

UK Trade in Goods by Business Characteristics 2019

About this release

This annual release links 2019
Overseas Trade Statistics (OTS) data
on trade in goods with the Office for
National Statistics (ONS) business
characteristics sourced from the InterDepartmental Business Register
(IDBR).

The linked data provides additional information about the types of business carrying out international trade in goods, such as their industry group, age and size.

Supporting data and tables can be found at GOV.UK.

In this publication

- Total trade in goods p 4
- Trade by industry group p 6
- Trade by size of business p 17
- Trade by age of business p 27

Summary

- In 2019, there were 160,000 **exporting businesses** in the UK, exporting £367 billion worth of goods, with a total employee count of 10.2 million. There were 256,000 **importing businesses** in the UK, importing £544 billion worth of goods with a total employee count of 12.9 million.
- The Chemicals industry made notable gains in both export and import value since 2018 (up 45% and 46% respectively).
- The number of businesses exporting and importing in the Pharmaceuticals industry increased notably from 2018 (up 8% and 15% respectively).
- The number of employees in the Pharmaceuticals industry increased 13% from 2018 for both exports and imports.
- Of exporting businesses, the '1 to 9' employees group made the largest value increases since 2018 (up 7%). Of importing businesses, large businesses (250+ employees) had the largest value increases (up 17%).
- Since 2018, exporting and importing businesses aged 4 to 5 years have made increases in trade value of 19% and 33% respectively.
- Businesses aged 0 to 1 years decreased export value by 54% and import value by 40%. Read more on pages 27 and 28.

Coverage: United Kingdom Theme: Business and Energy Released: 25 November 2020 Next release: November 2021 Website: https://www.uktradeinfo.com Email: uktradeinfo@hmrc.gov.uk

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Introduction

HMRC has linked the Overseas Trade Statistics (OTS) trade in goods data with the Office for National Statistics (ONS) business statistics sourced from the Inter-Departmental Business Register (IDBR). Whereas the OTS shows the values of goods being traded by product and country, this release provides information about the types of businesses that are trading those goods. This report focuses on trade by industry group, age of business and size of business (number of employees). In addition, you can download Microsoft Excel spreadsheets with more detailed information.

This publication is for 2019 data. Data relating to 2018 and 2017 is included for comparison in the tables, and data from 2015 to 2019 is included on relevant graphs. All data presented in this release has been compiled on a Special Trade basis. For further information on the differences between General and Special Trade, please see the Methodology Paper for Overseas Trade Statistics. This change is in line with the compilation of the OTS, which have been published on a Special Trade basis since May 2016. Previous releases of UK Trade in Goods by Business Characteristics have not been updated.

This release also includes all unscheduled corrections to OTS data published on 09 August 2019.

Currently these statistics are labelled as experimental. The reasons for this are:

- to allow this new publication to incorporate a new methodology which remains subject to change.
- to allow external users to provide feedback on the publication so that enhancements can be made to future releases.

For more information and guidance on the use of experimental statistics, please visit the <u>Guide to Experimental Statistics</u> on the ONS website. We welcome feedback on the content and presentation of these statistics. If you have any comments, please send them to:

uktradeinfo@hmrc.gov.uk

Analysis

What's in this release?

All data and charts in this release are based on international trade in goods carried out by businesses based in the UK. Trade in services is not included. For the data presented on the 'Services' industry, this refers to trade in goods carried out by businesses classified as 'Services' in the Standard Industrial Classification (SIC) 2007. The analysis is presented in four sections:

1. Total trade in goods

Timelines of total trade 2015-2019:

Value of UK imports and exports Number of UK importers and exporters

2. Trade by industry group

Timelines of trade for non-Services industries 2015-2019:

Value of UK imports and exports Number of UK importers and exporters

Timelines of trade for the Services industry 2015-2019:

Value of UK imports and exports Number of UK importers and exporters

Analysis of trade by industry group (for 10 industry groups):

Value of UK imports and exports Number of UK importers and exporters Number of employees for UK importers and exporters

3. Trade by size of business

Timelines of trade for large businesses 2015-2019:

Value of UK imports and exports Number of UK importers and exporters

Timelines of trade for small and medium-sized businesses 2015-2019:

Value of UK imports and exports Number of UK importers and exporters

Analysis of trade by business size (for 5 size categories):

Value of UK imports and exports Number of UK importers and exporters Number of employees for UK importers and exporters

4. Trade by age of business

Analysis of trade by business age (for 6 age categories):

Value of UK imports and exports

Total trade in goods

1. Total trade in goods Timelines of total trade 2015-2019¹

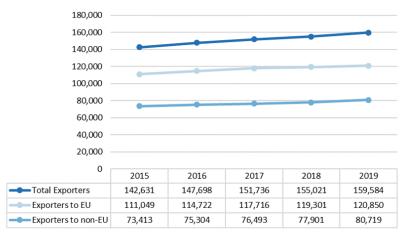
Figure 1.1: Value of UK exports 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of UK exports increased by 1% from 2018 to 2019, and 22% overall from 2015 to 2019, with a notable 13% increase from 2016 to 2017. The value of exports to the EU dropped 1% from 2018 to 2019 but rose 27% overall during 2015 to 2019. The value of exports to non-EU countries increased by 2% from 2018 to 2019 and by 18% between 2015 and 2019. Exports to non-EU countries exceeded exports to EU countries by an average of 15% per year during the period 2015 to 2019.

Figure 1.2: Count of UK exporters 2015-2019



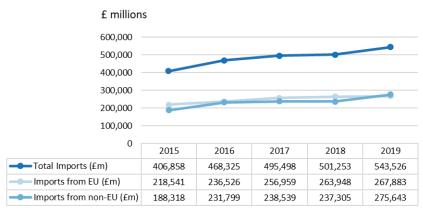
Source: HMRC OTS and ONS IDBR data

The total number of exporting businesses in the UK rose 3% from 2018 to 2019 and by 12% overall from 2015 to 2019. This was reflected in increases in the number of businesses exporting to the EU (9%), and to non-EU countries for the 2015 to 2019 period (10%). The average year-on-year increase in the number of exporters to the EU from 2015 to 2019 was 2%. This was also true for exporters to non-EU countries for the same period. The number of exporters to the EU was consistently and uniformly greater than the number of exporters to non-EU countries during 2015 to 2019, 52% greater on average.

¹ Values will not match annual OTS values, which are compiled on a **General** trade basis up to April 2016. Business counts will not match those in the UK VAT Registered Importer and Exporter Population release due to methodological differences. See Annex for further information.

Total trade in goods

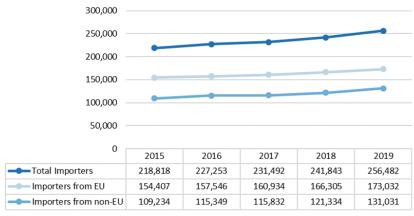
Figure 1.3: Value of UK imports 2015-2019¹



Source: HMRC OTS and ONS IDBR data

The total value of UK imports increased 8% from 2018 to 2019, and by 34% overall from 2015 to 2019. This was largely driven by imports from non-EU countries which increased 16% from 2018 to 2019 and saw an overall increase of 46% between 2015 and 2019. On average, there was a year-on-year increase of around 10% between 2015 and 2019. Imports from the EU rose more steadily throughout the time series, with an average year-on-year increase of 5%. Imports from the EU have consistently exceeded imports from non-EU countries between 2015 to 2018, albeit by only 2% in 2016. However, in 2019, this trend changed, with the value of imports from non-EU countries exceeding imports from EU countries for the first time by 3%.

Figure 1.4: Count of UK importers 2015-2019

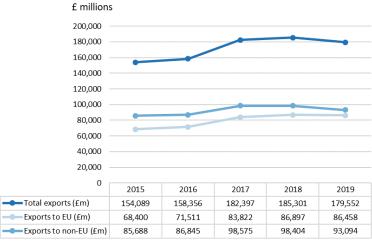


Source: HMRC OTS and ONS IDBR data

The total number of importing businesses in the UK increased 6% from 2018 to 2019, exceeding the average year-on-year increase of 4%. This reflected increases in the number of businesses importing from both the EU and non-EU countries over the 2015 to 2019 period, up 12% and 20% respectively. The number of importers from the EU has been consistently and uniformly greater than the number of importers from non-EU countries between 2015 and 2019, 37% greater on average.

