

Statistical bulletin

# UK Trade: August 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

- 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
- UK trade, August 2015, now reflects methodological improvements and changes introduced throughout the UK National Accounts which are explained further in the revisions section. Annual and quarterly estimates are consistent with the Quarterly Balance of Payments published on 30 September 2015
- The UK's deficit on trade in goods and services was estimated to have been £3.3 billion in August 2015, a narrowing of £1.2 billion from July 2015. This narrowing of £1.2 billion is attributed to trade in goods, where the deficit has decreased from £12.2 billion in July 2015, to £11.1 billion in August 2015
- Exports of goods increased by £0.8 billion to £23.6 billion in August 2015. This is attributed to an increase in cars which increased by £0.6 billion to a record high of £2.4 billion and chemicals which increased by £0.5 billion. Imports of goods decreased by £0.3 billion to £34.7 billion over the same period
- In the 3-months to August 2015, the UK's deficit on trade in goods and services was estimated to have been £8.1 billion; widening by £1.3 billion when compared with the 3-months to May 2015. The combined trade deficit of the first two months of quarter 3 (July and August) 2015 is already double the total trade deficit in quarter 2 (April to June) 2015
- In the 3-months to August 2015, the trade in goods deficit widened by £1.8 billion to £31.4 billion. Exports decreased by £1.5 billion to £72.4 billion and imports increased by £0.3 billion to £103.8 billion over the same period. The decrease in exports for the 3-months to August 2015 is attributed to a £2.1 billion decrease in non-EU exports (finished manufactures fell by £1.1 billion). This was partially offset by an increase in exports to the EU of £0.6 billion (of which, finished manufactures accounted for £0.5 billion)
- In the 3-months to August 2015, the trade in services surplus widened by £0.5 billion to £23.3 billion. There was an increase of £0.1 billion in exports and a decrease of £0.4 billion in imports over the same period

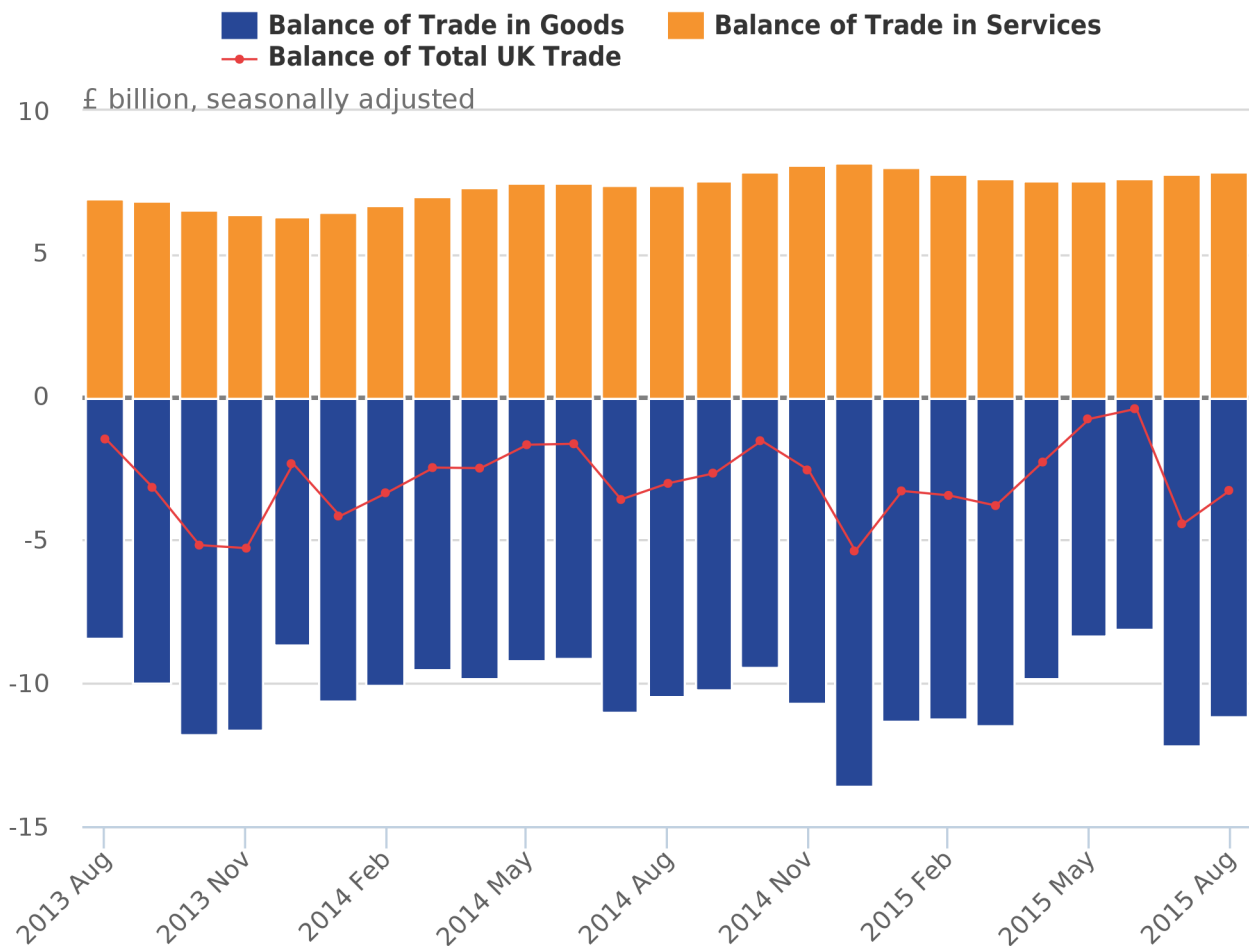
# 2. Main figures

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

	Balance of trade in goods			Balance of trade in services	Total trade balance
	£ billion				
	EU	Non-EU	Total		
2014 Aug	-6.7	-3.7	-10.4	7.4	-3.0
2015 Jun	-7.2	-0.9	-8.1	7.7	-0.4
Jul	-7.4	-4.8	-12.2	7.8	-4.4
Aug	-7.4	-3.8	-11.1	7.9	-3.3

Source: Office for National Statistics

**Figure 1: Balance of UK trade, August 2013 to August 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:

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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 \(414.5 Kb Word document\)](#) 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. 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 main 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 main 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

### Monthly analysis

The deficit on trade in goods and services for August 2015 was £3.3 billion compared with a deficit of £4.4 billion in July 2015. The trade position reflects exports minus imports and the narrowing of the deficit reflects an increase in exports and a decrease in imports between July 2015 and August 2015.

