

Statistical bulletin

# UK Trade: September 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
- The UK's deficit on trade in goods and services was estimated to have been £1.4 billion in September 2015, a narrowing of £1.6 billion from August 2015. The narrowing is attributed to trade in goods, where the deficit decreased from £10.8 billion in August 2015 to £9.4 billion in September 2015
- Exports of goods increased by £0.6 billion to £24.0 billion in September 2015, this was attributed to an increase in chemicals of £0.6 billion. Imports of goods decreased by £0.9 billion to £33.3 billion over the same period, this was attributed to a decrease in unspecified goods of £1.0 billion
- Despite the narrowing of the deficit on the month of September 2015, in quarter 3 (July to September) 2015, the UK's deficit on trade in goods and services was estimated to have been £8.5 billion; widening by £5.1 billion when compared with quarter 2 (April to June) 2015
- Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015, the trade in goods deficit widened by £5.9 billion to £32.2 billion. The widening was as a result of a £6.0 billion decrease in exports to £70.1 billion, there were falls in exports of oil (£1.3 billion), chemicals (£1.1 billion) and finished manufactures (£1.7 billion). Over the same period imports decreased by £0.1 billion to £102.3 billion
- Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015, the trade in services surplus widened by £0.8 billion to £23.6 billion, as imports fell 2.4%

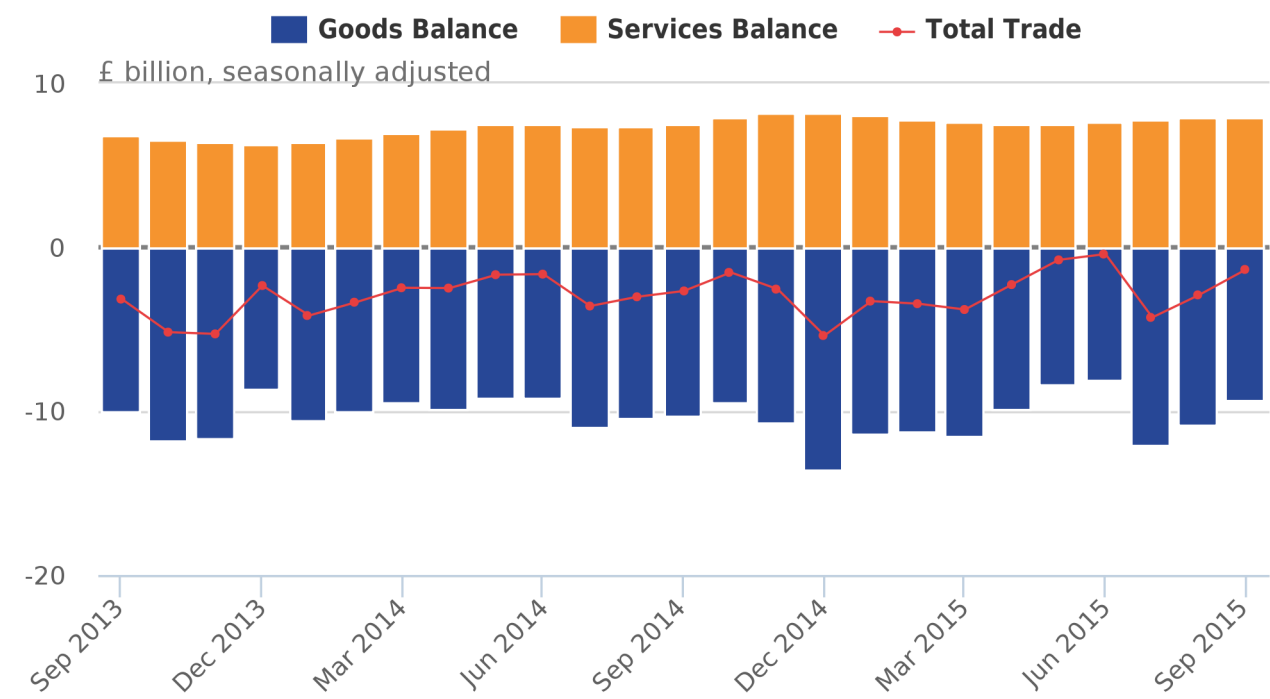
# 2. Main figures

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

	Balance of trade in goods			Balance of trade in services	Total trade balance
	EU	Non-EU	Total		
2014 Sept	-6.7	-3.6	-10.2	7.6	-2.7
2015 Jul	-7.2	-4.9	-12.0	7.8	-4.3
Aug	-6.9	-3.8	-10.8	7.9	-2.9
Sept	-7.3	-2.1	-9.4	8.0	-1.4

Source: Office for National Statistics

Figure 1: Balance of UK trade, September 2013 to September 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: values, volumes and geographic breakdown in a 3-monthly cycle

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@ons.gsi.gov.uk](mailto:trade@ons.gsi.gov.uk)

## Definitions and explanations

A glossary of terms is published in the [UK Trade Glossary \(124.5 Kb Pdf\)](#) and the [UK Balance of Payments - The Pink Book, 2015](#).

## 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

### Quarterly analysis

Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015 the total trade deficit (goods and services) widened by £5.1 billion to £8.5 billion. The trade position reflects exports minus imports and the widening of the deficit was mainly attributed to a 7.9% fall in the export of goods. Exports of goods fell by £6.0 billion, to £70.1 billion reflecting decreases in the exports of oil (£1.3 billion), chemicals (£1.1 billion) and finished manufactures (£1.7 billion).

In quarter 3 (July to September) 2015, exports of goods to EU countries fell by 3.3% (£1.2 billion); mainly due to exports of oil which fell by £0.8 billion. Imports from the EU fell by 2.5% (£1.4 billion), with falls across all commodity groups. This resulted in a small narrowing of the trade in goods deficit with EU countries to £21.4 billion in quarter 3 (July to September) 2015 compared with the previous quarter.

Exports of goods to countries outside the EU fell by 11.8% (£4.8 billion) in quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015 when exports to non-EU countries were at a record high. There was a £1.1 billion decrease in the export of chemicals and a £1.5 billion decrease in the exports of finished manufactures; which saw falls across all machinery and transport equipment classes. Imports of goods from countries outside the EU increased by 2.9% (£1.3 billion), this increase was the result of a £2.3 billion rise in imports of unspecified goods. This presented a trade in goods deficit with non-EU countries of £10.8 billion in quarter 3 (July to September) 2015.