2. Trade by industry group Timelines of trade for non-Services² industries 2015-2019

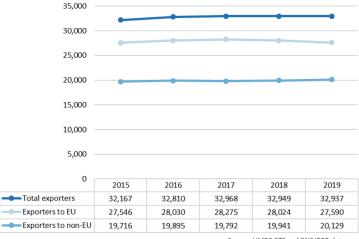
Figure 2.1: Value of UK exports by non-Services industries, 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of exports by businesses classified as non-Services decreased by 3% from 2018 to 2019. This has bucked the trend of increases seen in previous years which encapsulated a notable rise of 15% from 2016 to 2017. This was reflected in similar increases during 2016 to 2017 in exports to the EU and exports to non-EU countries of 17% and 14% respectively. Overall, whilst exports to non-EU countries have been consistently higher than exports to the EU during the 2015 to 2019 period, the size of this difference has been decreasing. In 2019 this difference was now only around 8%.

Figure 2.2: Count of UK exporters within non-Services industries, 2015-2019

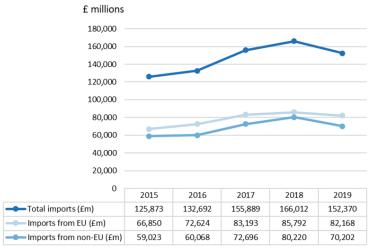


Source: HMRC OTS and ONS IDBR data

The total number of non-Services businesses exporting goods from the UK dropped very marginally from 2018 to 2019 but rose overall by 2% from 2015 to 2019. This reflected the gently undulating counts of exporters to EU and non-EU countries over this period. The number of exporters to the EU was consistently and uniformly greater than exporters to non-EU countries through 2015 to 2019, 40% greater on average.

² Non-Services industries include industry groups 1-9 as described in the Annex.

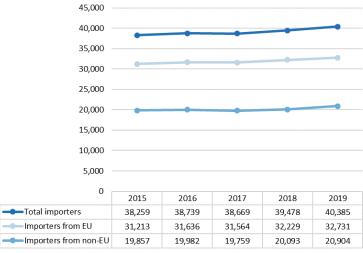
Figure 2.3: Value of UK imports by non-Services industries, 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of imports by businesses classified as non-Services decreased 8% from 2018 to 2019, deviating from the year-on-year trend. Prior to the decrease, there was an average year-on-year increase of 10% from 2015 to 2018. A comparable pattern was seen for both imports from EU and non-EU countries. The value of imports from the EU was consistently greater than that from non-EU countries throughout 2015 to 2019. The greatest difference was 21% in 2016, with the smallest difference being 7% higher in 2018.

Figure 2.4: Count of UK importers within non-Services industries, 2015-2019

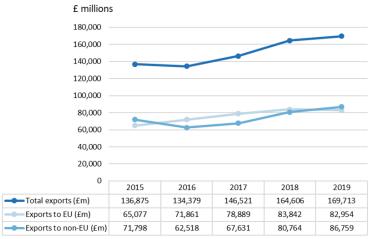


Source: HMRC OTS and ONS IDBR data

The total number of non-Services businesses importing goods increased by 2% from 2018 to 2019, and by 6% from 2015 to 2019 (with a slight count reduction of less than 0.5% from 2016 to 2017). This was driven by changes in the number of importers from both the EU and non-EU countries, which followed similar patterns for the 2015 to 2019 period. Importers from the EU were consistently and uniformly greater than importers from non-EU countries through 2015 to 2019 by an average of 58%.

Timelines of trade for Services³ industries 2015-2019

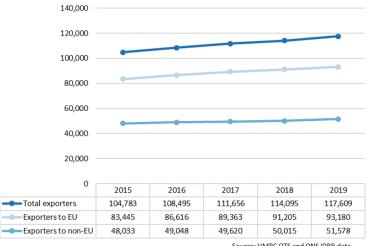
Figure 2.5: Value of UK exports in goods by the Services industry, 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of exports by businesses within the Services industry group increased by 3% from 2018 to 2019 and by 24% overall from 2015 to 2019. There is a notable increase of 26% from 2016 to 2019 following a decrease of 2% from 2015 to 2016, this was mostly driven by a 39% increase in exports to non-EU countries. Exports to the EU also grew, albeit by a lesser margin of 15% between 2016 and 2019. For the first time since 2015 exports to non-EU countries are greater than those to EU countries by 5% in 2019.