In August 2015, exports increased by £0.8 billion (1.9%) to £42.3 billion, with all of the increase attributed to goods, specifically cars which increased by £0.6 billion and chemicals which increased by £0.5 billion. Imports decreased by £0.4 billion to £45.6 billion over the same period. This decrease comprised a £0.1 billion fall in the import of services and a £0.3 fall in the imports of goods; mainly erratics.

The increase in exports of goods partially reverses the large fall in July 2015, when exports of goods reached its lowest level since September 2010. The weakness of these exports in July and August 2015 means that the total trade deficit of these combined months is already double the deficit for the whole of quarter 2 (April to June) 2015.

The deficit on trade in goods was £11.1 billion in August 2015; narrowing by £1.1 billion when compared with July 2015.

Exports of goods to EU countries increased by 6.2% (£0.7 billion) in August 2015, the largest percentage increase since July 2013. Exports of cars to EU countries increased by £0.4 billion to a record high of £1.1 billion, exceeding £1.0 billion for the first time. Imports to the EU also increased, resulting in an unchanged trade in goods deficit with EU countries of £7.4 billion in August 2015 when compared with July 2015. However, imports with countries outside the EU fell by £0.9 billion, with decreases in imports across all main commodities.

### 3-monthly analysis

The total trade deficit widened to £8.1 billion from a £6.8 billion in the 3-months to May 2015, mainly attributed to a 2.0% fall in exports of goods. Exports of goods decreased £1.5 billion in the 3-months to August 2015. There were decreases in exports of material manufactures (£0.6 billion), miscellaneous manufactures (£0.5 billion), oil (£0.4 billion), and chemicals (£0.4 billion).

In the 3-months to August 2015, exports of goods to countries outside the EU fell by 5.3%, whilst exports to EU countries increased by 1.8%.

In quarter 2 (April to June) 2015 exports of services increased by £0.2 billion to a record high of £56.2 billion, with notable increases in travel services, intellectual property and telecommunications all reaching record levels.

## 5. Longer-term perspective

### Longer-term perspective and contribution to GDP and current account up to quarter 2 (April to June) 2015

#### Trade contribution to GDP

In volume terms (chained volume measure) the UK has been running a consistent trade deficit (as a percentage of GDP) since quarter 1 (January to March) 1998.

The onset of the global economic downturn in mid-2008 affected the economic performance of the UK's major trading partners. Between quarter 1 (January to March) 2008 and quarter 2 (April to June) 2009 both UK exports and imports fell sharply, but recovered following this to reach pre-downturn levels by 2010. Since 2010 the trade deficit has been consistently negative, varying between 1.4% and 2.9% of annual GDP. Exports of services have continued to increase whilst goods exports have remained relatively flat since 2011.

The large narrowing of the trade deficit in quarter 2 (April to June) 2015 contributed 1.4 percentage points to GDP growth, the largest contribution since quarter 1 (January to March) 2011. This comprised a 0.6 percentage point contribution from an increase in exports and a 0.9 percentage point contribution from a fall in imports. The contribution to growth from both exports and imports is similar to the contribution in quarter 2 (April to June) 2014.

For more on trade contributions to GDP see Annex [B of Quarterly National Accounts quarter 2 \(April to June\) 2015](#).

#### Trade and the latest current account deficit

At current prices, in quarter 2 (April to June) 2015, the narrowing of the trade deficit led to a narrowing of the current account deficit. The deficit on trade in goods and services was equivalent to 0.7% of GDP in quarter 2 (April to June) 2015, compared with 2.3% in quarter 1 (January to March) 2015.

For more information on trade contribution to the current account see [Balance of Payments quarter 2 \(April to June\) 2015](#).

## 6. Detailed commentary

This section of the statistical bulletin consists of the following parts:

### Trade in goods

1. Value of UK trade in goods
2. Trade in goods – analysis by area
3. Trade in goods – geographical analysis
4. Volume of total trade in goods, excluding oil and erratics

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

6. Trade in oil

## Trade in services

7. Trade in services analysis

## Other information

8. Where to find information about UK trade statistics

9. Revisions to trade statistics

10. Accuracy of the statistics

11. Other quality information

12. Records sheet

# 7. Value of UK trade in goods

## Monthly commentary

In August 2015, the UK's deficit on trade in goods was £11.1 billion, narrowing by £1.1 billion when compared with July 2015.

Total exports increased by £0.8 billion (3.5%) to £23.6 billion in August 2015 from £22.8 billion in July 2015. When looking at the commodities in more detail:

- manufactures rose by £1.0 billion (5.3%)
- there was a rise in semi-manufactures of £0.6 billion (10.4%); specifically chemicals which increased by £0.5 billion (12.1%); of which medicinal and pharmaceutical products increased by £0.6 billion (31.4%), offset by a decrease in organic chemicals of £0.1 billion (17.9%)
- finished manufactures rose by £0.3 billion (2.8%). All of this increase was seen in machinery and transport equipment which increased by £0.3 billion (2.9%). Cars were at a record high increasing by £0.6 billion (30.5%) to £2.4 billion
- all of the above increases were offset by a decrease in oil of £0.3 billion (15.5%)

Total imports decreased by £0.3 billion (0.7%) to £34.7 billion in August 2015 from £35.0 billion in July 2015. When looking at the commodities in more detail:

- there were small decreases across several commodities



## 3-monthly commentary

In the 3-months to August 2015, the deficit on trade in goods was £31.4 billion, widening by £1.8 billion when compared with the 3-months to May 2015.

