



## BRIEFING PAPER

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# Statistics on UK-EU trade

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## UK trade with the European Union: a summary



### Taken as a bloc, the EU is the UK's largest trading partner.

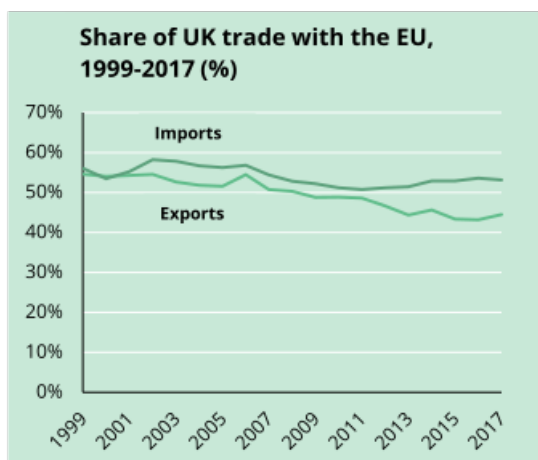
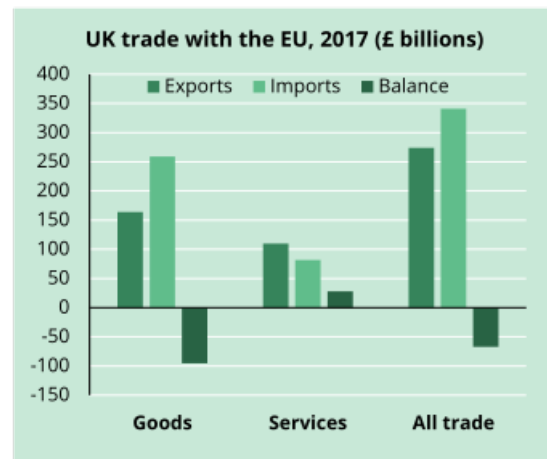
In 2017 the EU accounted for 44% of UK exports and 53% imports.

Looking at individual countries, the USA is the UK largest trading partner, accounting for just under a fifth of UK exports and just over 10% of imports in 2017.

### In 2017, the UK recorded an overall trade deficit with the EU of -£67 billion.

A surplus of £28 billion on trade in services was outweighed by a deficit of -£95 billion on trade in goods.

The UK recorded an overall trade surplus with non-EU countries - a surplus in trade in services outweighed a deficit in trade in goods.



### The share of UK exports accounted for by the EU has generally fallen over time.

In 2002, UK exports to the EU accounted for 55% of all exports; this had fallen to 43% in 2016.

The share of all UK imports accounted for by the EU fell from a high of 58% in 2002 to a low of 51% in 2011.

# 1. Trade in 2017

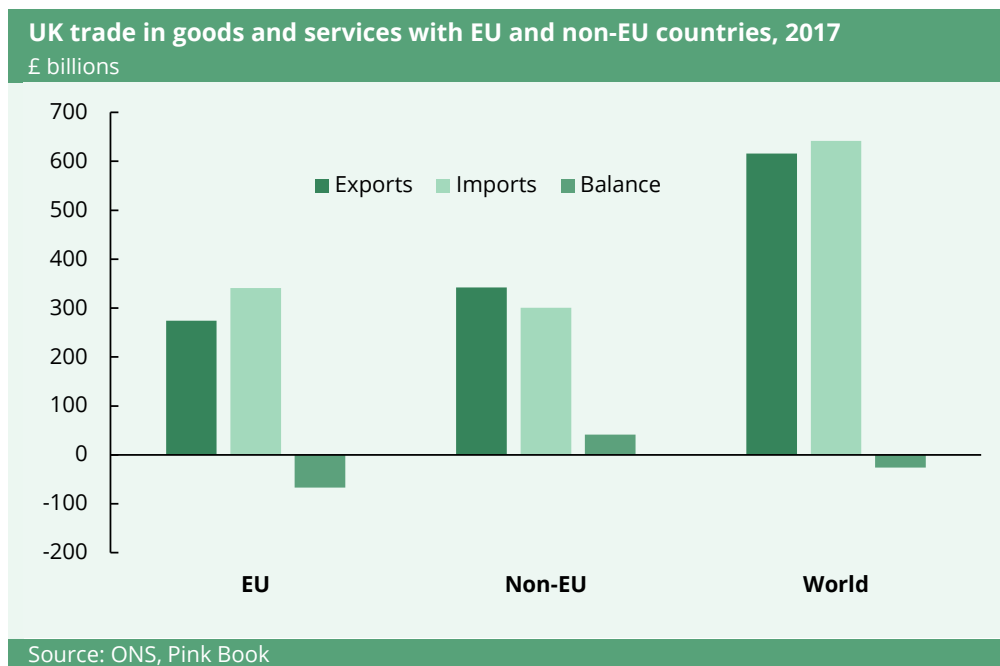
## 1.1 Overview

In 2017:

- The UK exported £274 billion of goods and services to other EU member states. This is equivalent to 44.5% of total UK exports.
- Goods and services imports from the EU were worth £342 billion (55.5% of the total) in 2017.
- The UK had a trade deficit of -£67 billion with the EU but a surplus of £41 billion with non-EU countries.
- The UK recorded a deficit in goods with both the EU and non-EU countries, but a trade surplus in services with both the EU and non-EU countries.
- The EU accounted for 48% of UK goods exports and 40% of services exports; 54% of imported goods and 49% of imported services were imported from the EU.<sup>1</sup>

UK trade with EU and non-EU countries 2017					
Goods and services					
	Exports		Imports		Balance
	£ billion	%	£ billion	%	
<b>EU</b>	274.0	44.5%	341.0	53.1%	-67.0
<b>Non-EU</b>	341.9	55.5%	300.8	46.9%	41.1
<b>Total</b>	615.9	100%	641.8	100%	-25.9

Source: ONS, Pink Book



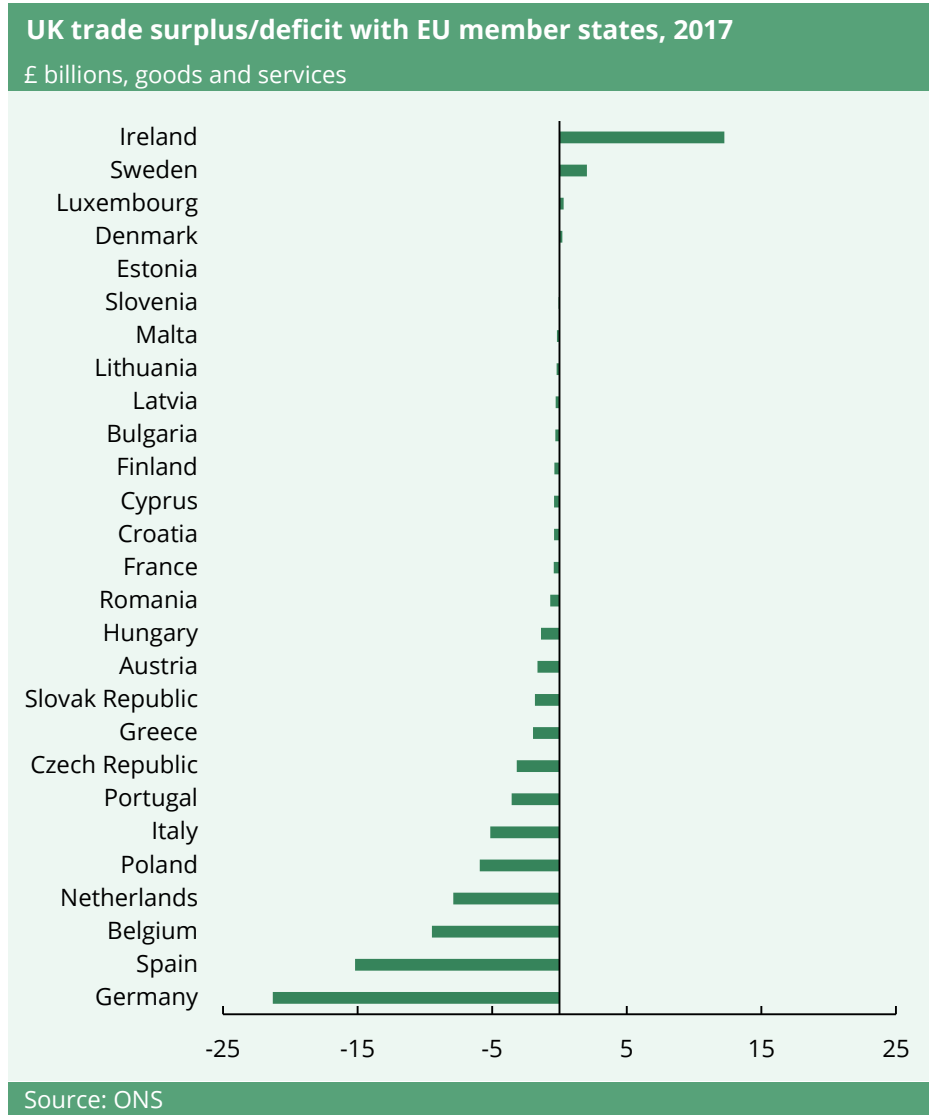
<sup>1</sup> All data calculated from the ONS [Pink Book 2018](#), section 9, Geographical breakdown of the current account, Table 9.3, July 2018

