK trade main commodity value, July 2015**

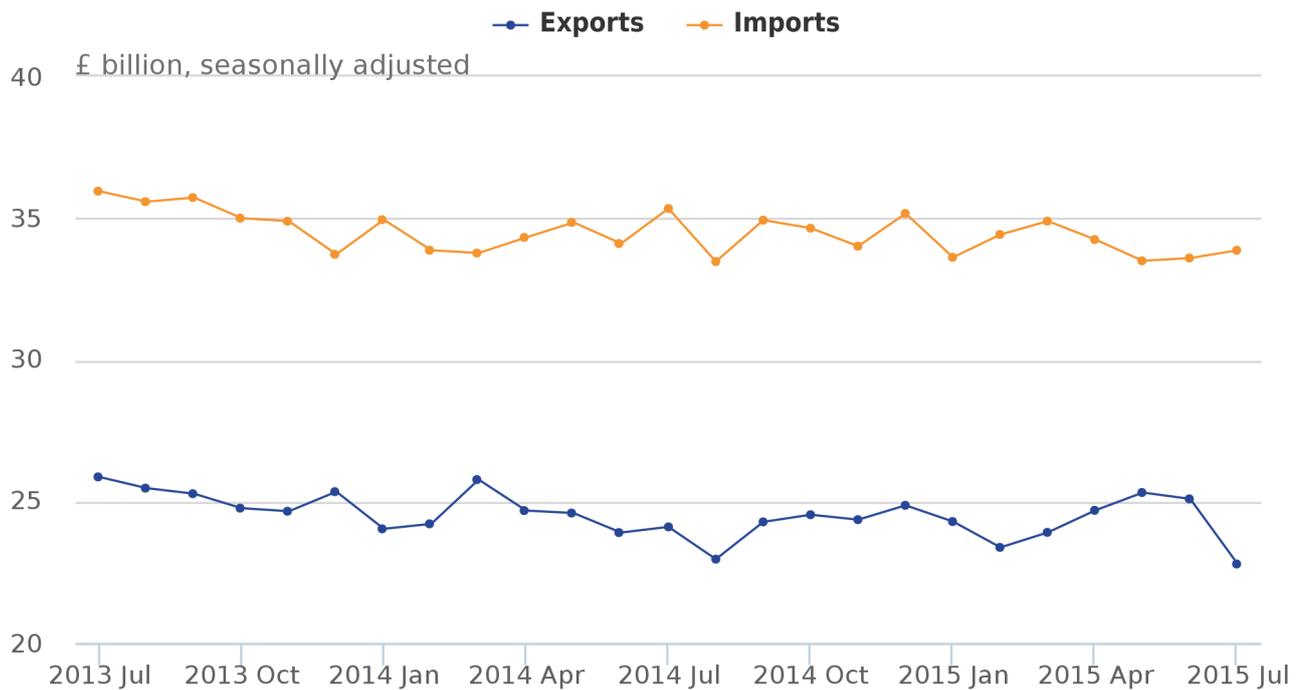
	Monthly change <sup>1</sup>		3-monthly change <sup>2</sup>	
	Exports (£m)	Imports (£m)	Exports (£m)	Imports (£m)
Oil (see section on "trade in oil")	-340	-292	+1,352	-197
Cars	-289	+87	-237	+73
Consumer goods other than cars	-314	+103	-366	-432
Intermediate goods	-97	+58	-207	-226
Capital goods	+53	+123	-83	-133
Chemicals	-1,016	-34	-78	-28
Semi-manufactured goods other than chemicals	-19	+13	-432	-489

Source: Office for National Statistics

Notes:

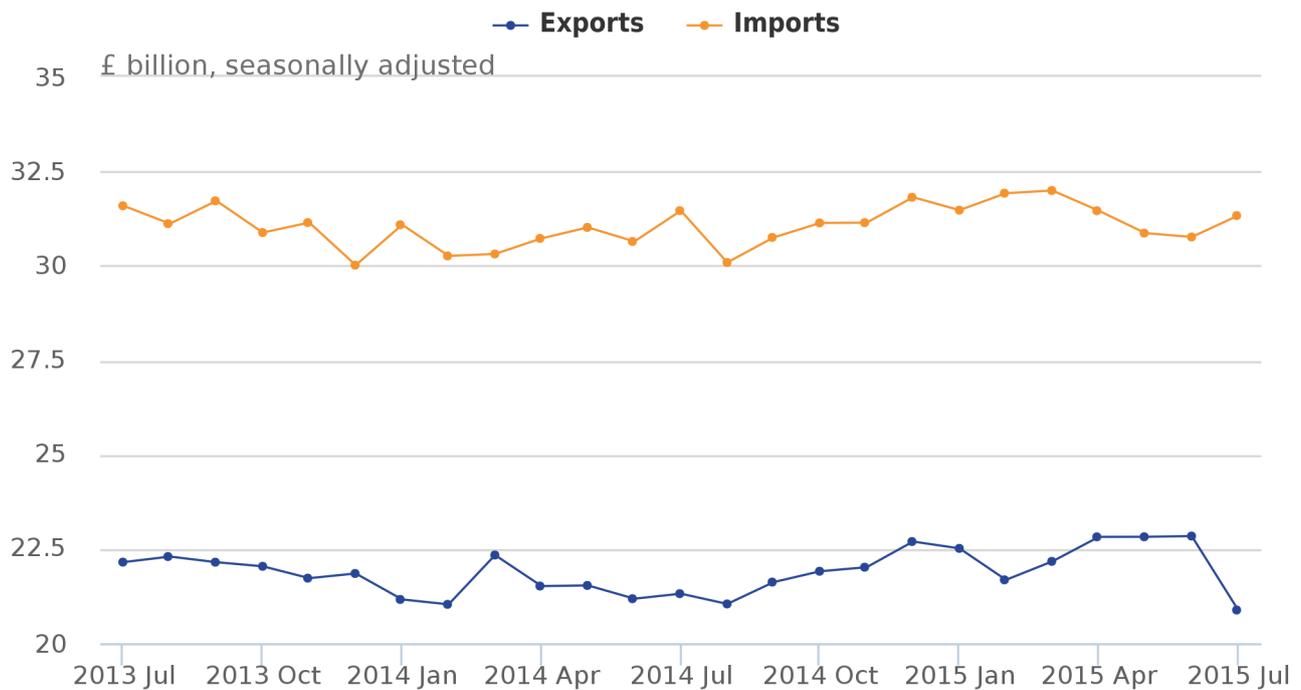
1. Monthly change is July 2015 compared with June 2015
2. 3-monthly change is May 2015 to July 2015 compared with February 2015 to April 2015