Total exports decreased by £1.5 billion (2.0%) to £72.4 billion in the 3-months to August 2015 compared with £73.9 billion in the 3-months to May 2015. When looking at the commodities in more detail:

- fuels fell by £0.3 billion (4.3%), attributed entirely to oil which decreased by £0.4 billion (6.0%)
- manufactures fell by £1.6 billion (2.6%). There were falls in semi-manufactures of £1.0 billion (4.7%) and miscellaneous manufactures of £0.5 billion (4.3%)
- the above decreases were offset by an increase in unspecified goods of £0.5 billion (26.0%)

Total imports increased by £0.3 billion (0.3%) to £103.8 billion in the 3-months to August 2015 compared with £103.5 billion in the 3-months to May 2015. When looking at the commodities in more detail:

- chemicals rose by £0.2 billion (1.4%), attributed to an increase in medicinal and pharmaceutical products of £0.3 billion (4.9%), this was offset by a fall in inorganic chemicals of £0.1 billion (19.1%)
- road vehicles rose by £0.1 billion (0.7%), this increase came from cars which rose by £0.1 billion (1.9%) to a record high of £8.0 billion
- these increases were offset by a decrease in material manufactures which fell by £0.5 billion (4.3%), attributed to falls in mineral manufactures of £0.1 billion (8.2%) and non-ferrous metals of £0.3 billion (13.6%)

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

**Table 2: Change in UK main commodity value, August 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")	-287	-119	-355	-660
Cars	+562	+148	-36	+149
Consumer goods other than cars	+60	+161	-383	-147
Intermediate goods	-6	+131	-274	+12
Capital goods	+37	+19	-66	+9
Chemicals	+470	+154	-384	+187
Semi-manufactured goods other than chemicals	+153	-82	-586	-465

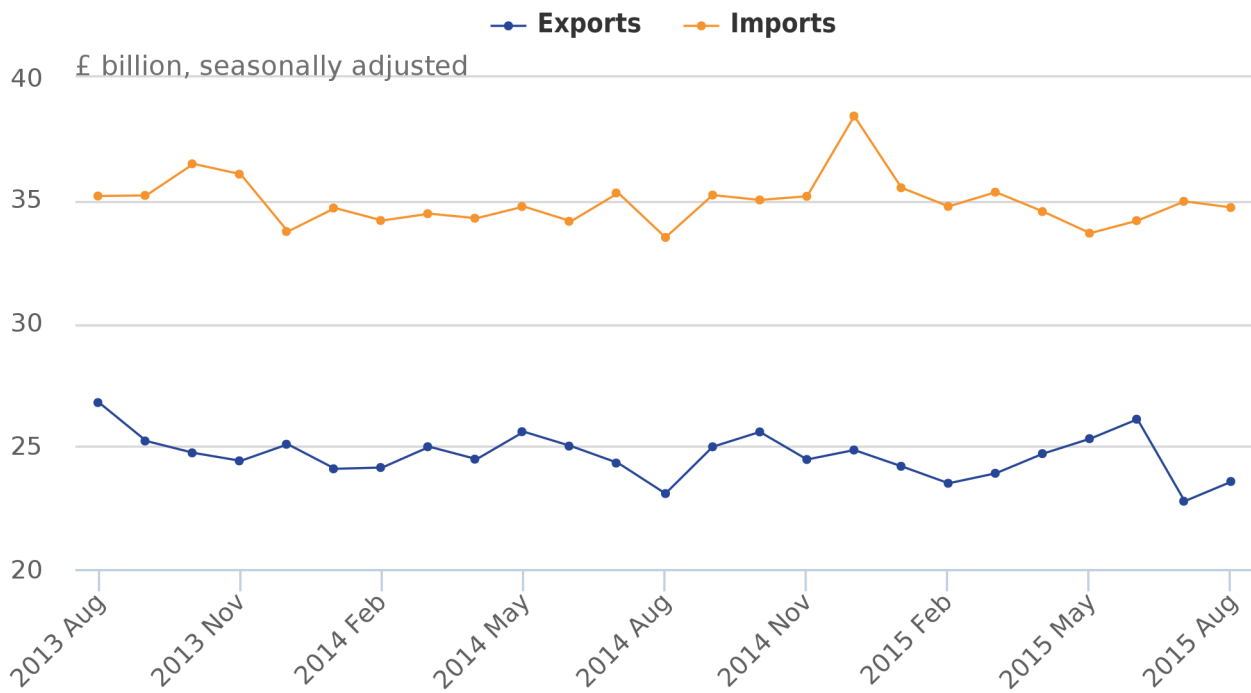
Source: Office for National Statistics

Notes:

1. Monthly change is August 2015 compared with July 2015

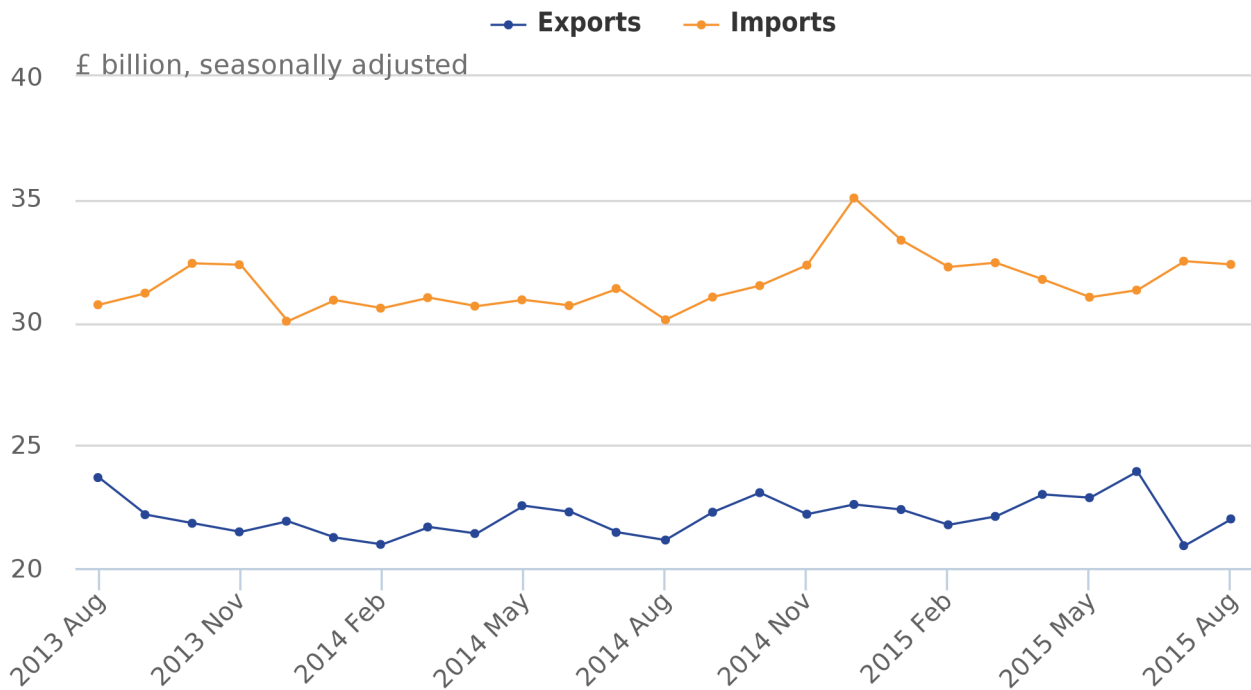
2. 3-monthly change is June 2015 to August 2015 compared with March 2015 to May 2015