## 1.2 Trade with individual EU countries

The graph below shows UK trade with each of the other 27 EU member states.

In 2017:

- The UK had a trade deficit with 17 of these countries, a surplus with 4 and was broadly in balance with 5.
- The UK's largest EU trade surplus was with Ireland (£12 billion) while its largest deficit was with Germany (£21 billion).



The [Appendix](#) at the end of this note shows data on UK trade with individual EU member states in 2017.

### 1.3 Trade in goods

In 2017, road vehicles were the UK's single largest export to the EU, valued at £18 billion, 11% of all UK goods exports to the EU and 45% of all UK exports of road vehicles.

Other British goods exports to the EU included petroleum and petroleum products, valued at £15 billion (9% of goods exports to the EU) and medicinal and pharmaceutical products valued at £13 billion (8% of all goods exports to the EU).

UK goods exports to the EU, 2017		
	£ billions	% of total
Road vehicles	18.3	11.2%
Petroleum, petroleum products	15.0	9.2%
Medicinal & pharmaceutical products	12.8	7.8%
Other transport equipment	8.8	5.4%
Miscellaneous manufactured articles	8.3	5.1%
Electrical machinery & appliances	6.4	3.9%
General industrial machinery	6.4	3.9%
Power generating machinery	6.2	3.8%
Articles of apparel & clothing accessories	5.3	3.2%
Organic chemicals	4.6	2.8%

Source: HMRC, UK Trade Info

In 2017, road vehicles were also the UK's single largest import from the EU, valued at £47 billion, 18% of all UK goods imports from the EU and 83% of all UK imports of road vehicles.

Other British goods imports from the EU included medicinal and pharmaceutical products, valued at £20 billion (8% of goods imports from the EU) and electrical machinery and appliances valued at £20 billion (8% of all goods exports from the EU).

UK goods imports from the EU, 2017		
	£ billions	% of total
Road vehicles	46.8	18.1%
Medicinal & pharmaceutical products	20.3	7.9%
Electrical machinery & appliances	11.5	4.4%
Miscellaneous manufactured articles	10.5	4.1%
Telecomms & sound recording equipment	9.9	3.8%
General industrial machinery	9.8	3.8%
Power generating machinery	7.8	3.0%
Office machines & adp machines	7.4	2.9%
Vegetables & fruit	6.9	2.7%
Petroleum, petroleum products	6.8	2.6%

Source: HMRC, UK Trade Info

## 1.4 Trade in services

In 2017, the UK's single largest service export to the EU was "other business services", valued at £31.0 billion; this represented 28% of all UK service exports to the EU. This category includes legal, accounting, advertising, research and development, architectural, engineering and other professional and technical services. Other British service exports to the EU included financial services, valued at £26 billion (24% of service exports to the EU). Combined, these two categories made up just over half of all UK service exports to the EU.

UK service exports to the EU, 2017		
	£ billions	% of total
Other business services	31.0	28.2%
Financial	25.9	23.6%
Travel	19.1	17.4%
Telecommunications, computer and information services	9.1	8.3%
Transportation	7.2	6.5%
Insurance & Pension	6.9	6.3%
Intellectual Property	6.0	5.4%
Construction	1.1	1.0%
Personal, cultural and recreational	1.0	0.9%
Government	0.5	0.5%

Source: ONS, Pink Book

In 2017, the UK's single largest service import from the EU was travel services, which made up over 40% of UK service imports from the EU.