In quarter 3 (July to September) 2015, exports of goods to Greece were at a record low of £0.2 billion; a decrease of 77.8% when compared with quarter 2 (April to June) 2015. There was a record deficit with Turkey of £1.0 billion as imports of Turkish goods hit a record high of £2.0 billion, in quarter 3 (July to September) 2015. There was also a record deficit with China of £7.2 billion as imports increased by £1.3 billion and exports fell by £1.2 billion between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015.

Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015, exports of services remained virtually unchanged, however, imports of services fell by 2.4% (£0.8 billion). The largest contributor to this fall was financial services (£0.4 billion).

### Monthly analysis

The deficit on trade in goods and services for September 2015 was £1.4 billion compared with a deficit of £2.9 billion in August 2015. The narrowing of the deficit reflected an increase in exports and a decrease in imports between August 2015 and September 2015.

In September 2015, exports increased by 1.3% (£0.6 billion) to £42.7 billion, all of this increase is attributed to goods; specifically chemicals which increased by £0.6 billion and finished manufactures which increased by £0.4 billion. Total imports decreased by £1.0 billion to £44.0 billion over the same period. This decrease comprised a £0.1 billion fall in the import of services and a £0.9 billion fall in the import of goods.

The deficit on trade in goods was £9.4 billion in September 2015; narrowing by £1.4 billion when compared with August 2015.

Exports of goods to EU countries fell by 2.1% (£0.2 billion) in September 2015 with exports of oil falling by £0.4 billion. Imports to the EU increased by 0.5% (£0.1 billion); mainly due to a rise in imports of aircraft. These movements resulted in a trade in goods deficit with EU countries of £7.3 billion in September 2015.

In September 2015 exports to countries outside the EU increased by 6.8% (£0.8 billion). This increase was mainly attributed to chemical exports which increased by £0.5 billion and resulted in a record surplus for trade in chemicals with non-EU countries of £1.8 billion in September 2015. Imports to countries outside the EU fell by 6.1% (£1.0 billion); specifically unspecified goods which fell by £1.0 billion. This resulted in a £1.8 billion narrowing of the deficit with non-EU countries to £2.1 billion in September 2015.

## **5. 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

## 6. Value of UK trade in goods

### Monthly commentary

In September 2015, the UK's deficit on trade in goods was £9.4 billion, narrowing by £1.4 billion when compared with August 2015.

Total exports increased by £0.6 billion (2.4%) to £24.0 billion in September 2015 from £23.4 billion in August 2015. When looking at the commodities in more detail:

- semi-manufactures rose by £0.5 billion (7.6%), specifically chemicals which rose by £0.6 billion
- finished manufactures rose by £0.4 billion (3.6%)
- miscellaneous manufactures rose by £0.3 billion (10.1%)
- the above increases were offset by decreases in unspecified goods of £0.2 billion (36.1%) and fuels of £0.2 billion (9.3%)

Total imports decreased by £0.9 billion (2.5%) to £33.3 billion in September 2015 from £34.2 billion in August 2015. When looking at the commodities in more detail:

- unspecified goods fell by £1.0 billion (72.7%)
- miscellaneous manufactures fell by £0.3 billion (4.8%)
- chemicals fell by £0.2 billion (4.1%)
- the above decreases were offset by an increase in the imports of aircraft of £0.4 billion (76.6%)

### Quarterly commentary

In quarter 3 (July to September) 2015, the deficit on trade in goods was £32.2 billion, widening by £5.9 billion when compared with quarter 2 (April to June) 2015.

Total exports decreased by £6.0 billion (7.9%) to £70.1 billion in quarter 3 (July to September) 2015 compared with £76.1 billion in quarter 2 (April to June) 2015. When looking at the commodities in more detail:

- semi-manufactures fell by £1.6 billion (7.7%), specifically chemicals which fell by £1.1 billion (7.9%)
- finished manufactures fell by £1.7 billion (4.3%), specifically aircraft which fell by £0.5 billion (15.3%)
- fuels fell by £1.2 billion (16.6%), specifically oil which fell by £1.3 billion (20.2%)
- unspecified goods fell by £1.2 billion (44.3%)
- miscellaneous manufactures fell by £0.5 billion (4.5%)

Total imports decreased by £0.1 billion (0.1%) to £102.3 billion in quarter 3 (July to September) 2015 compared with £102.4 billion in quarter 2 (April to June) 2015. When looking at the commodities in more detail:



- manufactures fell by £1.3 billion (1.6%), specifically material manufactures which fell by £0.6 billion (5.6%) and chemicals which fell by £0.5 billion (3.5%)
- fuels fell by £0.8 billion (7.9%), specifically oil which fell by £12.6 billion (15.0%)
- the above decreases were offset with increases in unspecified goods of £2.2 billion (184.1%) and cars of £0.4 billion (5.0%)

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

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

	£ million			
	Monthly change <sup>1</sup>		Quarterly change <sup>2</sup>	
	Exports	Imports	Exports	Imports
Oil (see section on "trade in oil")	-143	-100	-1274	-1245
Cars	-112	+11	-14	+384
Consumer goods other than cars	+326	-247	-449	+238
Intermediate goods	+15	-71	-595	-275
Capital goods	+126	+27	-40	-124
Chemicals	+576	-178	-1123	-472
Semi-manufactured goods other than chemicals	-78	+140	-506	-608