Figure 2.6: Count of UK exporters in goods within the Services industry, 2015-2019

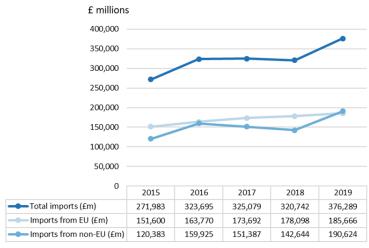


Source: HMRC OTS and ONS IDBR data

The total number of exporting businesses within the Services industry group increased 3% from 2018 to 2019, in line with an average year-on-year increase of 3% between 2015 and 2019. The count of exporters to the EU increased similarly over the 2015 to 2019 period. Exporters to non-EU countries also increased but at a lesser rate with an average year-on-year increase of 2% through this period. On average, exporters to the EU were 79% greater than exporters to non-EU countries.

³ The figures for this group relate to **goods** traded by those businesses classified within the Services industry, not the services they provide. UK Trade in Goods by Business Characteristics 2019

Figure 2.7: Value of UK imports in goods by the Services industry, 2015-2019

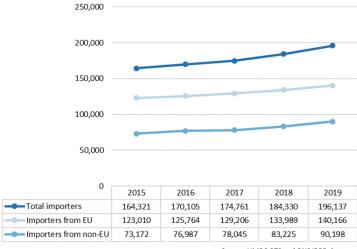


Source: HMRC OTS and ONS IDBR data

The total value of imports by businesses within the Services industry increased 17% from 2018 to 2019, and by 38% over the 2015 to 2019 period, with another notable rise of 19% between 2015 and 2016. This increase was driven by an increase in imports from non-EU countries, particularly a 34% rise from 2018 to

This increase was driven by an increase in imports from non-EU countries, particularly a 34% rise from 2018 to 2019 that bucked the trend of the preceding three years which saw a year-on-year decrease. Now, for the first time in the 5-year timeline, Non-EU imports are slightly higher than the EU imports.

Figure 2.8: Count of UK importers in goods within the Services industry, 2015-2019



Source: HMRC OTS and ONS IDBR data

The total number of importing businesses within the Services industry group increased 6% from 2018 to 2019, with an average year-on-year increase of 5% over the 2015 to 2019 period. This reflected increases in the number of importers from EU and non-EU countries, which grew by 14% and 23% respectively over the 2015 to 2019 period. The number of Services businesses importing from the EU has been consistently and uniformly greater than those importing from non-EU countries throughout the 2015 to 2019 period, 63% higher on average.

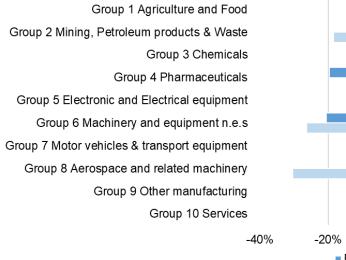
Table 2.1: Total value of UK trade by industry group, 2017-2019

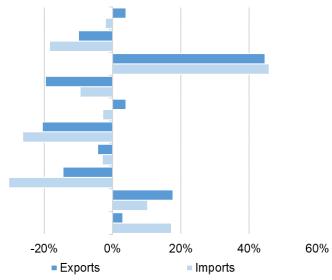
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			Exports			Imports	
Industry (Group	2017	2018	2019	2017	2018	2019
Group 1	Agriculture and Food	17,303	18,008	18,722	21,075	21,638	21,194
Group 2	Mining, Petroleum products & Waste	24,195	23,523	21,171	31,692	39,028	31,795
Group 3	Chemicals	11,410	12,037	17,428	8,345	9,615	14,028
Group 4	Pharmaceuticals	10,268	10,837	8,711	6,854	5,913	5,345
Group 5	Electronic and Electrical equipment	14,431	13,716	14,255	10,343	9,225	8,954
Group 6	Machinery and equipment n.e.s	20,914	23,153	18,370	12,652	16,593	12,210
Group 7	Motor vehicles & transport equipment	34,015	33,363	31,918	30,182	28,747	27,880
Group 8	Aerospace and related machinery	32,838	33,119	28,326	19,535	19,444	13,526
Group 9	Other manufacturing	17,023	17,543	20,650	15,211	15,809	17,439
Group 10	Services	146,521	164,606	169,713	325,079	320,742	376,289
Unknown		12,942	13,689	17,240	14,530	14,500	14,866
Total		341,860	363,596	366,505	495,498	501,253	543,526