Travel services include services provided by hotels and restaurants, travel agencies and tour operators and will include services consumed by a resident of one country in another – a British tourist staying in a hotel in an EU member state will count as a British service import; a tourist from the EU staying in a British hotel would count as a UK service import.

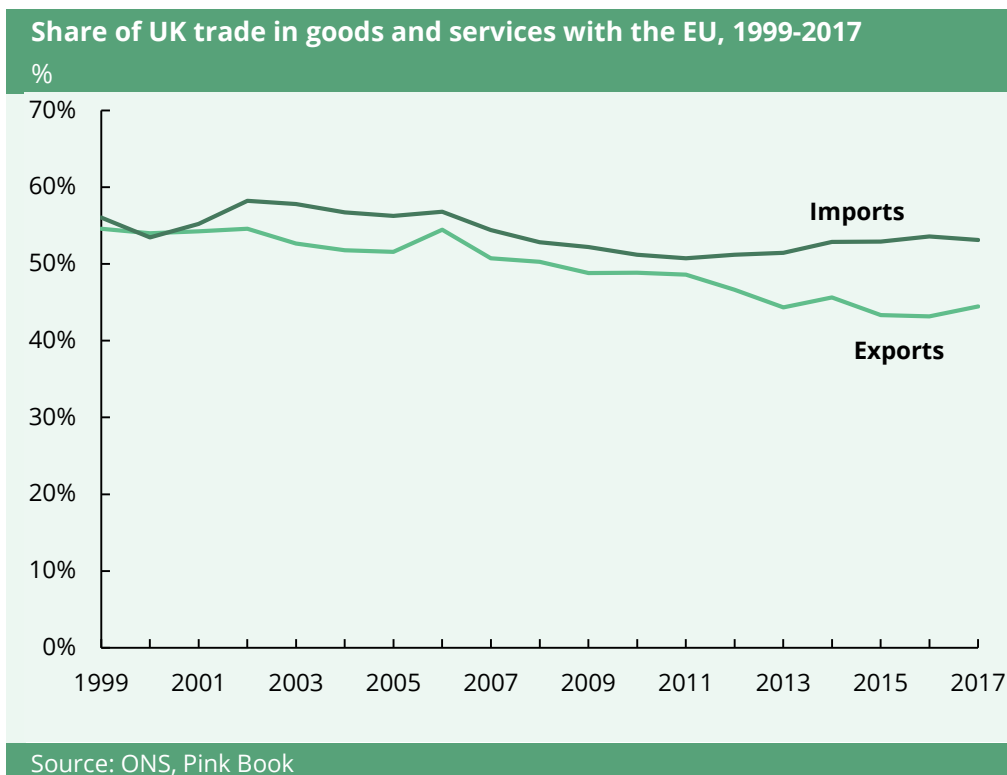
UK service imports from the EU, 2017		
	£ billions	% of total
Travel	35.0	42.8%
Other business services	15.4	18.9%
Transportation	11.6	14.1%
Telecommunications, computer and information services	6.4	7.8%
Financial	5.2	6.4%
Intellectual Property	3.1	3.8%
Government	1.8	2.2%
Construction	1.2	1.4%
Insurance & Pension	1.0	1.2%
Personal, cultural and recreational	0.3	0.4%

Source: ONS, Pink Book

## 2. Recent trends

The share of UK exports going to the EU has declined gradually in recent years:

- In 2006, the EU accounted for 55% of all UK exports. By 2016, this had fallen to 43%, before increasing slightly to 44% in 2017.
- The picture on imports is slightly less clear. In 2002, 58% of UK imports were from the EU. By 2010, this had fallen to 51% but has increased slightly more recently, reaching 54% in 2016.



The fall in UK exports to the EU is more pronounced in goods than in services:

- In 1999, 61% of all UK goods exports were to the EU; by 2017 this had fallen to 48%.
- The EU has accounted for a consistent share of UK service exports – this has remained at around 40% since 1999.