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



Source: Office for National Statistics

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



Source: Office for National Statistics

## Where to find data about UK trade in goods

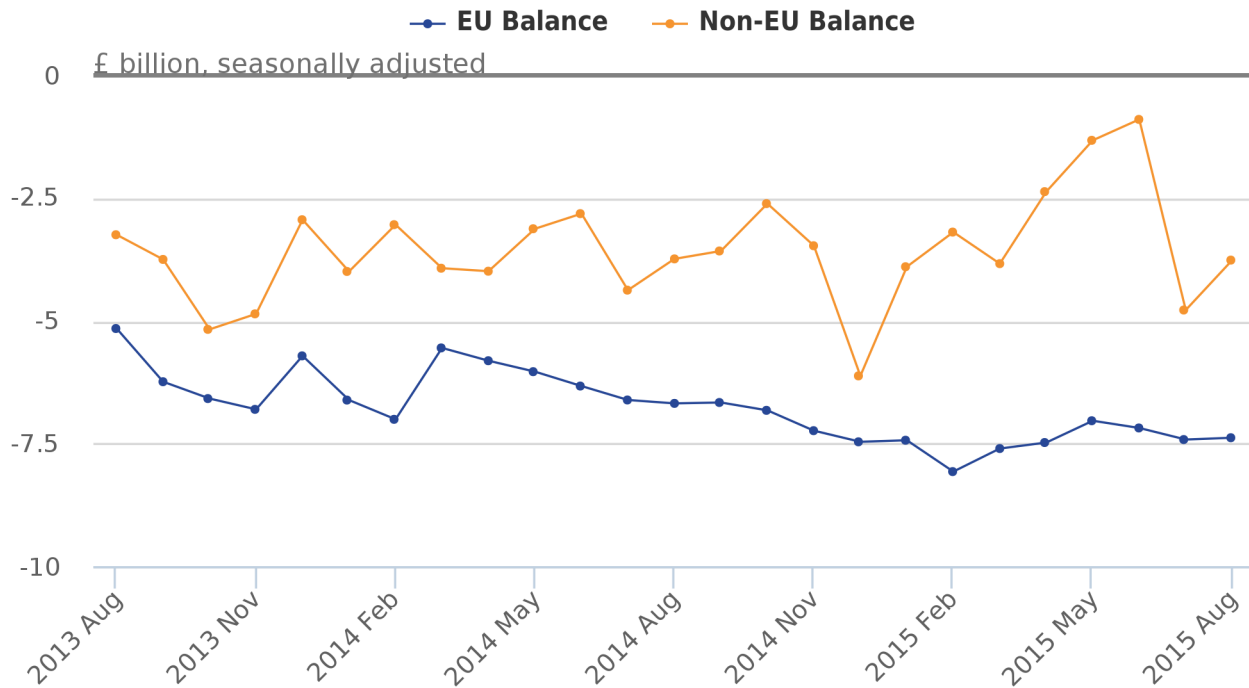
The overall trade in goods figures are available in Tables 1 and commodity figures are available in Tables 8, 9 and 10 of the [PDF version](#) of this statistical bulletin.

## 8. Trade in goods – analysis by area

### Monthly commentary

In August 2015, the deficit on trade in goods with EU countries narrowed by £37.0 million to £7.4 billion. The deficit on trade in goods with non-EU countries narrowed by £1.0 billion to £3.8 billion (Figure 4).

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



Source: Office for National Statistics

### 3-monthly commentary

In the 3-months to August 2015, the deficit on trade in goods with EU countries narrowed by £0.1 billion to £22.0 billion. In the 3-months to August 2015, the deficit on trade in goods with non-EU countries widened by £1.9 billion to £9.4 billion.

At the commodity level, the data are shown in Table 3 and 4.

**Table 3: Change in UK main commodity value (EU), August 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")	+96	+43	-130	+24
Cars	+367	+154	+140	+170
Consumer goods other than cars	+9	+49	+160	+76
Intermediate goods	-19	+272	-20	+188
Capital goods	+78	+57	+113	+159
Chemicals	+89	+123	+134	+8
Semi-manufactured goods other than chemicals	+14	+68	-50	+54

Source: Office for National Statistics

Notes:

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

**Table 4: Change in UK main commodity value (non-EU), August 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')	-383	-162	-225	-684
Cars	+195	-6	-176	-21
Consumer goods other than cars	+51	+112	-543	-223
Intermediate goods	+13	-141	-254	-176
Capital goods	-41	-38	-179	-150
Chemicals	+381	+31	-518	+179
Semi-manufactured goods other than chemicals	+139	-150	-536	-519

Source: Office for National Statistics

Notes:

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

## 9. Trade in goods – geographical analysis

## Monthly analysis

In terms of trade in goods, the USA remains the UK's largest export partner in August 2015 as exports rose to £4.0 billion (up £0.5 billion from July 2015). Anecdotal evidence suggests that the export of chemicals to the USA continued to rise in the latest month, although at a slower rate than previously seen. Exports to both Germany and the Netherlands increased by £0.1 billion between July 2015 and August 2015; these countries are the second and third largest of the UK's export partners, respectively.

These increases were partially offset by falls in exports to South Korea and China, each falling by £0.2 billion between July 2015 and August 2015.

The total fall in imports of goods in August 2015 mainly reflects a £0.4 billion decrease in imports from the USA and a £0.2 decrease in imports from Canada. The remaining fall in imports reflects less significant but cumulative falls elsewhere globally.