**Figure 2: Value of UK trade in goods, July 2013 to July 2015**



Source: Office for National Statistics

**Figure 3: Value of UK trade in goods excluding oil, July 2013 to July 2015**

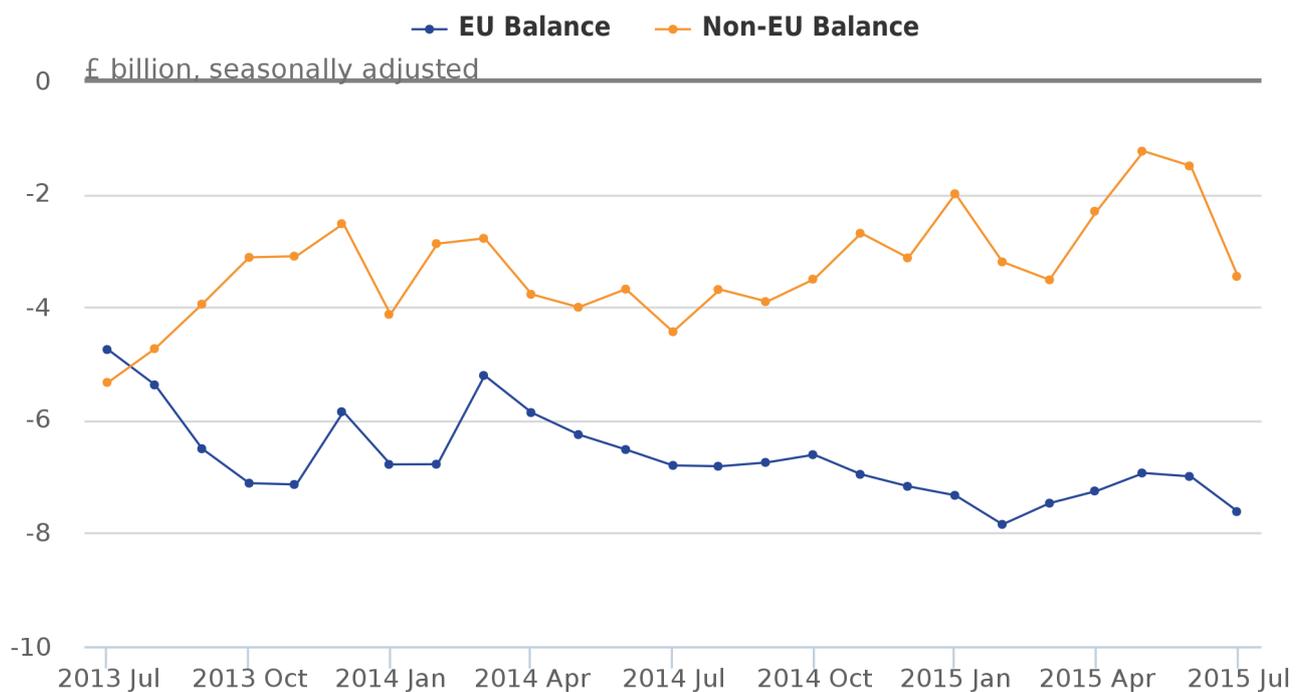


Source: Office for National Statistics

## 7. Trade in goods – analysis by area

In July 2015, the deficit on trade in goods with EU countries widened by £0.6 billion to £7.6 billion. The deficit on trade in goods with non-EU countries widened by £2.0 billion to £3.5 billion (Figure 4).

**Figure 4: Balance of UK trade in goods - EU and non-EU countries, July 2013 to July 2015**



Source: Office for National Statistics

In the 3-months to July 2015, the deficit on trade in goods with EU countries narrowed by £1.0 billion to £21.6 billion. In the 3-months to July 2015, the deficit on trade in goods with non-EU countries narrowed by £2.8 billion to £6.2 billion.

## EU analysis

Between June 2015 and July 2015, exports to the EU decreased by £0.6 billion (5.2%) to £11.0 billion. This is attributed to decreases in exports to Germany of £0.3 billion and to France, Italy and Sweden all of £0.1 billion.

Between June 2015 and July 2015, imports from the EU increased by £11.0 million (0.1%) to £18.7 billion.

Between the 3-months to April 2015 and the 3-months to July 2015, exports to the EU increased by £0.9 billion (2.7%) to £34.2 billion. This is mainly attributed to an increase in exports to the Netherlands of £0.6 billion.

Between the 3-months to April 2015 and the 3-months to July 2015, imports from the EU decreased by £0.1 billion (0.2%) to £55.8 billion. This is attributed to a decrease in imports from France of £0.4 billion and Germany of £0.2 billion, which was offset by an increase in imports from Belgium and Luxembourg (combined) of £0.5 billion.

At the commodity level, the data are shown in Table 3.

**Table 3: Change in UK trade main commodity value (EU), July 2015**

	Monthly change <sup>1</sup>		3-monthly change <sup>2</sup>	
	Exports (£m)	Imports (£m)	Exports (£m)	Imports (£m)
Oil (see section on "trade in oil")	-227	-47	+935	+130
Cars	-108	+56	+56	+69
Consumer goods other than cars	-42	+24	+38	-10
Intermediate goods	-18	-41	-64	-5
Capital goods	-17	+19	-10	+151
Chemicals	-65	-104	-202	+21
Semi-manufactured goods other than chemicals	-21	-18	-57	-138

Source: Office for National Statistics

Notes:

1. Monthly change is July 2015 compared with June 2015
2. 3-monthly change is May 2015 to July 2015 compared with February 2015 to April 2015

## Non-EU analysis

Between June 2015 and July 2015, exports to non-EU countries decreased by £1.7 billion (12.6%) to £11.7 billion. This is attributed to decreases in exports to the USA of £0.9 billion, to Switzerland of £0.3 billion, to China of £0.2 billion and to Hong Kong, Saudi Arabia, United Arab Emirates and Uruguay all of £0.1 billion.

Between June 2015 and July 2015, imports from non-EU countries increased by £0.3 billion (1.8%) to £15.2 billion. This is attributed to increases in imports from Canada, China, Kuwait, Singapore, Switzerland and Turkey all of £0.1 billion.

Between the 3-months to April 2015 and the 3-months to July 2015, exports to non-EU countries increased by £0.3 billion (0.9%) to £38.9 billion. This can be attributed to an increase in exports to Saudi Arabia of £0.4 billion, offset by a decrease in exports to Switzerland of £0.3 billion.

Between the 3-months to April 2015 and the 3-months to July 2015, imports from non-EU countries decreased by £2.5 billion (5.2%) to £45.1 billion. This can be attributed to decreases in imports from both China and Norway of £0.6 billion, from South Korea of £0.5 billion and from both Russia and Switzerland of £0.3 billion each. This was offset with an increase in imports from the USA of £0.3 billion.

At the commodity level, the data are shown in Table 4.