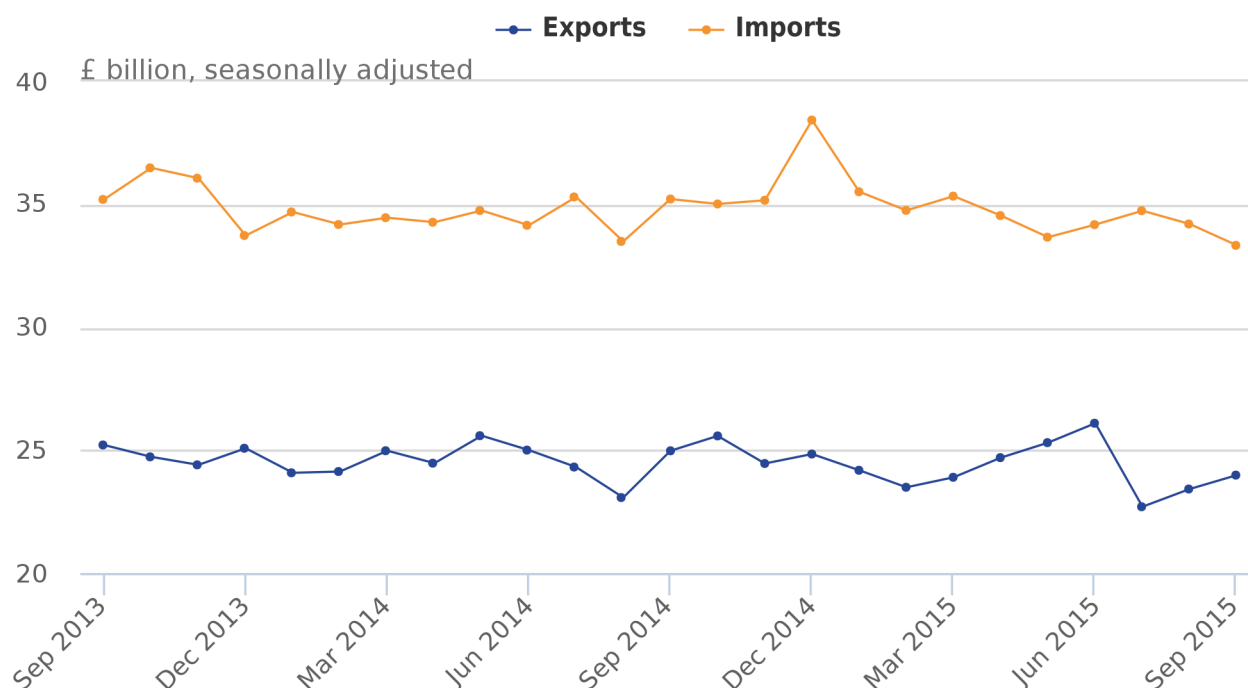
Source: Office for National Statistics

Notes:

1. Monthly change is September 2015 compared with August 2015

2. Quarterly change is quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015

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



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



Source: Office for National Statistics

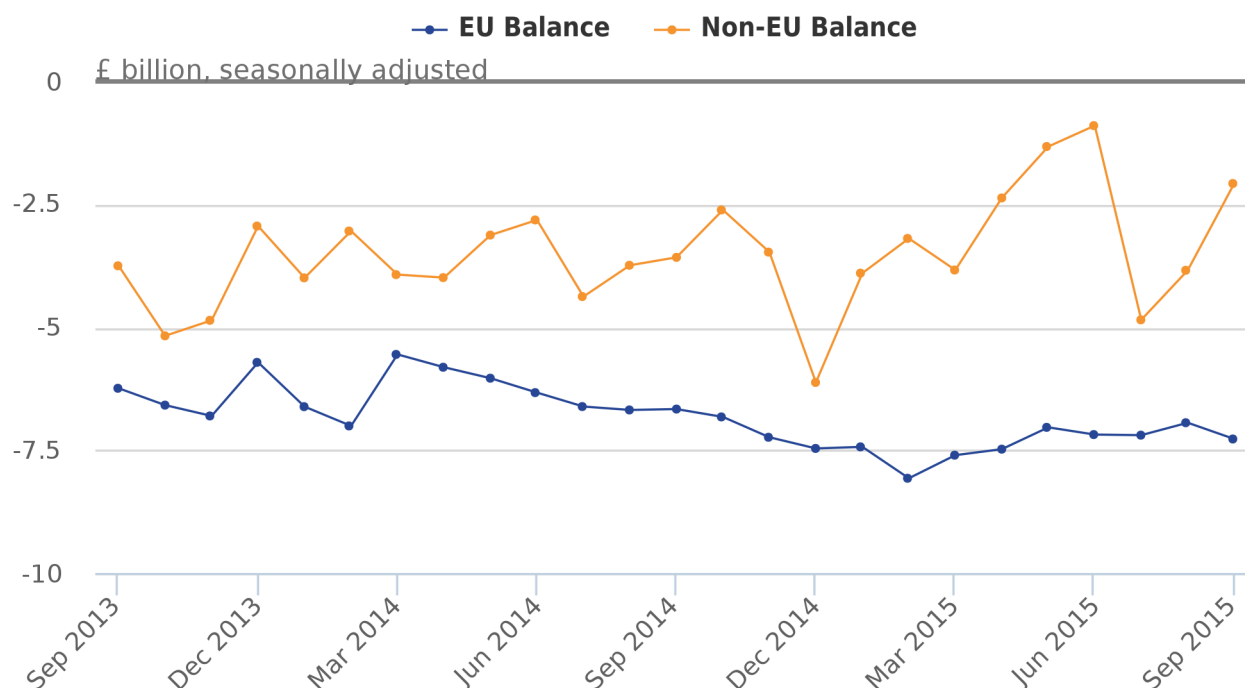
## Where to find data about UK trade in goods

The overall trade in goods figures are available in Table 1 and commodity figures are available in Tables 8, 9 and 10 of the [excel version of the tables \(393 Kb Excel sheet\)](#).

## 7. Trade in goods – analysis by area

In September 2015, the deficit on trade in goods with EU countries widened by £0.3 billion to £7.3 billion. The deficit on trade in goods with non-EU countries narrowed by £1.8 billion to £2.1 billion (Figure 4).

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



Source: Office for National Statistics

In quarter 3 (July to September) 2015, the deficit on trade in goods with EU countries narrowed by £0.3 billion to £21.4 billion. In quarter 3 (July to September) 2015, the deficit on trade in goods with non-EU countries widened by £6.2 billion to £10.8 billion.

## EU analysis

Between August 2015 and September 2015, exports to the EU decreased by £0.2 billion (2.1%) to £11.3 billion. This was attributed to decreases in exports to Germany, Italy and the Netherlands, all of £0.1 billion.

Between August 2015 and September 2015, imports from the EU increased by £0.1 billion (0.5%) to £18.6 billion. This was attributed to increases in imports from the Irish Republic, Italy, Slovakia and Spain, all of £0.1 billion.

Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015, exports to the EU decreased by £1.2 billion (3.3%) to £33.7 billion. This was attributed to decreases in exports to Greece of £0.6 billion, to Germany of £0.5 billion and to France of £0.4 billion. These decreases were offset by an increase in exports to Belgium and Luxembourg (combined) of £0.3 billion.

Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015, imports from the EU decreased by £1.4 billion (2.5%) to £55.2 billion. This was attributed to decreases in imports from Greece of £1.1 billion, the Netherlands of £0.4 billion and from Italy of £0.3 billion.