The fall in imports in August 2015 was partially offset by increases in imports to Switzerland (up £0.1 billion) and Germany (also up £0.1 billion). Germany remains the UK's largest import partner in August 2015 as imports rose to £5.3 billion.

## 3-monthly analysis

In the 3-months to August 2015, exports of goods to the USA fell by £0.7 billion as exports of chemicals slowed since their peak in early 2015. Exports to China fell by £0.6 billion over the same period anecdotal evidence attributes some of this fall to a lag in exports of oil and motor vehicles over the 3-months to August. Exports to India fell by £0.4 billion over the same period.

The fall in exports in August 2015 was partially offset by a £0.5 billion rise in exports to the Netherlands.

In the 3-months to August-2015, imports of goods to Canada and Saudi Arabia each rose by £0.6 billion and imports from Belgium and Luxembourg (combined) rose by £0.4 billion. These increases were partially offset by falls in imports to South Korea and Russia; both falling by £0.4 billion in the 3-months to August 2015.

In the 3-months to August, the trade in goods deficit widened by £1.8 billion. This widening is reflected in the UK's trade deficits with Canada and China, both widening by £0.8 billion from the previous 3-months. The UK's deficit with the USA widened by £0.7 billion in the 3-months to August.

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

Between July 2015 and August 2015, the volume of exports increased by 7.7% and the volume of imports increased by 0.5%.

In the 3-months to August 2015, the volume of exports increased by 5.7% and the volume of imports increased by 9.4% when compared with the 3-months to May 2015.

At the commodity level, the data are shown in Table 5.

**Table 5: Change in UK main commodity volume, August 2015 compared with July 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	+3.8	0.0	+7.5	+7.8
Basic materials	+5.2	-11.9	-0.4	+1.3
Semi-manufactured goods; of which	+8.4	0	+5.8	+4.7
Chemicals	+10.1	+1.9	+7.4	+5.9
Finished manufactured goods; of which	+3.8	+0.9	+4.8	+5.2
Cars	+33.7	+0.6	+10.4	+6.4
Consumer goods other than cars	+3.6	+2.7	+0.6	+7.4
Intermediate goods	0.0	+1.9	+3.0	+6.6
Capital goods	+2.0	-0.9	+7.4	+7.9

Source: Office for National Statistics

Notes:

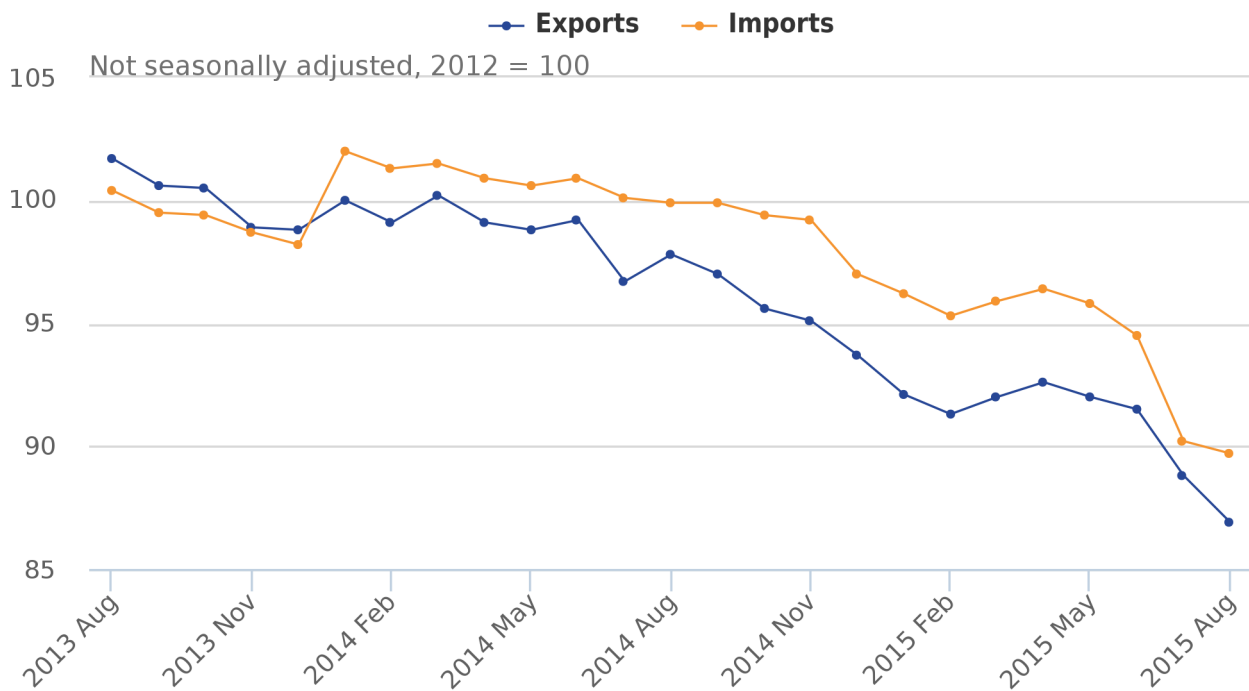
1. Monthly change is August 2015 compared with July 2015
2. 3-monthly change is June 2015 to August 2015 compared with March 2015 to May 2015

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

In August 2015, compared with July 2015, export prices decreased by 2.1% and import prices decreased by 0.6%. Excluding the oil price effect, export prices decreased by 1.2% and import prices increased by 0.2%.

In the 3-months to August 2015, when compared with the 3-months to May 2015, export prices decreased by 3.4% and import prices decreased by 4.8%. Excluding the oil price effect, export prices decreased by 2.7% and import prices decreased by 3.9%.