**Table 4: Change in UK main commodity value (non-EU), July 2015**

	Monthly change <sup>1</sup>		3-monthly change <sup>2</sup>	
	Exports (£m)	Imports (£m)	Exports (£m)	Imports (£m)
Oil (see section on 'trade in oil')	-113	-245	+417	-327
Cars	-181	+31	-293	+4
Consumer goods other than cars	-272	+79	-404	-422
Intermediate goods	-79	+99	-143	-221
Capital goods	+70	+104	-73	-284
Chemicals	-951	+70	+124	-49
Semi-manufactured goods other than chemicals	+2	+31	-375	-351

Source: Office for National Statistics

Notes:

1. Monthly change is July 2015 compared with June 2015
2. 3-monthly change is May 2015 to July 2015 compared with February 2015 to April 2015

## 8. Trade in goods – geographical analysis

### Monthly analysis

The USA remains the UK's top export partner with exports of £3.5 billion in July 2015, although exports decreased between June 2015 and July 2015 by £0.9 billion. Anecdotal evidence suggests this decrease is due to a fall in the export of chemicals. There was a record low in the level of exports to Greece in July 2015, with a decrease of £23.0 million (30.7%) to £0.1 billion.

**Table 5: Change in UK monthly trade with significant partner countries, July 2015 compared with June 2015**

		Exports (£m)	
		July 2015 value	1-month change
1	USA	3,469	-872
2	Germany	2,375	-340
3	Netherlands	1,551	-9
4	France	1,462	-117
5	Irish Republic	1,382	-32
6	Belgium/Luxembourg	1,030	+144
7	China	976	-237
8	Spain	786	+36
9	Italy	693	-68
10	Switzerland	435	-271

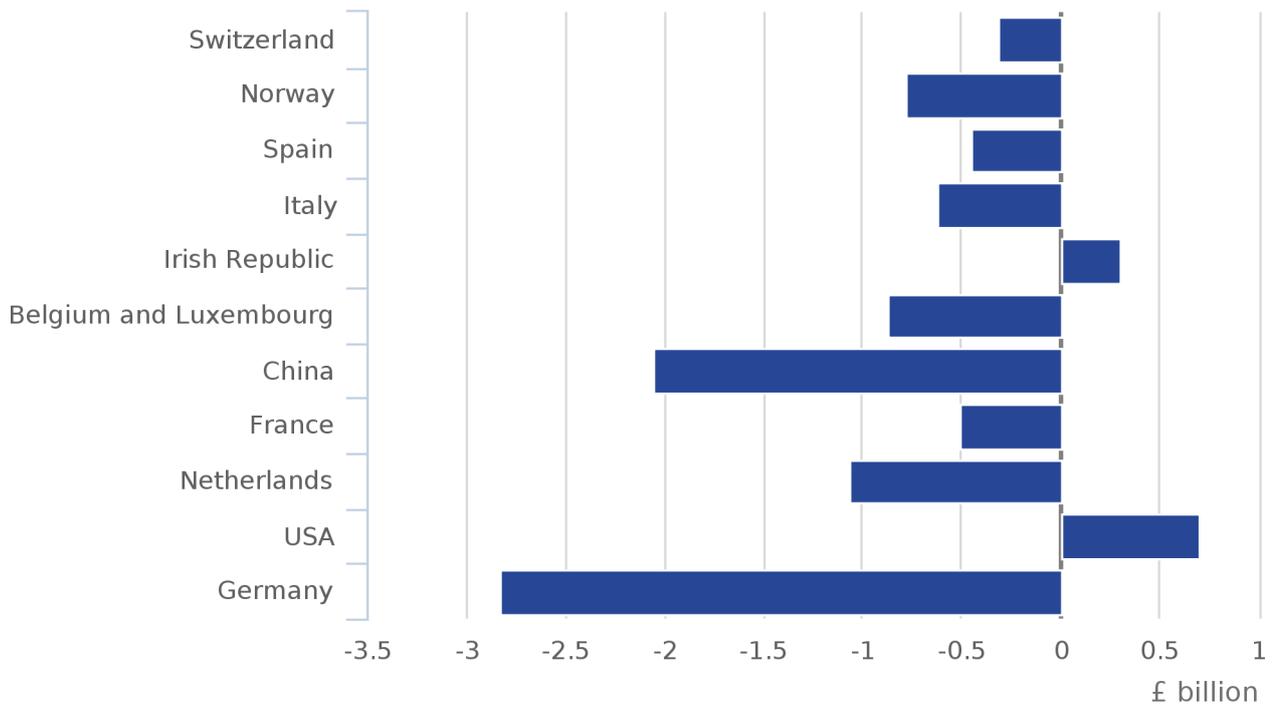
		Imports (£m)	
		July 2015 value	1-month change
1	Germany	5,207	-21
2	China	3,027	+114
3	USA	2,760	+49
4	Netherlands	2,617	-100
5	France	1,965	+28
6	Belgium and Luxembourg	1,898	-6
7	Italy	1,314	-47
8	Spain	1,231	+148
9	Irish Republic	1,077	+52
10	Norway	1,031	-48

Source: Office for National Statistics

Notes:

1. Significant trading partners defined as top 10 export markets and import sources 2014 (see attached table 14)
2. USA includes Puerto Rico

**Figure 5: Significant UK partner countries, 1-month balances, July 2015**



Source: Office for National Statistics

### 3-monthly analysis

In the 3-months to July 2015 there were record highs in exports to Saudi Arabia and Uruguay. Exports to Saudi Arabia increased by £0.4 billion (44.6%) to £1.4 billion. Anecdotal evidence suggests this is due to an increase in the export of aircraft. Exports to Uruguay were also at a record high, increasing by £71.0 million (208.8%) to £0.1 billion. Exports to Greece decreased by £27.0 million (11.6%) to a record low of £0.2 billion.

In the 3-months to July 2015, imports from Pakistan were at a record high. Imports to Pakistan increased by £8.0 million (3.0%) to £0.3 billion. There was also a record low in imports to Finland, decreasing by £0.1 billion (21.7%) to £0.5 billion.