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

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

£ million			
Monthly change <sup>1</sup>		Quarterly change <sup>2</sup>	
Exports	Imports	Exports	Imports

Oil (see section on "trade in oil")	-143	-100	-1274	-1245
Cars	-112	+11	-14	+384
Consumer goods other than cars	+326	-247	-449	+238
Intermediate goods	+15	-71	-595	-275
Capital goods	+126	+27	-40	-124
Chemicals	+576	-178	-1123	-472
Semi-manufactured goods other than chemicals	-78	+140	-506	-608

Source: Office for National Statistics

Notes:

1. Monthly change is September 2015 compared with August 2015

2. Quarterly change is quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015

## Non-EU analysis

Between August 2015 and September 2015, exports to non-EU countries increased by £0.8 billion (6.8%) to £12.7 billion. This was attributed to increases in exports to the USA of £0.4 billion, to both South Korea and Switzerland of £0.2 billion each and to India of £0.1 billion.

Between August 2015 and September 2015, imports from non-EU countries decreased by £1.0 billion (6.1%) to £14.8 billion. This was attributed to decreases in imports from Canada of £0.5 billion, from Switzerland of £0.3 billion and from China, Japan, Saudi Arabia, South Korea, Thailand, Turkey and the USA, all of £0.1 billion.

Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015, exports to non-EU countries decreased by £4.8 billion (11.8%) to £36.4 billion. This was attributed to decreases in exports to both China and the USA of £1.2 billion each, to Saudi Arabia of £0.4 billion and to Switzerland of £0.3 billion.

Between quarter 2 (April to June) 2015 and quarter 3 (July to September) 2015, imports to non-EU countries increased by £1.3 billion (2.9%) to £47.1 billion. This was attributed to increases in imports from China of £1.3 billion, from Canada of £0.7 billion, from the USA of £0.6 billion and from Turkey of £0.4 billion. These increases were offset by a decrease in imports from South Korea of £0.6 billion and from Russia of £0.5 billion.

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

	£ million			
	Monthly change <sup>1</sup>		Quarterly change <sup>2</sup>	
	Exports	Imports	Exports	Imports
Oil (see section on 'trade in oil')	+211	-80	-480	-1104
Cars	-27	+12	-184	+47
Consumer goods other than cars	+348	-219	-361	+317
Intermediate goods	-17	+40	-410	-7
Capital goods	-2	+51	-118	+76
Chemicals	+537	-234	-1098	-11
Semi-manufactured goods other than chemicals	-94	+106	-300	-408

Source: Office for National Statistics

Notes:

1. Monthly change is September 2015 compared with August 2015
2. Quarterly change is quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015

## Where to find data about UK trade in goods – analysis by area

The overall trade in goods by area figures are available in Table 2 and value of trade in goods with selected EU and non-EU trading partner figures are available in Tables 11 and 12 of the [excel version of the tables \(393 Kb Excel sheet\)](#).

## 8. Trade in goods – geographical analysis

### Monthly analysis

The USA remains the UK's top export partner with exports of £4.4 billion in September 2015 increasing by £0.4 billion when compared with August 2015. Anecdotal evidence suggests this increase is due to a rise in the export of chemicals.

Germany remains the UK's top import partner with imports of £5.1 billion, increasing by £16.0 million when compared with August 2015. Anecdotal evidence suggests this increase is due to a rise in the import of chemicals.

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

		Exports (£m)	
		Sep-2015 Value	1-Month Change
1	USA	4,393	+367
2	Germany	2,478	-142
3	France	1,506	+56
4	Netherlands	1,483	-94
5	Irish Republic	1,469	+20
6	Belgium / Luxembourg	1,068	+7
7	Spain	763	+10
8	China	730	-72
9	Italy	684	-80
10	Switzerland	622	+169
		Imports (£m)	
		Sep-2015 Value	1-Month Change
1	Germany	5,111	+16
2	China	3,218	-69
3	USA	2,830	-55
4	Netherlands	2,539	-12
5	France	1,968	-20
6	Belgium and Luxembourg	1,822	-16
7	Italy	1,325	+51