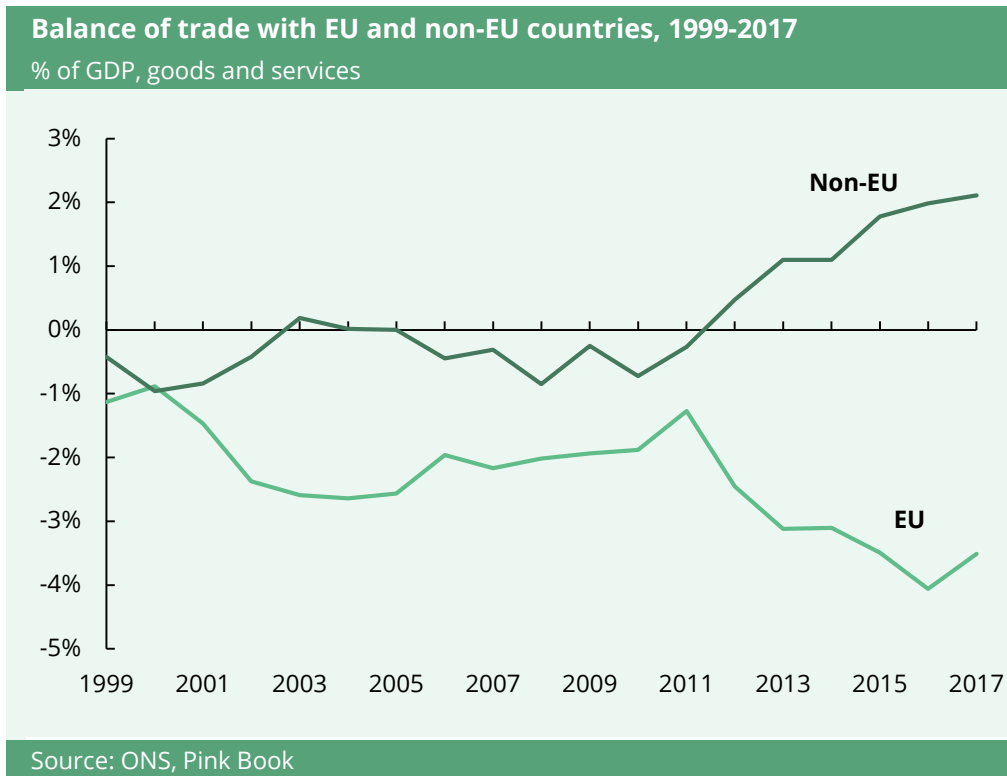
Trends in trade in imports have been mixed:

- The proportion of UK goods imports being sourced from the EU has remained fairly consistent since 1999.
- In general, the proportion of service imports being sourced from the EU has fallen since 1999, from a high of 57% in 2003 to 49% in 2017.



Overall, the UK has had a trade deficit with the EU in every year since 1999. By contrast, the UK has had a surplus with non-EU countries since 2012.

The [Appendix](#) at the end of this note shows a time series of data on UK trade with the EU.



## 2.1 The Rotterdam effect

All of these figures do not account for what is known as the Rotterdam effect – this is the theory that the UK’s trade with the Netherlands is artificially inflated owing to goods being dispatched to or arriving from the port of Rotterdam, even if the original source or eventual destination country is elsewhere.

This will also have a potential knock-on effect, as some trade recorded with the Netherlands, and thus the EU, may ultimately be with non-EU countries.

The scale of this effect is not known - a 2015 ONS article on the subject states:

There are legitimate, proven reasons as to why trade with the Netherlands is high, even relative to its population. It is also reasonable to assume that trade with the Netherlands suffers from an element of distortion. However, it is not possible to estimate, with any certainty, the impact that the Rotterdam effect has on UK Trade with the Netherlands and its subsequent impact on UK Trade with EU and non-EU countries.<sup>2</sup>

<sup>2</sup> ONS, [UK Trade in Goods estimates and the ‘Rotterdam Effect’](#), 6 February 2015

## 10 Statistics on UK-EU trade

Even if a high proportion of recorded UK trade with the Netherlands is with non-EU countries, the EU remains the UK's largest trading partner by a considerable margin.

## 3. Trade between EU & Scotland, Wales, Northern Ireland & English regions

HMRC publish data on trade with the EU for Scotland, Wales, Northern Ireland and the English regions. These figures are for trade in goods only – they do not include services.<sup>3</sup>

### 3.1 Exports

60% of exports of goods from Wales go to the EU - this is the highest proportion of any country or region in the UK, followed by the North East at 59%.

Yorkshire and the Humber, Northern Ireland and the East of England also have relatively high shares of exports to the EU.