**Table 6: Change in UK 3-monthly trade with significant partner countries, May 2015 to July 2015 compared with February 2015 to April 2015**

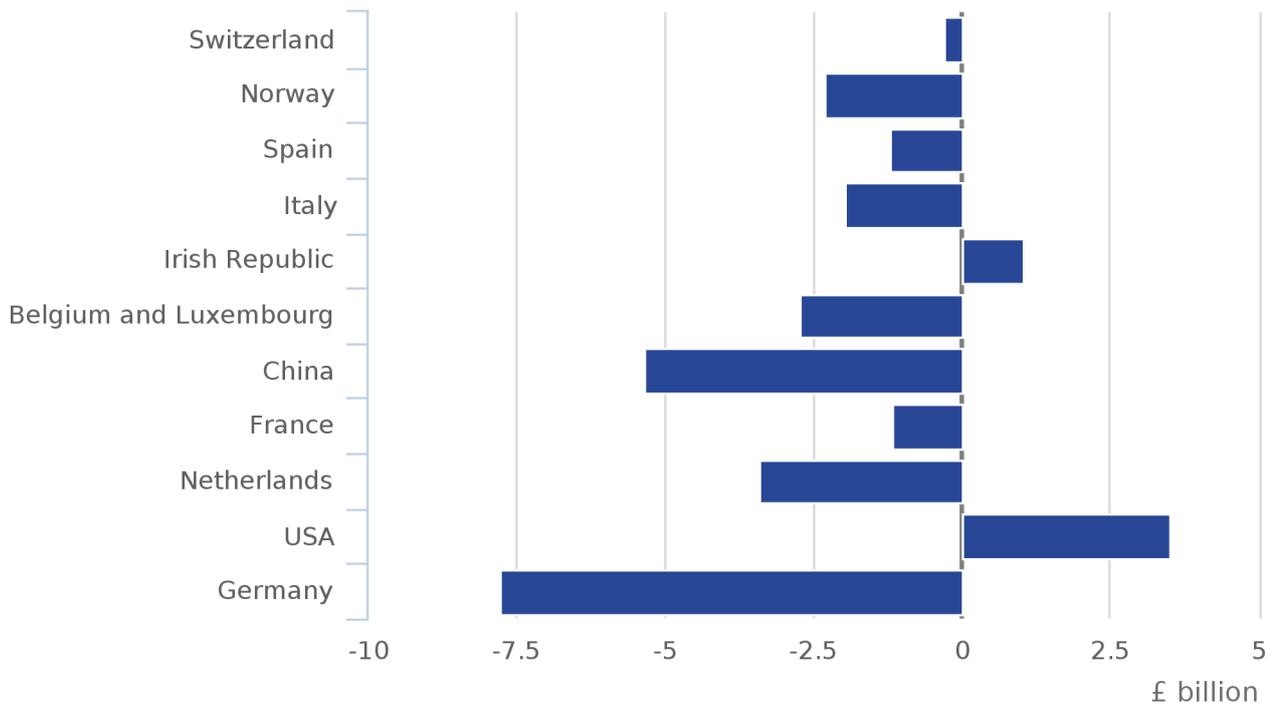
		Exports (£m)	
		May to July 2015 value	3-month change
1	USA	12,016	+45
2	Germany	7,693	-33
3	France	4,702	+86
4	Netherlands	4,699	+586
5	Irish Republic	4,184	+107
6	China	3,478	+165
7	Belgium and Luxembourg	2,905	+84
8	Spain	2,292	+66
9	Italy	2,143	+2
10	Switzerland	1,648	-267
		Imports (£m)	
		May to July 2015 value	3-month change
1	Germany	15,435	-234
2	China	8,803	-558
3	Netherlands	8,107	-63
4	USA	8,500	+253
5	France	5,871	-417
6	Belgium and Luxembourg	5,606	+450
7	Italy	4,077	-45
8	Spain	3,469	+69
9	Irish Republic	3,146	+247
10	Norway	3,105	-551

Source: Office for National Statistics

Notes:

1. Significant trading partners defined as top 10 export markets & import sources 2014 (see attached table 14)
2. USA includes Puerto Rico

**Figure 6: Significant UK partner countries, 3-month balances, May 2015 to July 2015**



Source: Office for National Statistics

## 9. Volume of total trade in goods, excluding oil and erratics

Between June 2015 and July 2015, the total volume of exports decreased by 10.4% and the total volume of imports increased by 1.1%.

In the 3-months to July 2015, the volume of exports increased by 0.9% and the volume of imports decreased by 0.8% when compared with the 3-months to April 2015.

At the commodity level, the data are shown in Table 7.

**Table 7: Change in UK main commodity volume, July 2015 compared with June 2015**

	Monthly change <sup>1</sup>		3-monthly change <sup>2</sup>	
	Exports percentage change	Imports percentage change	Exports percentage change	Imports percentage change
Food, beverages and tobacco	-2.1	+2.8	-1.7	+0.3
Basic materials	-6.3	0.0	+1.7	+2.1
Semi-manufactured goods; of which	-17.6	0.0	+0.9	-0.9
Chemicals	-26.6	-1.8	+3.6	+1.6
Finished manufactured goods; of which	-7.1	+2.6	0.0	-2.2
Cars	-12.5	+5.0	-1.8	-1.6
Consumer goods other than cars	-13.6	+1.8	-3.9	-1.8
Intermediate goods	-2.9	+0.9	-1.6	-0.3
Capital goods	0.0	+2.6	-0.7	+0.9

Source: Office for National Statistics

Notes:

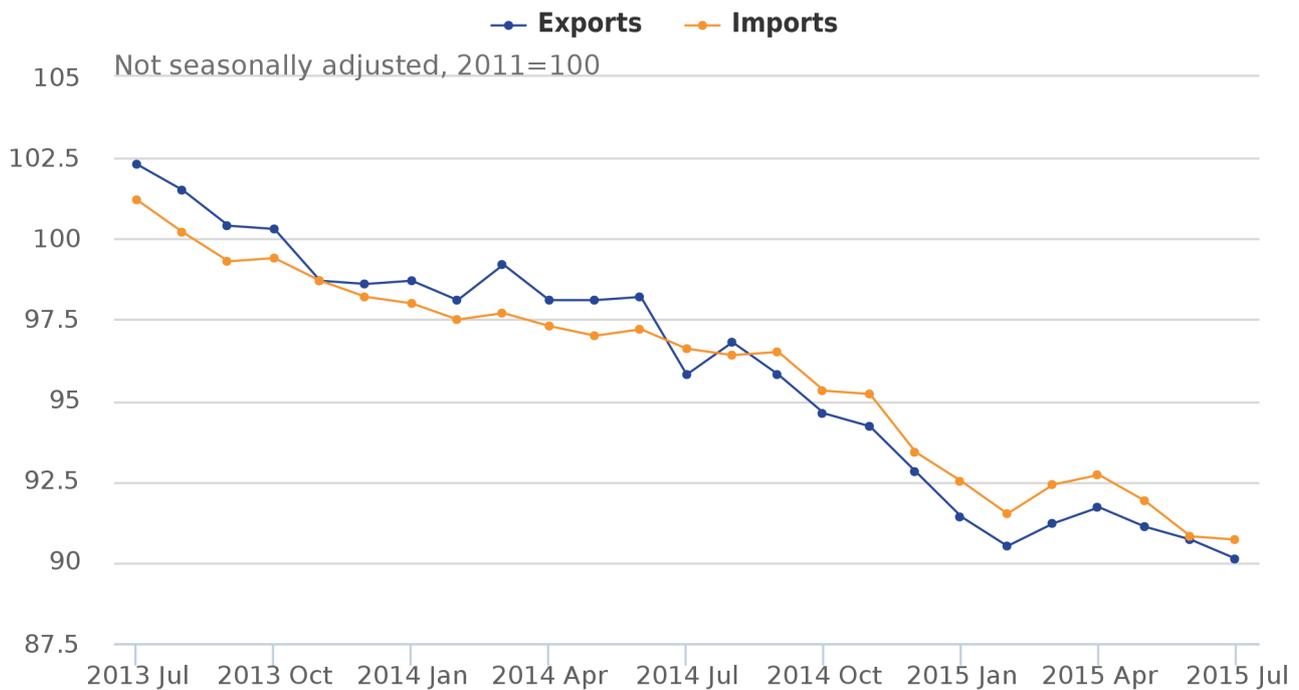
1. Monthly change is July 2015 compared with June 2015
2. 3-monthly change is May 2015 to July 2015 compared with February 2015 to April 2015

## 10. Export and import prices for trade in goods (not seasonally adjusted)

In July 2015, compared with June 2015, export prices decreased by 0.7% and import prices decreased by 0.1%. Excluding the oil price effect, export prices decreased by 0.3% and import prices increased by 0.2%.