8	Spain	1,251	+54
9	Irish Republic	1,135	+86
10	Norway	1,047	+36

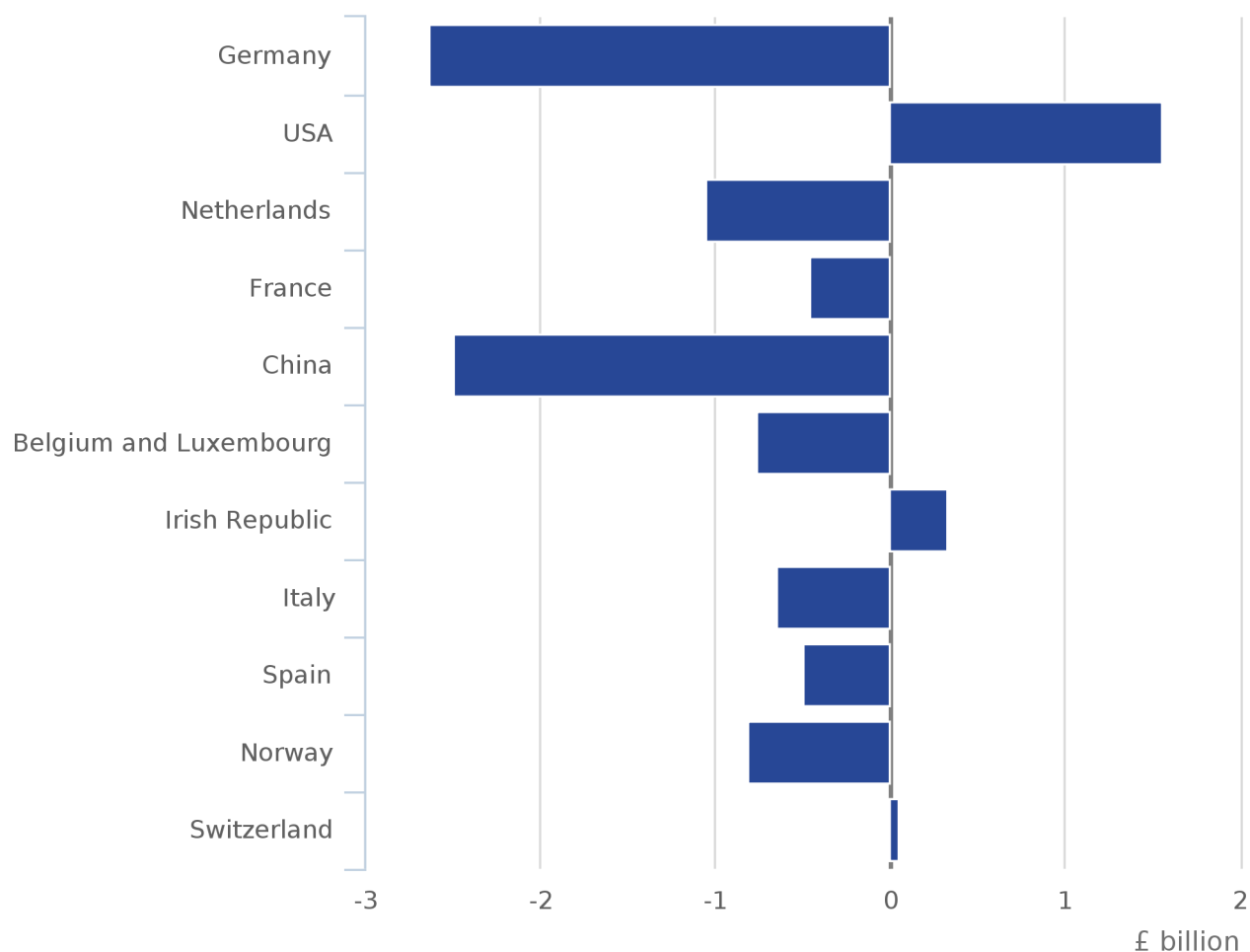
Source: Office for National Statistics

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, September 2015**



Source: Office for National Statistics

## Quarterly analysis

In quarter 3 (July to September) 2015, exports to Greece were at a record low, having decreased by £0.6 billion (77.8%) to £0.2 billion compared with quarter 2 (April to June) 2015. The USA remained the UK's top exporting partner although exports decreased by £1.2 billion (9.2%) to £11.9 billion compared with quarter 2 (April to June) 2015. Anecdotal evidence suggests this is due to a decrease in the export of oil.

In quarter 3 (July to September) 2015, Germany remained the UK's top import partner although imports decreased by £0.2 billion compared with quarter 2 (April to June) 2015. Anecdotal evidence suggests this is due to a decrease in the import of chemicals, machinery, cars and aircraft.

**Table 6: Change in UK quarterly trade with significant partner countries, quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015**

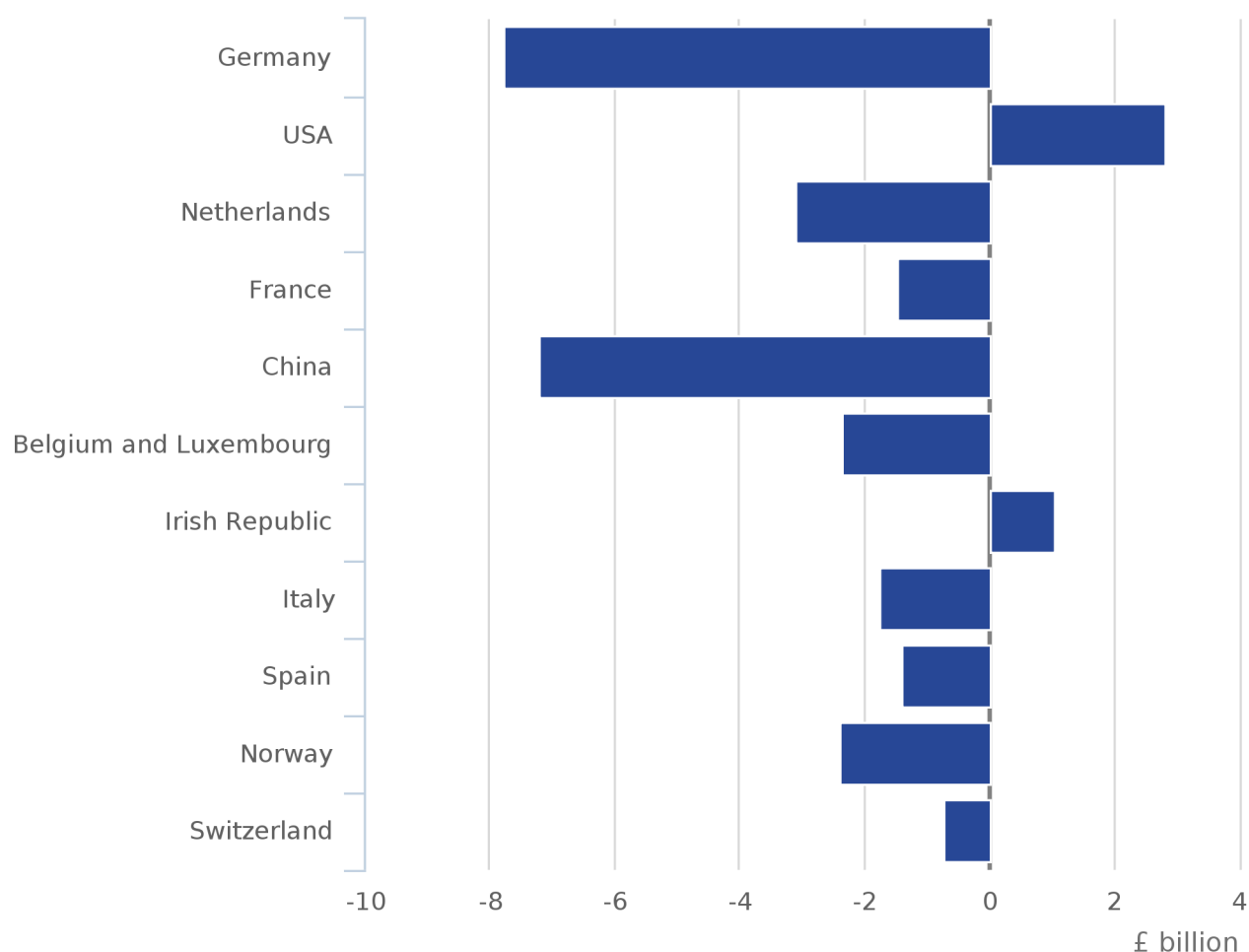
		Exports (£m)	
		Quarter 3 value	Quarterly change
1	USA	11,926	-1213
2	Germany	7,484	-476
3	Netherlands	4,539	+77
4	France	4,406	-376
5	Irish Republic	4,301	+150
6	Belgium and Luxembourg	3,153	+302
7	China	2,511	-1209
8	Spain	2,271	+40
9	Italy	2,132	-27
10	Switzerland	1,512	-300
		Imports (£m)	
		Quarter 3 value	Quarterly change
1	Germany	15,261	-229
2	China	9,697	+1264
3	USA	9,112	+579
4	Netherlands	7,626	-438
5	France	5,875	-43
6	Belgium and Luxembourg	5,493	+72
7	Italy	3,863	-274
8	Spain	3,647	+235
9	Irish Republic	3,240	+222
10	Norway	3,074	-49

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 6: Significant UK partner countries, quarterly balances, quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015**



Source: Office for National Statistics

## Where to find data about UK trade in goods – geographical analysis

The overall trade in goods by area figures are available in Table 2 and value of trade in goods with selected EU and non-EU trading partner figures are available in Tables 11 and 12 of the [excel version of the tables \(393 Kb Excel sheet\)](#).