**Figure 5: UK trade in goods export and import prices, August 2013 to August 2015**



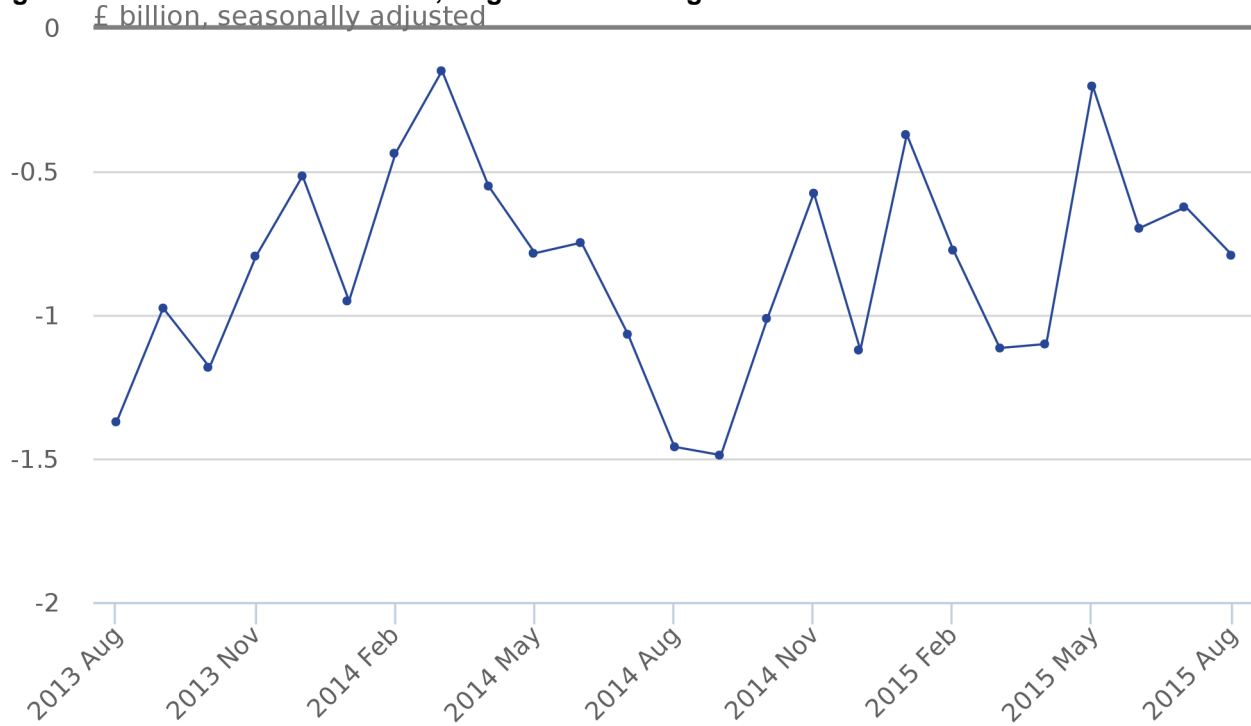
Source: Office for National Statistics

## 12. Trade in oil

In August 2015, the balance on trade in oil was in deficit by £0.8 billion compared with a deficit of £0.6 billion in July 2015. Oil exports decreased by £0.3 billion to £1.6 billion and oil imports decreased by £0.1 billion to £2.4 billion.

In the 3-months to August 2015, the balance on trade in oil was in deficit by £2.1 billion, narrowing by £0.3 billion when compared with the 3-months to May 2015. Oil exports decreased by £0.4 billion to £5.6 billion and oil imports decreased by £0.7 billion to £7.7 billion.

**Figure 6: Balance of UK trade in oil, August 2013 to August 2015**



Source: Office for National Statistics

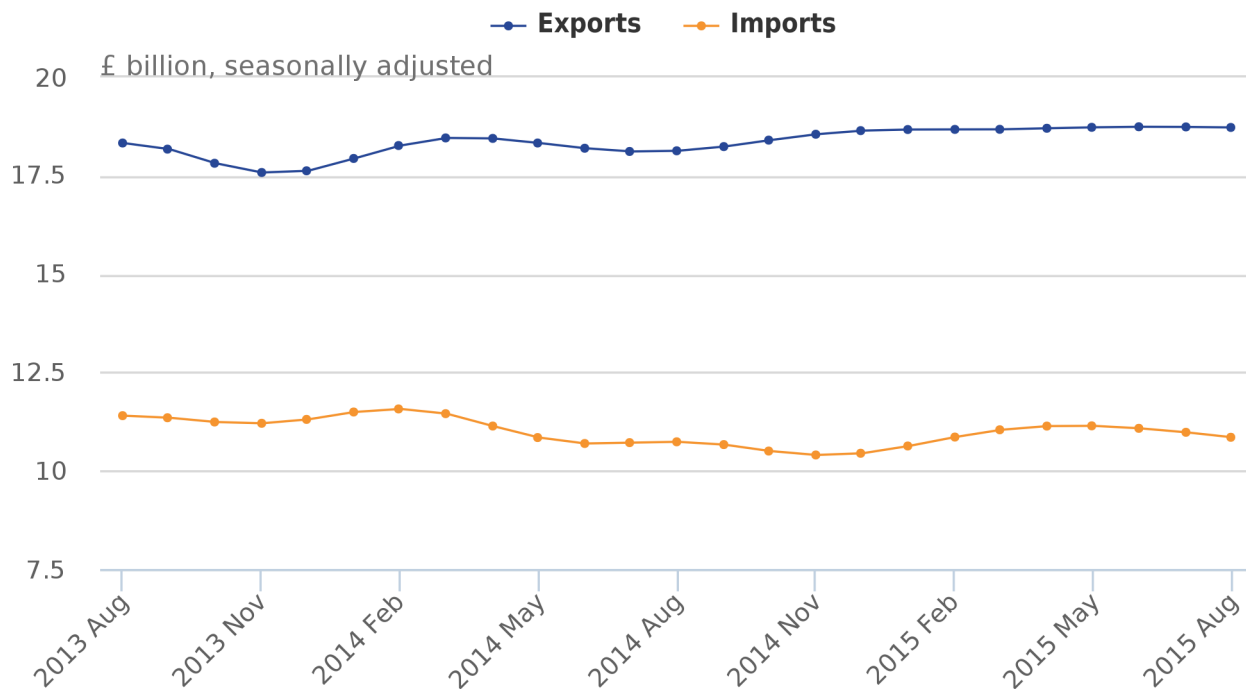
### 13. Trade in services

In August 2015, the UK's estimated surplus on trade in services was £7.9 billion.

Exports in August 2015 were estimated to have been £18.7 billion and imports £10.8 billion.



**Figure 7: Value of UK trade in services, August 2013 to August 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. This means that the data for the latest months are uncertain.

In quarter 2 (April to June) 2015, the surplus on trade in services was £22.8 billion. Financial services remains the largest contributor to this surplus at £10.1 billion.