In the 3-months to July 2015, when compared with the 3-months to April 2015, export prices decreased by 0.5% and import prices decreased by 1.2%. Excluding the oil price effect, export prices decreased by 0.9% and import prices decreased by 1.4%.

**Figure 7: UK trade in goods export and import prices, July 2013 to July 2015**



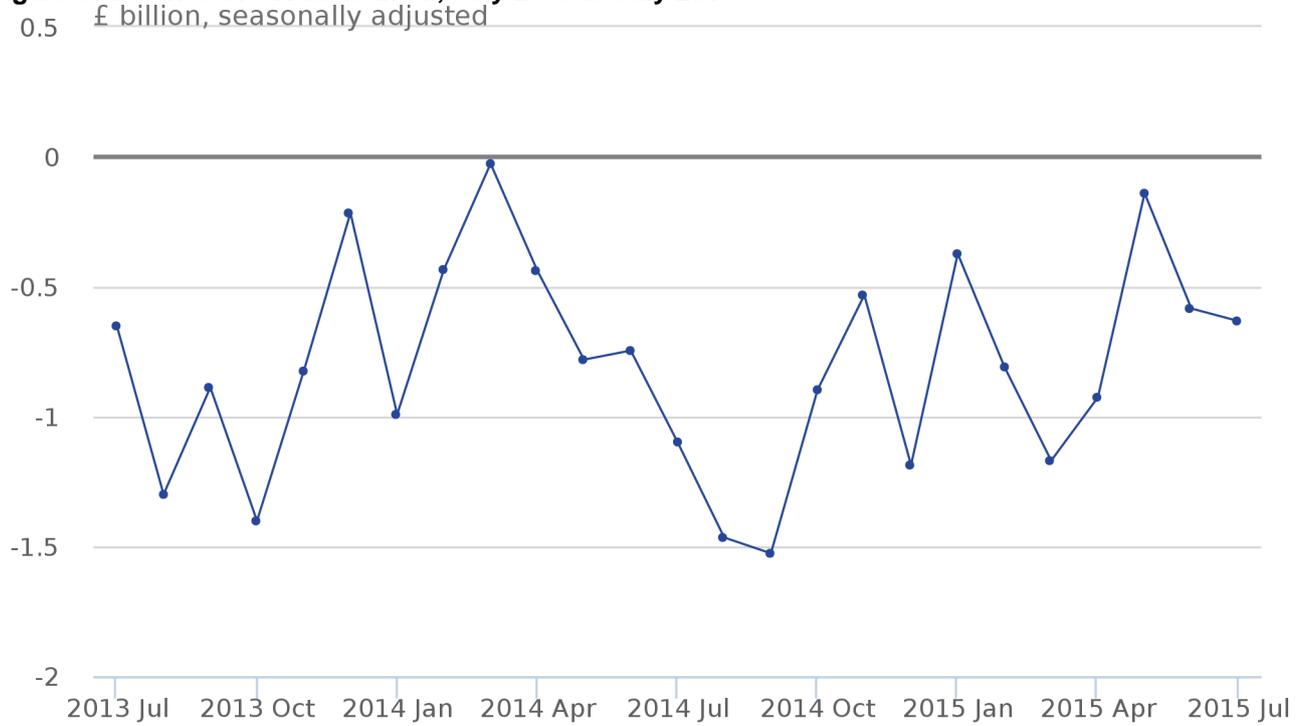
Source: Office for National Statistics

## 11. Trade in oil

In July 2015, the balance on trade in oil was in deficit by £0.6 billion unchanged when compared with June 2015. Oil exports decreased by £0.3 billion to £1.9 billion and oil imports decreased by £0.3 billion to £2.5 billion.

In the 3-months to July 2015, the balance on trade in oil was in deficit by £1.4 billion, narrowing by £1.5 billion when compared with the 3-months to April 2015. Oil exports increased by £1.4 billion to £6.6 billion and oil imports decreased by £0.2 billion to £8.0 billion.