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

Between August 2015 and September 2015, the volume of exports increased by 2.3%:

- semi-manufactured goods rose 9.8%, specifically chemicals which saw an increase of 16.5%

Between August 2015 and September, the volume of imports decreased by 4.4%:

- the largest decrease was in consumer goods, which fell 6.1%

In quarter 3 (July to September) 2015, the volume of exports increased by 2.6% when compared with quarter 2 (April to June) 2015:



- food, beverages and tobacco rose by 7.8%
- finished manufactures rose by 1.6%, with large increases in capital goods (8.4%), cars (6.6%)

In quarter 3 (July to September) 2015, the volume of imports increased by 9.3% when compared with quarter 2 (April to June) 2015:

- food beverages and tobacco rose by 9.2%
- finished manufactures rose by 5.8%; with large increases in cars (13.8%), consumer goods (8.9%) and capital goods (8.2%)

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

**Table 7: Change in UK main commodity volume, September 2015**

	Monthly change <sup>1</sup>		Quarterly change <sup>2</sup>	
	Exports percentage change	Imports percentage change	Exports percentage change	Imports percentage change
Food, beverages and tobacco	-0.9	+2.8	+7.8	+9.2
Basic materials	+3.8	+2.5	-0.4	-3.1
Semi-manufactured goods; of which	+9.8	0.0	+0.7	+1.0
Chemicals	+16.5	-2.8	+0.9	+1.0
Finished manufactured goods; of which	+1.9	-0.9	+1.6	+5.8
Cars	-6.5	0.0	+6.6	+13.8
Consumer goods other than cars	+15.0	-6.1	-0.8	+8.9
Intermediate goods	0.0	-1.9	+1.7	+3.6
Capital goods	+2.0	0.0	+8.4	+8.2

Source: Office for National Statistics

Notes:

1. Monthly change is August 2015 compared with July 2015
2. Quarterly change is quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015

## Where to find data about volume of total trade in goods, excluding oil and erratics

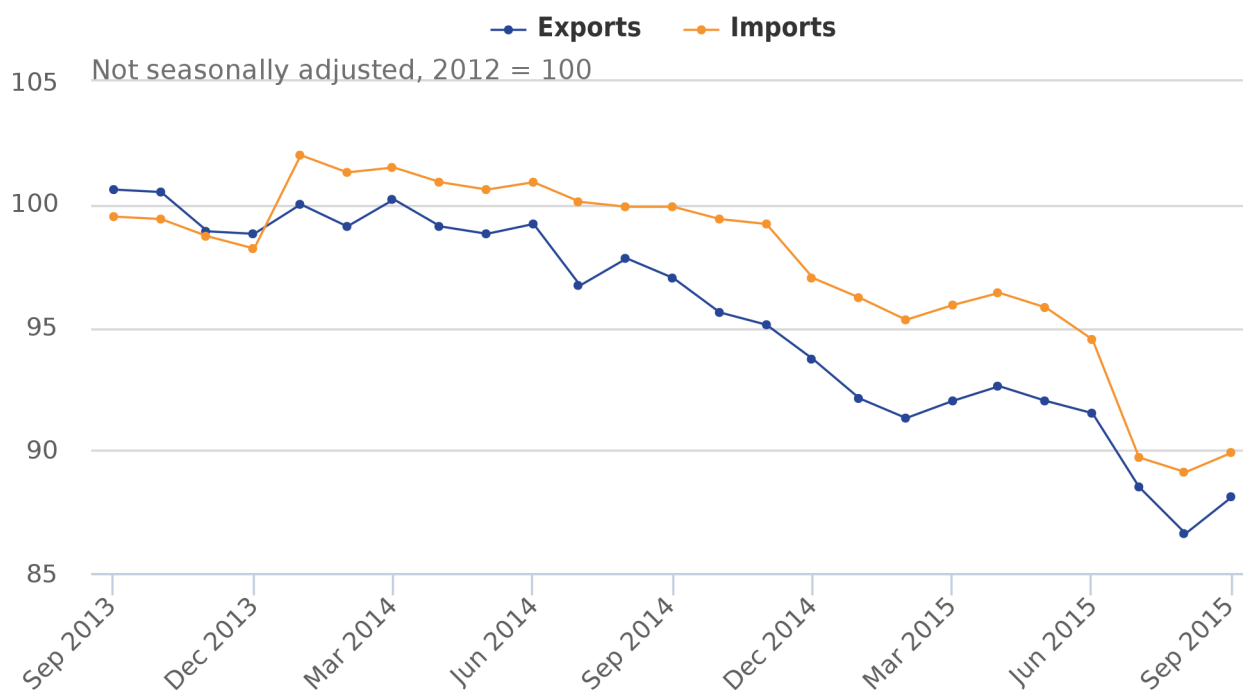
The volume of total trade in goods, excluding oil and erratics figures are available in Table 3 of the [excel version of the tables \(393 Kb Excel sheet\)](#).

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

In September 2015, compared with August 2015, export prices increased by 1.7% and import prices increased by 0.9%. Excluding the oil price effect, export prices increased by 1.8% and import prices increased by 0.9%.

In quarter 3 (July to September) 2015, when compared with quarter 2 (April to June) 2015, export prices decreased by 4.7% and import prices decreased by 6.3%. Excluding the oil price effect, export prices decreased by 3.3% and import prices decreased by 4.8%.