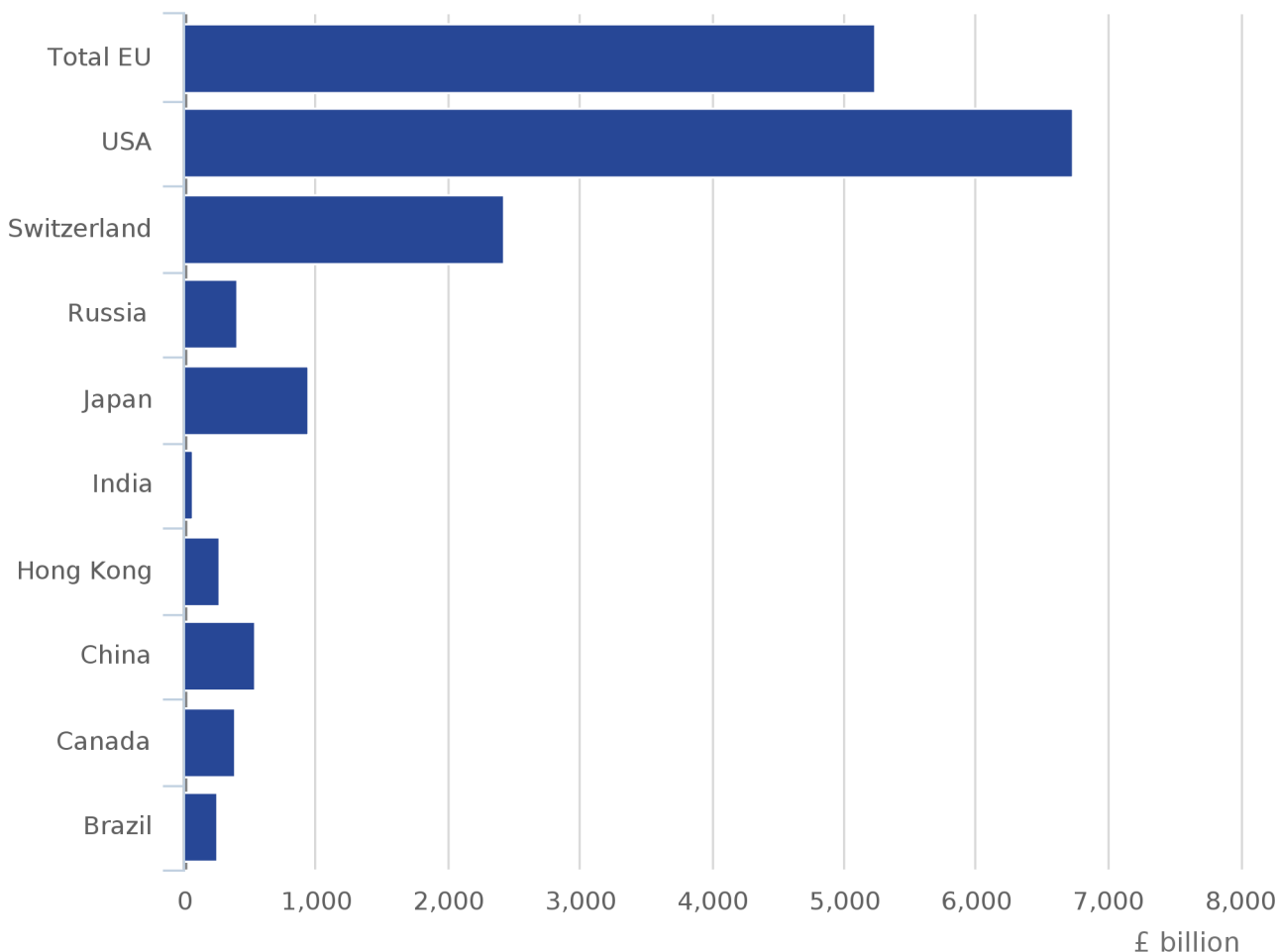
In quarter 2 (April to June) 2015, exports of services increased by £0.2 billion to £56.2 billion reflecting an increase in travel services. For the same period, imports of services increased by £0.8 billion to £33.3 billion. This reflects increases in imports of travel services and telecommunication, computer and information services.

By area, in quarter 2 (April to June) 2015, exports of services to countries within the EU rose by £0.4 billion to £21.3 billion, which was a record high. Imports from the EU fell by £0.5 billion in the same period to £16.0 billion.

The balance of trade in services with non-EU countries fell by £1.6 billion in quarter 2 (April to June) 2015 to £17.6 billion. This decrease reflects a fall in exports of £0.2 billion and an increase in imports of £1.3 billion.

In quarter 2 (April to June) 2015, record high surpluses were seen in Japan and India. Trade in services with India has only recently returned to surplus, in quarter 2 (July to September) 2014, and the recent increase in the surplus has been driven by a record high in exports (quarter 2 2015, £0.6 billion).

**Figure 8: Trade in services, balance with total EU and selected non-EU countries, quarter 2 (April to June) 2015**



Source: Office for National Statistics

**Notes:**

1. Q1 refers to quarter 1 (January to March), Q2 refers to quarter 2 (April to June), Q3 refers to quarter 3 (July to September), and Q4 refers to quarter 4 (October to December)

A further breakdown of non-EU countries can be found in the quarter 2 (April to June) 2015 [United Kingdom Economic Accounts](#).

## Revisions

Services estimates are revised from quarter 1 (January to March) 1997, see revisions section for further information.

## 14. 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](#).

## Historic articles published on UK trade

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.

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](#).

## 15. Revisions to trade statistics

Revisions Table 17R shows revisions to the main aggregates since the last UK Trade statistical bulletin of 9 September 2015.

### Methodology changes

#### Withdrawal of income from quasi-corporations (cross border-property income)

Imports and exports of housing services arising from imputed rental of second homes by non-residents will be recorded for the first time. This is recorded within travel services. The impact increases gradually over time with an upward revision to exports of services of £0.5 billion and imports of services of £3.5 billion in 2014, leading to a reduction in the trade in services surplus by approximately £3.0 billion.

#### Non-monetary gold

The methodology used to compile non-monetary gold estimates in the UK trade in goods dataset has been revised since its initial inclusion in September 2014. We have worked alongside the Bank of England and the London Bullion Market Association to develop a method of smoothing the source data; effectively minimising volatility whilst enabling the underlying trend of the gold market to be reflected in the trade balance.