UK goods exports by country and region			
£ billion, 2017			
	EU	Total	% EU
North East	7.6	12.9	59%
North West	14.2	28.7	49%
Yorkshire and The Humber	9.7	16.8	58%
East Midlands	10.7	20.5	52%
West Midlands	14.7	33.5	44%
East	15.2	29.0	53%
London	15.2	36.2	42%
South East	22.4	45.3	49%
South West	9.3	20.4	45%
England	119.0	243.3	49%
Wales	10.0	16.5	60%
Scotland	14.0	28.7	49%
Northern Ireland	5.0	8.7	57%
Unallocated - Known	14.3	20.8	69%
Unallocated - Unknown	0.1	10.4	0.5%
<b>UK</b>	<b>162.3</b>	<b>328.4</b>	<b>49%</b>

Source: HMRC, UK Trade Info

<sup>3</sup> HMRC, [Regional Trade Statistics](#)

## 3.2 Imports

66% of the East of England's goods imports are from the EU as are 65% of Northern Ireland's goods imports. The South East, West Midlands and North East also have relatively high levels of imports from the EU.

UK goods imports by country and region			
£ billion, 2017			
	EU	Total	% EU
North East	7.9	13.2	60%
North West	20.6	36.8	56%
Yorkshire and The Humber	16.7	33.1	51%
East Midlands	15.0	26.3	57%
West Midlands	22.7	36.7	62%
East	31.4	48.0	65%
London	29.5	62.2	47%
South East	58.1	92.2	63%
South West	10.9	24.8	44%
England	212.8	373.3	57%
Wales	7.4	17.6	42%
Scotland	9.1	24.2	38%
Northern Ireland	4.8	7.4	64%
Unallocated - Known	21.5	34.4	62%
Unallocated - Unknown	0.6	11.4	5%
<b>UK</b>	<b>256.2</b>	<b>468.4</b>	<b>55%</b>
Source: HMRC, UK Trade Info			

## 4. Tariffs

While the UK is a member of the EU, there are no tariffs on trade with other EU member states. Goods imported into the EU from non-EU countries pay the EU's common external tariff, unless there is a free trade agreement or preferential trade agreement.

The tariff rate differs between different goods. While on average EU tariffs are low, they are high for some products, especially agricultural products. The trade-weighted average EU tariff for non-agricultural products was 2.3% in 2014 and 8.5% for agricultural products.<sup>4</sup>

The table below gives a breakdown by type of product.

Average EU tariff by product type (%)	
Animal products	15.7
Dairy products	35.4
Fruit, vegetables and plants	10.5
Coffee, tea	6.1
Cereals and preparations	12.8
Oilseeds, fats and oils	5.6
Sugars and confectionery	23.6
Beverages and tobacco	19.6
Cotton	0.0
Other agricultural products	3.6
Fish and fish products	12.0
Minerals and metals	2.0
Petroleum	2.5
Chemicals	4.5
Wood, paper etc	0.9
Textiles	6.5
Clothing	11.5
Leather, footwear etc	4.1
Non-electrical machinery	1.9
Electrical machinery	2.8
Transport equipment	4.3
Other manufactures	2.6