**Figure 8: Balance of UK trade in oil, July 2013 to July 2015**



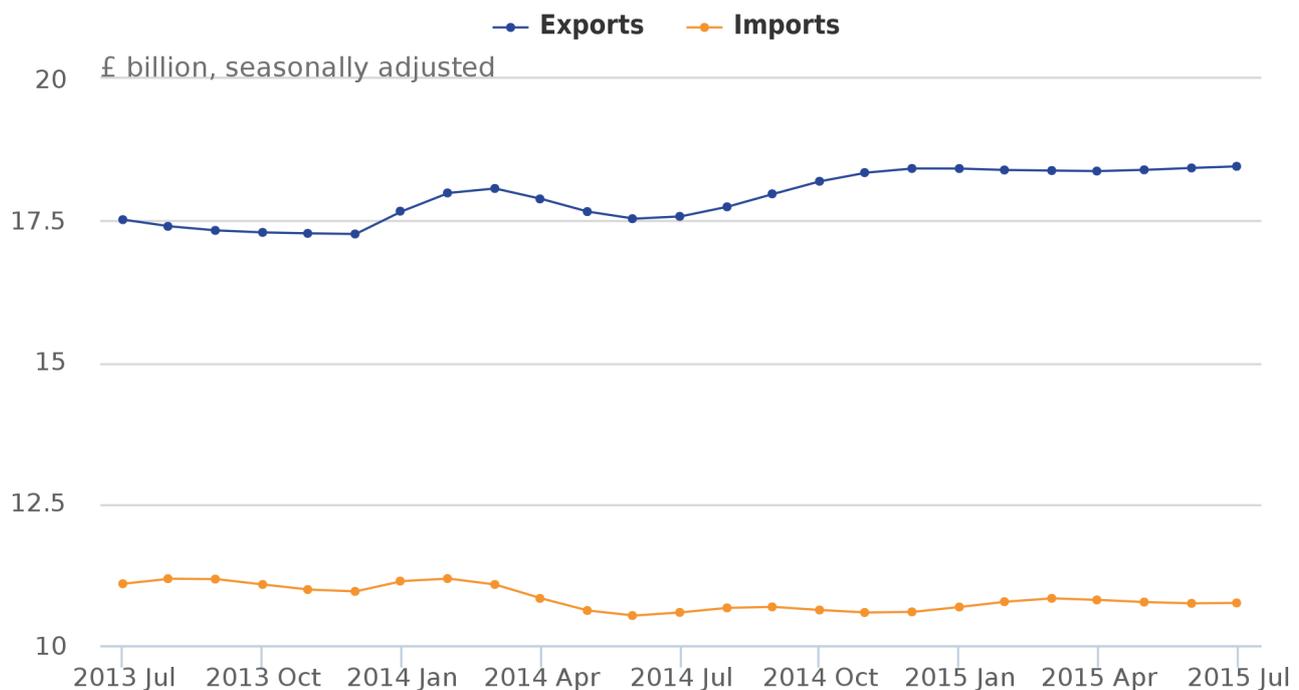
Source: Office for National Statistics

## 12. Trade in services

In July 2015, the UK's estimated surplus on trade in services was £7.7 billion.

Exports in July 2015 were estimated to have been £18.5 billion and imports £10.7 billion.

**Figure 9: Value of UK trade in services, July 2013 to July 2015**



**Source: Office for National Statistics**

Information on trade in services is mainly obtained from quarterly surveys, in some cases underpinned by larger annual surveys. That means that the data for the latest months are uncertain.

In Quarter 2 April to June 2015, the surplus on trade in services was £22.9 billion. Financial services, remains the largest contributor to this surplus at £10.2 billion.

In Quarter 2 April to June 2015, exports of services were unchanged at £55.2 billion. For the same period, imports of services saw a small increase of £30.0 million to £32.3 billion. The increase reflects increases in imports of other business services and partially offset by decreases in manufacturing and maintenance services.

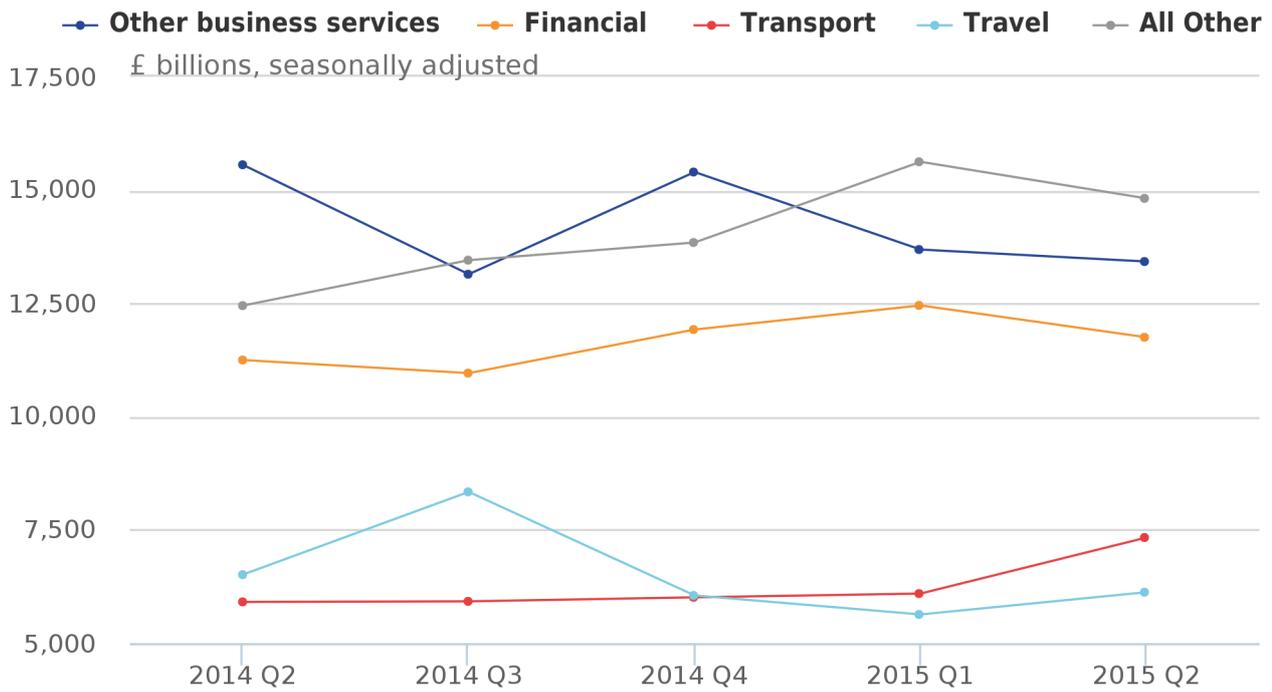
In volume terms, over the annual period Quarter 2 April to June 2014 to Quarter 2 April to June 2015 exports of services increased by £1.8 billion. Within exports, the largest components financial services and other business services actually fell, with increases attributed to transport services and insurance services. Imports also increased by £1.8 billion, reflecting increases in travel and transport services.

Between Quarter 1 January to March 2015 and Quarter 2 April to June 2015 exports of services were broadly unchanged with a decrease in financial services being offset by increases in travel and transport services. Over the same period, imports increased by £0.3 billion reflecting increases in transport services.

In this release a country breakdown for trade in services is not available. However a country breakdown up to Quarter 1 January to March 2015 can be found in the United Kingdom Economic Accounts.

Since last month's bulletin, [Trade in Services in Volume Terms](#) has been published. These estimates are consistent with second estimate of GDP published on 28 August 2015.