The resulting revisions can be seen in both exports and imports of goods. The range of these revisions to the annual trade balance is between negative £5.0 billion and positive £3.0 billion.

Please note that, due to the small number of operators in the precious metals clearing market, the data are highly confidential. As a result, we are unable to give more detail about the approach used and the associated revisions.

#### Insurance services correction

As a result of correction of an error within export in insurance services, the impact is downward revisions to exports from 2009, with the largest annual revision of £6.5 billion in 2011.

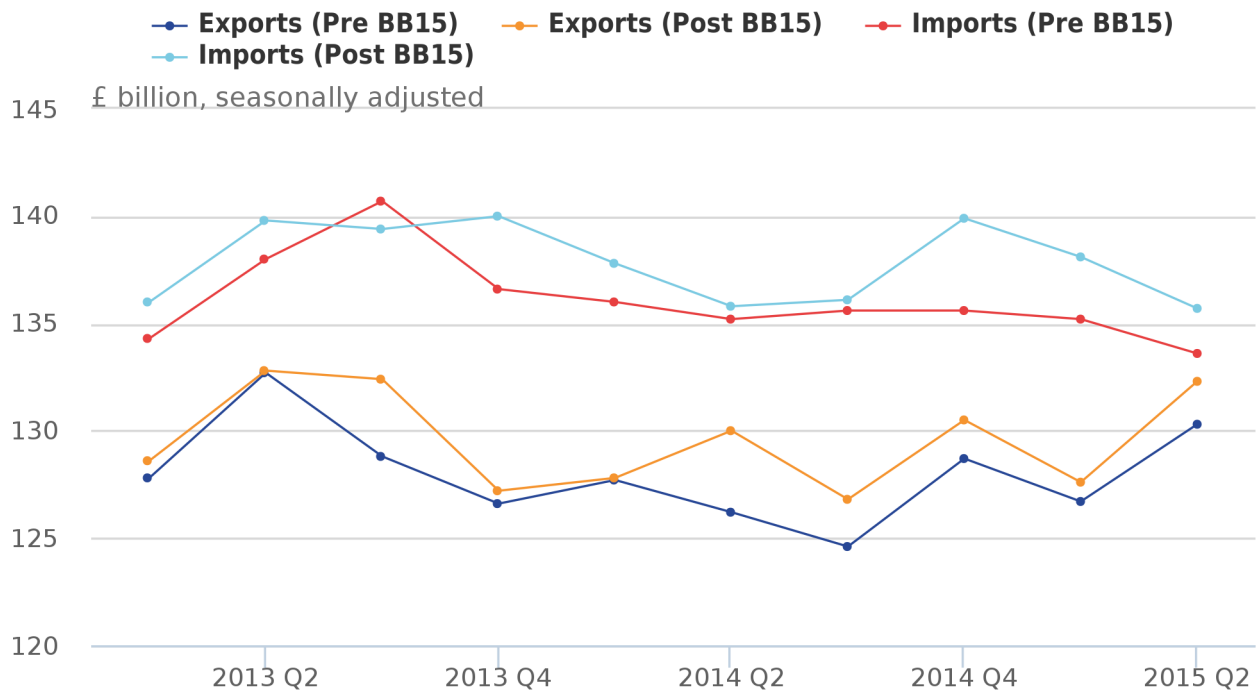
#### Exhaustiveness

To account for under-coverage of the incomes accruing to small businesses and income concealed by businesses and households through the evasion of taxes, there has been an indirect effect on trade in services. Exports of services have been revised up by approximately £2.0 billion in the most recent years.

#### Gas

HMRC Trade Statistics have amended the data source used in the compilation of Natural Gas traded with non-EU partners. This revision only applies in this bulletin for 2014. Imports of gas have been revised upwards by approximately £2.2 billion in 2014. We will fully implement the change from 2011 onwards next year.

**Figure 9: Impact of revisions on total UK trade, quarter 1 (January to March) 2013 to quarter 2 (April to June) 2015**



Source: Office for National Statistics

Notes:

1. Q1 refers to quarter 1 (January to March), Q2 refers to quarter 2 (April to June), Q3 refers to quarter 3 (July to September), and Q4 refers to quarter 4 (October to December)

The impact of the above revisions can be seen in Figure 9.

## Trade in goods revisions

In this release, periods from January 1998 are open for revision.

The revisions to trade in goods from January 1998 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 January 1997 are open for revision.

Revisions for January 2011 onwards for trade in services also include various updated survey estimates and in some cases replacing forecasts.

[National accounts revision policy \(41.6 Kb Pdf\)](#) can be found on our website.

## 16. 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 6: Revisions analysis, UK trade, August 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)	42,287	854		945*
Total trade imports (IKBI)	45,555	588		724
Total trade balance (IKBJ)	3,268	249		687

## 17. 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 August 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.

## 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 (2012) 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.

## 18. Records sheet

The [UK trade record information for August 2015 \(35.5 Kb Excel sheet\)](#) can be accessed on our website.

## 19. Background notes

### 1. This month's release

#### Consistency with Quarterly National Accounts, Blue Book 2015 and Pink Book 2015

The data published in this Statistical Bulletin are consistent with the [Quarterly National Accounts \(quarter 2 \(April to June\) 2015\)](#) published on 30 September 2015. As previously announced, the revision period for this publication is back to January 1998, in line with the open revisions period for the 2015 Blue Book and Pink Book.

Consistent with changes to Blue Book, the reference year has moved from 2011=100 to 2012=100 and the base year for chained volume measures from 2011 to 2012.

Articles on the [content of the 2015 Blue Book and the associated publication dates](#) can be found on our website.

#### Ongoing improvements

As part of our ongoing improvements, changes have been made to improve this release (including commentary on the value of goods section has been expanded) 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).

#### MTIC Table

As announced in the [July 2015 UK trade release](#), we have removed the series from Table 13. This table showed trade in goods excluding adjustments associated with MTIC fraud. The impact of MTIC fraud on the UK trade is now minimal. Users can still access this series using our [time series data](#) website service.

### 2. Next month's release

Next month's release will include a glossary of terminology used in the UK trade publication.

### 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 \(91.3 Kb Pdf\)](#) 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)