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



Source: Office for National Statistics

## Where to find data about export and import prices for trade in goods (not seasonally adjusted)

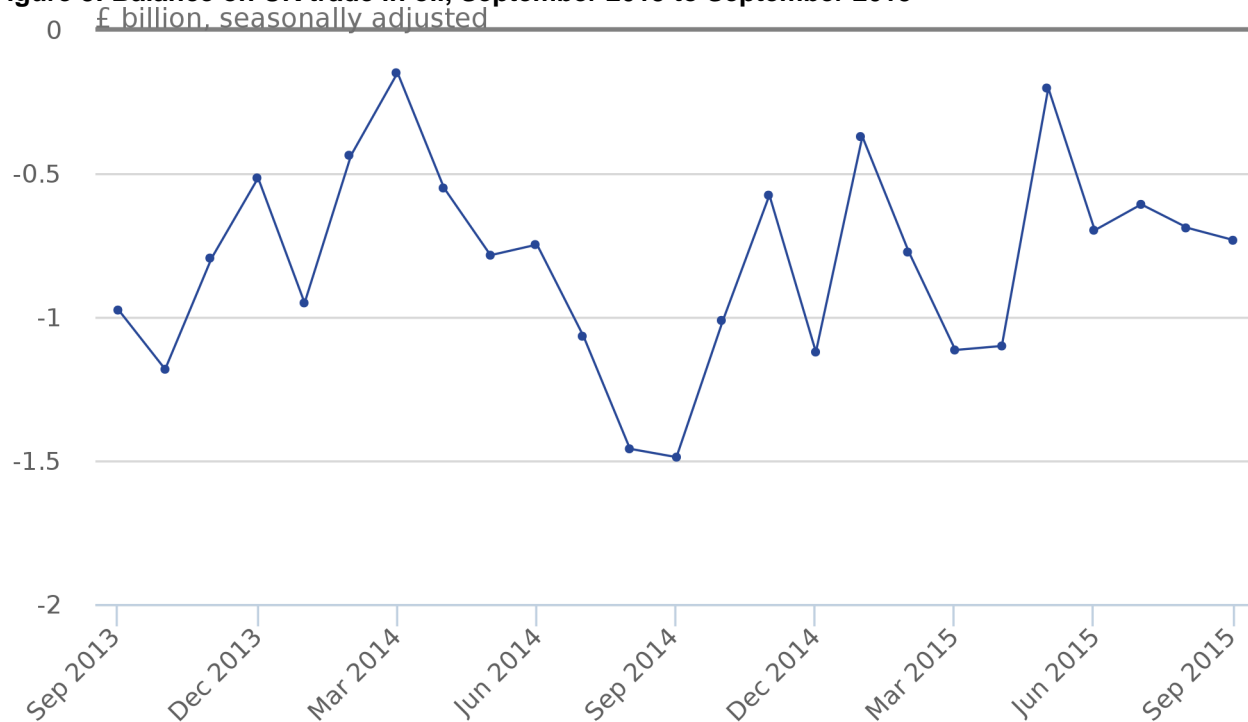
The export and import prices for trade in goods (not seasonally adjusted) figures are available in Table 3 of the [excel version of the tables \(393 Kb Excel sheet\)](#).

## 11. Trade in oil

In September 2015, the balance on trade in oil was in deficit by £0.7 billion unchanged when compared with August 2015. Oil exports decreased by £0.1 billion to £1.5 billion and oil imports decreased by £0.1 billion to £2.2 billion.

In quarter 3 (July to September) 2015, the balance on trade in oil was in deficit by £2.0 billion, widening by £29.0 million when compared with quarter 2 (April to June) 2015. Oil exports decreased by £1.3 billion to £5.0 billion and oil imports decreased by £1.2 billion to £7.1 billion.

**Figure 8: Balance on UK trade in oil, September 2013 to September 2015**



Source: Office for National Statistics

## Where to find data about trade in oil

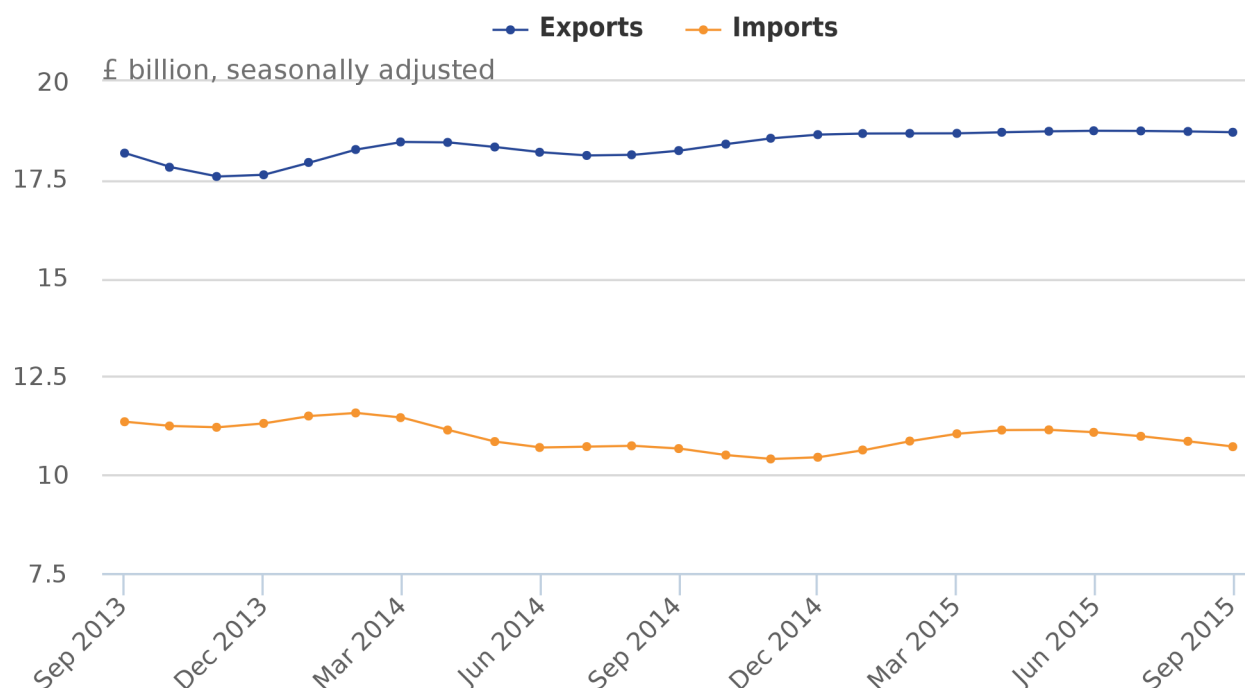
The trade in oil figures are available in Tables 1 and 7 of the [excel version of the tables \(393 Kb Excel sheet\)](#).

## 12. Trade in services

In September 2015, the UK's estimated surplus on trade in services was £8.0 billion.

Exports in September 2015 were estimated to have been £18.7 billion and imports £10.7 billion.