**Figure 10: UK trade in services exports CVM, Quarter 2 (April to June) 2014 to Quarter 2 (April to June) 2015**

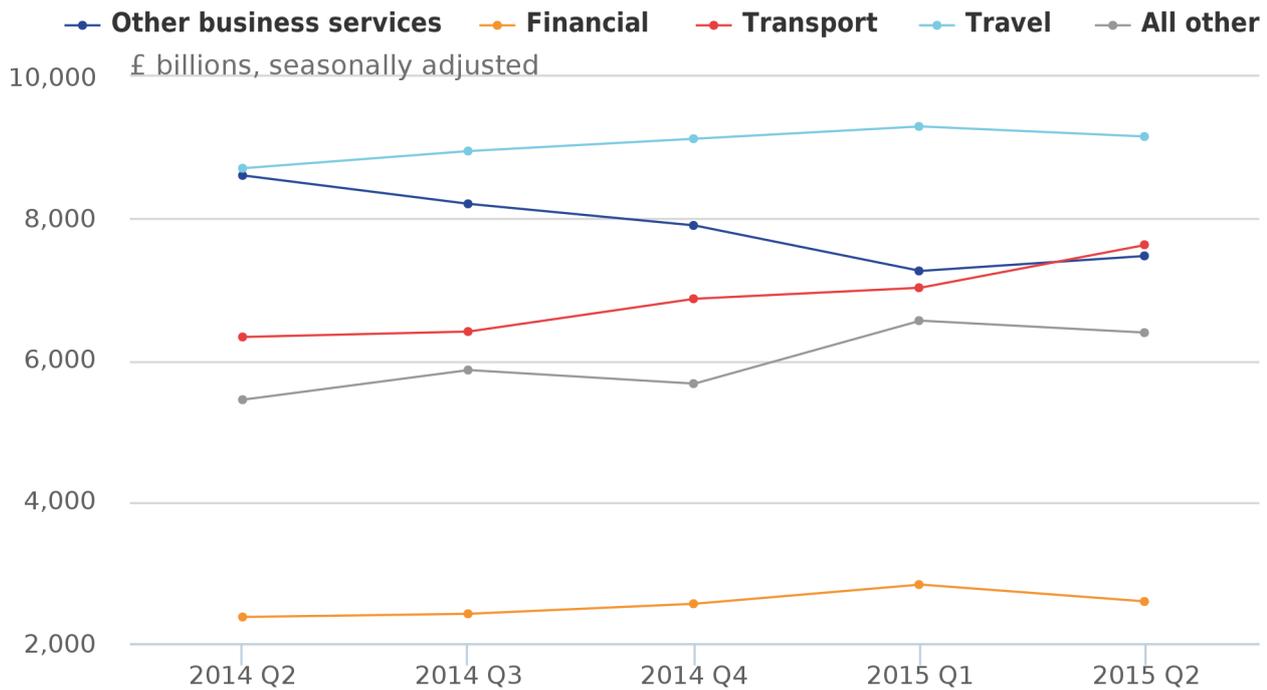


Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sep), and Q4 refers to Quarter 4 (Oct to Dec)

**Figure 11: UK trade in services imports CVM, Quarter 2 (April to June) 2014 to Quarter 2 (April to June) 2015**



Source: Office for National Statistics

**Notes:**

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sep), and Q4 refers to Quarter 4 (Oct to Dec)

## Revisions

Revisions to April, May and June 2015 mainly reflect updated estimates from the ONS International Passenger Survey. Exports and imports saw minimal change for all periods.

## 13. Where to find more information about UK trade statistics

### Other regularly published UK trade releases

Supplementary quarterly data analysed by industry according to the Classification of Product by Activity (08) ([UK trade in goods by classification of product by activity](#)) are also available.

The complete run of data in the tables of this statistical bulletin are also available to view and download in other electronic formats free of charge using our [time series data](#) website service. Users can download the complete statistical bulletin in a choice of zipped formats, or view and download their own selections of individual series.

HM Revenue and Customs (HMRC) publish [Overseas Trade Statistics](#) on the same day as we release the UK Trade data each month. These aggregate estimates will differ slightly from those that are published by us as part of the [Balance of Payments](#) (BoP), as the 2 sets of data are compiled to different sets of rules. The BoP publication shows a high level picture of UK trade in goods, whereas the OTS publication shows a detailed picture of the UK's trade in goods by commodity and partner country.

## ONS website

There is a [UK trade webpage](#) which is now live where you can find more information.

## Recently published reports on UK trade topics

In our [Economic Review](#) published on 3 September 2015 there is further commentary on [UK export performance](#).

On 1 September 2015, we published an article on the [economic performance of the UK's motor vehicle manufacturing industry](#).

On 26 June 2015, we published a short story on [the importance of EU to UK trade and investment](#).

On 9 June 2015, we published a short story on [the importance of China to the UK economy](#), including the value of the UK trade with China.

## Historic articles published on UK trade

On 6 February 2015, we published an article on the [Rotterdam effect](#) and its potential impact on the UK trade in goods estimates.

On 23 January 2015, we published a short story exploring the [reasons behind the UK trade deficit](#).

## Published ad hoc data and analysis

Additional statistical data and analyses for UK Trade statistics that have not been included in our standard publications are available under the Economy section of the [Published ad hoc data and analysis pages on our website](#).

## Methodological articles

Detailed methodological notes are published in the [UK Balance of Payments - The Pink Book, 2014](#).

## 14. Revisions to trade statistics

Revisions Table 17R shows revisions to the main aggregates since the last UK Trade statistical bulletin of 7 August 2015.

### Trade in goods revisions

In this release, periods from January 2015 are open for revision.

The revisions to trade in goods from January 2015 reflect revised data from Her Majesty's Revenue and Customs and other data suppliers, revised estimates of trading associated with VAT MTIC fraud, later survey data on trade prices and a re-assessment of seasonal factors.

## Trade in services revisions

In this release, periods from April 2015 are open for revision.

[National accounts revision policy](#) can be found on our website.

## 15. Accuracy of the statistics

**Accuracy:** Trade in goods figures for the most recent months are provisional and subject to revision in the light of:

- late trader data, revisions to trade prices and revised estimates of trading associated with VAT MTIC fraud
- revisions to seasonal adjustment factors which are re-estimated every month

Trade in services estimates have been derived from a number of monthly and quarterly sources. For components where no monthly data are available, estimates have been derived on the basis of recent trends. The results should be used with appropriate caution, as they are likely to be less reliable than those for trade in goods.

**Reliability:** Revisions to data provide one indication of its reliability. Table 8 shows summary information on the size and direction of the revisions that have been made to the data covering a 5-year period. A statistical test has been applied to the average revision to find out if it is statistically significantly different from zero. An asterisk (\*) shows that the test is significant.

**Table 8: Revisions analysis, UK trade, July 2015**

	Value in latest period	Revisions between first publication and estimates 12 months later		£ million
		Average over the last 5 years (mean revision)	Average over the last 5 years without regard to sign (average absolute revision)	
Total trade exports (IKBH)	41,241	854	945*	
Total trade imports (IKBI)	44,612	588	724	
Total trade balance (IKBJ)	-3,371	249	687	

Source: Office for National Statistics

## 16. Other quality information

### UK trade re-assessment

The UK Statistics Authority [suspended the National Statistics designation of UK Trade](#) on 14 November 2014. The Authority's [re-assessment of UK Trade](#) against the Code of Practice for Official Statistics has been completed.

One of the recommendations of the re-assessment was to consult with users on the use of UK Trade statistics. The results of this user engagement survey can be found on our website.

## HMRC methodology change for gas and revisions to past years

HMRC Trade Statistics are amending [the mechanism for the data source used in the compilation of Natural Gas traded with non-EU partners](#). We will implement these revisions in a phased approach. More details can be found on our website.

## EMU enlargement

As of 1 January 2015, Lithuania joined the European Monetary Union (EMU). Therefore the EMU totals in this UK Trade release include Lithuania.