Source: WTO World Tariff Profiles 2017, p82

<sup>4</sup> WTO, World Tariff Profiles 2017, pg. 82

## 5. Appendix, trade with individual EU countries, 2017

UK trade with EU Member States, 2017						
Goods and services						
	Exports		Imports		Balance	
	£ billion	% all UK exports	£ billion	% all UK exports		£ billion
Austria	3.1	0.6%	4.7	0.8%	-1.6	
Belgium	18.7	3.4%	28.2	4.8%	-9.5	
Bulgaria	0.6	0.1%	0.9	0.2%	-0.3	
Croatia	0.2	0.0%	0.6	0.1%	-0.4	
Cyprus	1.0	0.2%	1.4	0.2%	-0.4	
Czech Republic	3.1	0.6%	6.3	1.1%	-3.2	
Denmark	6.6	1.2%	6.4	1.1%	0.2	
Estonia	0.2	0.0%	0.2	0.0%	-0.02	
Finland	2.6	0.5%	3.0	0.5%	-0.4	
France	40.4	7.4%	40.8	6.9%	-0.4	
Germany	56.8	10.4%	78.1	13.2%	-21.3	
Greece	2.0	0.4%	3.9	0.7%	-2.0	
Hungary	2.1	0.4%	3.5	0.6%	-1.4	
Ireland	34.0	6.2%	21.8	3.7%	12.2	
Italy	18.9	3.4%	24.0	4.1%	-5.1	
Latvia	0.4	0.1%	0.7	0.1%	-0.3	
Lithuania	0.7	0.1%	0.9	0.2%	-0.2	
Luxembourg	3.0	0.5%	2.7	0.5%	0.3	
Malta	0.8	0.1%	1.0	0.2%	-0.2	
Netherlands	39.0	7.1%	46.9	7.9%	-7.9	
Poland	6.9	1.3%	12.8	2.2%	-5.9	
Portugal	2.4	0.4%	5.9	1.0%	-3.5	
Romania	2.0	0.4%	2.7	0.5%	-0.7	
Slovak Republic	0.8	0.2%	2.7	0.5%	-1.8	
Slovenia	0.4	0.1%	0.4	0.1%	-0.1	
Spain	16.1	2.9%	31.3	5.3%	-15.2	
Sweden	11.1	2.0%	9.1	1.5%	2.0	
Total EU28	274.0	50.0%	341.0	57.7%	-67.0	

Source: ONS Pink Book

## 6. Appendix: Trade with EU and non-EU countries, 1999-2017

UK trade with the EU, 1999 - 2017					
Goods and services					
	Exports		Imports		Balance £ billion
	£ billion	% of total	£ billion	% of total	
1999	133.3	54.6%	145.2	56.0%	-11.8
2000	146.6	54.0%	156.2	53.5%	-9.6
2001	151.1	54.3%	168.8	55.2%	-17.7
2002	153.1	54.6%	182.7	58.2%	-29.6
2003	154.8	52.7%	187.3	57.8%	-32.5
2004	159.2	51.8%	193.4	56.7%	-34.2
2005	176.9	51.6%	212.7	56.3%	-35.8
2006	213.4	54.5%	242.0	56.8%	-28.6
2007	194.5	50.7%	227.6	54.4%	-33.1
2008	212.4	50.3%	243.8	52.8%	-31.4
2009	196.2	48.8%	224.7	52.2%	-28.5
2010	218.5	48.9%	246.8	51.2%	-28.3
2011	243.4	48.6%	263.5	50.8%	-20.1
2012	235.4	46.6%	271.4	51.2%	-36.0
2013	232.2	44.3%	284.3	51.4%	-52.1
2014	237.5	45.6%	290.8	52.9%	-53.3
2015	225.1	43.3%	289.2	52.9%	-64.1
2016	240.4	43.2%	315.1	53.6%	-74.6
2017	274.0	44.5%	341.0	53.1%	-67.0

Source: ONS series L84Y, L864, IKBH, IKBI, L86I

UK trade with non-EU countries, 1999 - 2017					
Goods and services					
	Exports		Imports		Balance £ billion
	£ billion	% of total	£ billion	% of total	
1999	110.9	45.4%	113.9	44.0%	-3.0
2000	124.8	46.0%	135.9	46.5%	-11.1
2001	127.4	45.7%	136.9	44.8%	-9.4
2002	127.5	45.4%	131.2	41.8%	-3.7
2003	139.1	47.3%	136.6	42.2%	2.5
2004	148.2	48.2%	147.7	43.3%	0.5
2005	166.2	48.4%	165.4	43.7%	0.8
2006	178.3	45.5%	184.1	43.2%	-5.8
2007	188.9	49.3%	190.8	45.6%	-1.9
2008	210.1	49.7%	217.7	47.2%	-7.6
2009	205.9	51.2%	205.7	47.8%	0.2
2010	228.6	51.1%	235.4	48.8%	-6.8
2011	257.3	51.4%	255.6	49.2%	1.6
2012	269.3	53.4%	258.9	48.8%	10.4
2013	291.4	55.7%	268.3	48.6%	23.1
2014	282.8	54.4%	259.2	47.1%	23.6
2015	294.5	56.7%	257.4	47.1%	37.1
2016	316.5	56.8%	272.8	46.4%	43.7
2017	341.9	55.5%	300.8	46.9%	41.1

Source: ONS series L84Z, L865, IKBH, IKBI, L86J

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