**Figure 9: Value of UK trade in services, September 2013 to September 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 3 (July to September) 2015, the surplus on trade in services was £23.6 billion; financial services remains the largest contributor to this surplus at £10.5 billion.

In quarter 3 (July to September) 2015, exports of services were unchanged at £56.2 billion. For the same period, imports of services fell by £0.8 billion to £32.5 billion. The main contributor to this decrease was financial services (£0.4 billion). At service product level, the data are shown in Table 8.

**Table 8: Change in UK service product, quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015**

Service product	Exports (£m)	
	2015 Q3 Value	Quarterly change <sup>1</sup>
Other business	13,454	+660
Financial	13,052	-13
Travel	7,466	-412
Transport	6,772	-13
Insurance and pension	4,803	+153
Telecommunications, computer and information	4,226	-102
Charges for the use of intellectual property	3,715	-205
Manufacturing and maintenance	984	-21
Personal, cultural and recreation	649	-50
Government	615	-11
Construction	443	+7

Total Exports	56,179	-7
Service product	Imports (£m)	
	2015 Q3 Value	Quarterly change <sup>1</sup>
Travel	10,156	-28
Other business	7,346	-193
Transport	4,963	-38
Telecommunications, computer and information	2,691	-50
Financial	2,594	-387
Charges for the use of intellectual property	1,972	-165
Government	900	+12
Personal, cultural and recreation	780	+3
Construction	515	+7
Insurance and pension	359	-2
Manufacturing and maintenance	257	+26
Total Imports	32,533	-815

Source: Office for National Statistics

Notes:

1. Quarterly change is quarter 3 (July to September) 2015 compared with quarter 2 (April to June) 2015

In this release, a country breakdown for trade in services is not available. However, a country breakdown up to quarter 2 (April to June) 2015 can be found in the [United Kingdom Economic Accounts](#) and the [Quarterly National Accounts](#) publications.

## Revisions

There are no revisions to trade in services.

## Where to find data about trade in services

The trade in services figures are available in Table 1 CONT. of the [excel version of the tables \(393 Kb Excel sheet\)](#).

# 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.

## Our website

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

## Recently published reports on UK trade topics

On 30 October 2015 we published the annual [Balance of Payments Pink Book 2015](#) which as well as containing more detailed information on trade also provided an overview of the trade deficit in relation to the current account deficit.

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, 2015](#).

## 14. Revisions to trade statistics

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

## **Trade in goods revisions**

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

The revisions to trade in goods from July 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.

Imports from EU countries was the component with the largest revision. Being revised down by £0.5 billion in August 2015.

## **Trade in services revisions**

In this release, there are no revisions to trade in services.

National accounts revision policy can be found on our website.

## **Methodology changes**

Below is a summary of the methodology changes implemented in last month's bulletin, consistent with National Accounts Bluebook 2015.

## **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

Her Majesty's Revenue and Customs (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.

## 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 9: Revisions analysis, UK trade, September 2015**

£ million			
	Value in latest period	Revisions between first publication and estimates 12 months later	
		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)	42,688	854	945*
Total trade imports (IKBI)	44,041	588	724
Total trade balance (IKBJ)	-1,353	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.

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## EMU coverage

The coverage of EMU countries was extended to cover Cyprus and Malta from September 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.

## **17. Records sheet**

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

# 18. Background notes

## 1. This month's release

### Issues regarding latest trade in goods estimates in volume terms

We would like to draw your attention to an issue regarding the statistics for UK Trade in Goods, in chained volume measure (CVM) terms, from the first quarter of 2014 onwards. The statistics show a divergence between the implied deflator and the underlying price indices.

### Impact

The issue is limited to the CVM measure of Trade in Goods. Analysis suggests that statistics for Trade in Goods in current prices (CP) are unaffected, as are statistics for Trade in Services (both on the CP and CVM basis). As the issue appears not to have an impact on current price estimates, the headline estimates in the UK trade and the Balance of Payments releases are also unaffected. Also given the nature of the GDP compilation process where the output measure takes primacy from 2014 onwards at this stage of the data cycle (trade is part of the expenditure measure), it will not affect overall GDP or the implied GDP deflator.

Although analysis is still ongoing, the broad effect is thought to be to increase the trade deficit in volume terms in quarter 2 (April to June) 2015 by approximately £0.9 billion; hence the data would still show a substantial narrowing of the volume-based trade deficit between quarter 1 (January to March) 2015 and quarter 2 (April to June) 2015.

### Factors underlying the discrepancy

Following publication of Quarterly National Accounts (QNA) on 30 September 2015, we have been conducting further analysis of the estimates for Trade. At the same time, users have pointed out a divergence from quarter 1 (January to March) 2014 between the implied deflator of trade in goods and the published price indices. We have been considering the reasons for this as part of the wider analysis.

In this case, there were significant changes to the implied deflator mainly stemming from revisions to the imports volume (CVM) figures. In turn, these revisions were largely the result of constraining adjustments required during the Blue Book 2015 production process to bring low level CVM trade in goods commodities in line with aggregate trade in goods data for 2014 confirmed earlier in the process. The extent of the divergence caused in the implied deflators was not fully appreciated at that time. Data for quarter 1 (January to March) 2015 and quarter 2 (April to June) 2015, compiled later in the process, exacerbated the issue.

This constraining procedure had impacts on both imports and export of goods in CVM terms. Estimates of the effect of removing the constraining adjustments suggest the impact is in the same direction (that is, an increase to both trade in goods exports and imports CVMs) which would lead to a smaller effect on the overall trade balance in CVM terms.

Accordingly, for now:

- we advise you to take the matters described above into account if you are working with the volume estimates or implied deflators for trade in goods for quarter 1 (January to March) 2014 onwards
- for the better indication of trade in goods price movements, we suggest use of the published trade price indices, rather than the implied deflators

The published trade in goods volume estimates are coherent with the balanced and integrated [Quarterly National Accounts](#) and [Blue Book 2015](#) dataset and we will not be withdrawing the data. However, we intend to update the estimates at the earliest opportunity. This will be in the UK Trade October 2015 release scheduled for publication on 10 December 2015 and the Quarterly National Accounts 2015 quarter 3 (July to September) scheduled for publication on 23 December 2015.

## 2. Next month's release

The last changes to the bulletin as required by the UKSA re-assessment of UK trade will be published in the October 2015 release. These changes include more detailed commentary on every section.

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

8. 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.gov.uk](mailto:media.relations@ons.gov.uk)