## EMU coverage

The coverage of EMU countries was extended to cover Cyprus and Malta from July 2008, Slovakia from January 2009, Estonia from January 2011, Latvia from January 2014 and Lithuania from January 2015. Some EU and non-EU breakdowns of commodity data for chained volume measures which are available on request may be less reliable than the current price data. Please consult Katherine Kent on +44 (0)1633 455829 if you are considering using them.

Data have been combined for the United States and Puerto Rico and for Dubai, Abu Dhabi and Sharjah (the United Arab Emirates) from January 2009 onwards. Estimates are separately available for the United States and Dubai up to the end of 2008 on request.

## Erratics

Non-monetary gold is now included in the erratics series; along with ships, aircraft, precious stones and silver. In compliance with the BPM6 changes, non-monetary gold which is held as a store of wealth is now recorded within trade in goods.

## Non-monetary gold

To comply with international statistical guidelines, we introduced estimates for trade in non-monetary gold and other precious metals into the quarterly national accounts from 30 September 2014, and the monthly UK Trade statistics released on 10 October 2014. In developing these estimates further it had been proposed to use data from a Bank of England (BoE) survey, collecting estimates of physical holdings of gold and other precious metals for the reporting period March 2013 onwards, as described in the article "[Measurement of non-monetary gold](#)" published on 23 January 2014.

However, on receiving the aggregated survey results, the data were volatile with large monthly changes, despite being on a net trade basis, significantly distorted the estimated monthly trade balance. Due to this volatility and given that the survey is relatively new, having only commenced from the reporting period March 2013, it has been decided to undertake further work to quality assure these data and to review the methods used to measure non-monetary gold and other precious metals more generally. In addition, further disclosure assessment is required to ensure the confidentiality of businesses within the survey is maintained. So, the method used for the series pre-2013, derived from BoE information of gold as a store of wealth by UK MFIs, has been extended with the survey information being used to inform the movements of the later periods, but rescaled to the level of the pre-2013 data.

We will keep users informed of progress and it is likely we will seek views on how best to proceed.

## **Missing trader intra-community (MTIC) fraud**

Users should be aware that in some periods, the monthly data does not sum precisely to the quarters (or quarters to annual), for the MTIC series due to rounding.

## **Deflation**

It is common for the value of a group of financial transactions to be measured in several time periods. The values measured will include both the change in the volume sold and the effect of the change of prices over that year. Deflation is the process whereby the effect of price change is removed from a set of values.

Chain-linked indices (chained volume measures) which are indexed to form the volume series in this bulletin differ from fixed base indices in that the growth from one year to the next is estimated by weighting the components using the contribution to value of trade in the immediately preceding year (effectively re-basing every year). This series of annually re-weighted annual growths is then 'chain-linked' to produce a continuous series.

The implied price deflators derived by comparing current price data to chained volume measures data are not the same as the price indices published in this statistical bulletin because the former are current weighted while the latter are base (2011) weighted.

Changes in trade associated with VAT MTIC fraud mean that comparisons of volume and prices (both including and excluding trade associated with VAT MTIC fraud) should be treated with a great deal of caution.

## **Interpreting the data**

In months where quarterly and 3-monthly ending percentage changes for index data coincide, there may be small differences between the data for methodological reasons. Quarterly data are the indexed form of an underlying constant price (for volume indices) or consistent quantity (for price indices) series. 3-month ending data are the average of the index data in that period.

## **Seasonal adjustment**

Seasonal adjustment aims to remove effects associated with the time of the year or the arrangement of the calendar so that movements within a time series may be more easily interpreted.

## **VAT missing trader intra-community (MTIC) fraud**

Import figures for trade in goods include adjustments to allow for the impact of VAT MTIC fraud. The adjustments to trade in goods relate only to part of the carousel version of VAT MTIC fraud. This fraud leads to under recording of imports as fraudsters import goods from the EU, which they then sell on before disappearing without paying VAT on that sale. The goods are eventually exported. Such exports are declared and are therefore already reflected in the UK's trade in goods statistics.

Changes to the pattern of trading associated with MTIC fraud can make it difficult to analyse trade by commodity group and by country, as changes in the impact of activity associated with this fraud affect both imports and exports. However, the MTIC trade adjustments are added to the EU import estimates derived from Intrastat returns as it is this part of the trading chain that is not generally recorded. In particular, adjustments affect trade in capital goods and intermediate goods as these categories include mobile phones and computer components, which are still the most widely affected goods.

International convention determines that the treatment of the impact is to adjust imports upwards by the relevant amounts of missing declarations (non-response). However, users may wish to interpret short-term movements in imports excluding that part of the fraudulent activity that is not included in the import estimates. For this purpose, an analysis of the import figures with the VAT MTIC adjustments excluded is shown in Table 13. (See background note 2 for information on the removal of this table).

## 17. Records sheet

The [UK trade record information for July 2015](#) can be accessed on our website.

## 18. Background notes

### 1. This month's release

As part of our ongoing improvements, changes have been made to improve this release (including merging monthly and 3-monthly tables) and its associated commentary. We have added a section on 'where to find more information about UK trade statistics' which includes the launch of our UK trade page. We would welcome any feedback you might have on the improvements. To provide feedback on the bulletin please contact us via email [trade.in.goods@ons.gsi.gov.uk](mailto:trade.in.goods@ons.gsi.gov.uk).

### 2. Next month's release

Following discussions with our main data supplier, HMRC, we are planning to remove table 13 from the monthly UK Trade release. This table shows trade in goods excluding adjustments associated with MTIC fraud. The impact of MTIC fraud on the UK trade figures is now minimal.

We do, however, remain committed to meeting our user's needs and can provide this series by request. We would like to find out more about how this information is being used and to establish any impact of removing this table.

If you use this table or have any issue with the removal of this table, please email us ( [trade.in.goods@ons.gsi.gov.uk](mailto:trade.in.goods@ons.gsi.gov.uk)) by 30 September 2015.

### 3. Special events

An article outlining the [ONS policy on special events](#) is available on our website.

### 4. Code of Practice for Official Statistics

National Statistics are produced to high professional standards set out in the [Code of Practice for Official Statistics](#). They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown copyright 2015.

### 5. Summary quality report

A [summary quality report](#) for this statistical bulletin and associated data can be found on our website.

### 6. Publication Policy

A list of the organisations given [pre-publication access](#) to the contents of this bulletin can be found on our website.

## 7. Feedback

Due to the UK Trade re-assessment by the UK Statistics Authority, we will be improving the release and its associated commentary on a monthly basis. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform your work. To provide feedback on the bulletin please contact us via email on [trade.in.goods@ons.gsi.gov.uk](mailto:trade.in.goods@ons.gsi.gov.uk).

8. Follow us on [Twitter](#) and receive up to date information about our statistical releases.

Like us on [Facebook](#) to receive our updates in your newsfeed and to post comments on our page.

9. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)