Source: HMRC OTS and ONS IDBR data

Figure 2.9: Percentage change in UK trade value from 2018 to 2019, by industry group





Source: HMRC OTS and ONS IDBR data

^{1.} Group 7 excludes aerospace.

^{2.} Industry Group 10 Services includes only trade in goods carried out by businesses in the Services Industry.

^{3.} Reasons for why a business may be classed as having an Unknown industry group are explained in the Annex: Metadata FAQ.

Between 2018 and 2019, the value of exports and imports decreased for the majority of industry groups. However, some industry groups, such as Group 3 'Chemicals', increased by around 45% for both imports and exports. Both Group 1 'Agriculture and Food' and Group 5 'Electronic and Electric Equipment' increased in exports but decreased in imports. For all other groups where growth was seen in exports, it was also seen in the imports flow. For all groups where a decrease was seen in exports, this was also the case for imports.

Between 2018 and 2019:

- ↑ The largest percentage increases in export value were in Group 3 'Chemicals' (up 45%) and Group 9 'Other Manufacturing' (up 18%).
- The largest percentage decreases in export value were in Group 6 'Machinery and Equipment' (down 21%) and Group 4 'Pharmaceuticals' (down 20%).
- ↑ The largest percentage increases in import value were in Group 3 'Chemicals' (up 46%) and Group 10 'Services' (up 17%).
- The largest percentage decreases in import value were in Group 8 'Aerospace and related machinery' (down 30%) and Group 6 'Machinery and Equipment' (down 26%).

For the period 2017-2019:

- ↑ A notable increase in both export and import value was seen in Group 3 'Chemicals' (up 53% and 68% respectively). A notable increase was also seen for exports in Group 9 'Other Manufacturing' (up 21%).
- Notable decreases in import value were seen in Group 8 'Aerospace and related machinery' (down 31%) and Group 4 'Pharmaceuticals' (down 22%).

Market Share (share of total value) 2017-2019:

- ↑ Group 10 'Services' saw the largest increase in both export and import market share, increasing by around 4 percentage points for both flows since 2017. Group 10 'Services' also held the greatest market share on average during this period (45% of exports and 66% of imports).
- Group 8 'Aerospace and related machinery' saw the largest decrease in both export and import market share, decreasing by around 2 percentage points in both flows.
 - Group 4 'Pharmaceuticals' held the smallest market share on average during this period (3% of exports and 1% of imports).

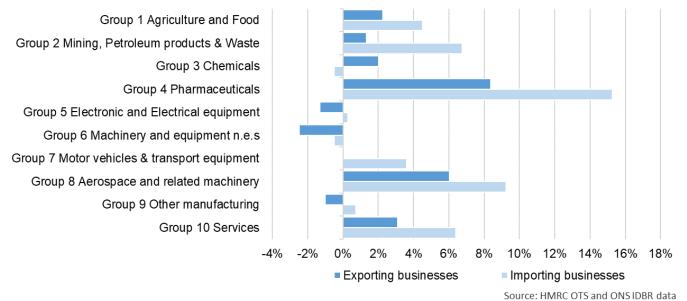
Table 2.2: Business count by industry group, 2017-2019

Number of businesses

			Exports			Imports	
Industry Group		2017	2018	2019	2017	2018	2019
Group 1	Agriculture and Food	7,426	7,471	7,640	12,027	12,581	13,148
Group 2	Mining, Petroleum products & Waste	1,775	1,725	1,748	2,106	2,107	2,249
Group 3	Chemicals	1,497	1,543	1,574	1,473	1,557	1,549
Group 4	Pharmaceuticals	236	239	259	265	275	317
Group 5	Electronic and Electrical equipment	4,061	4,059	4,006	4,301	4,277	4,289
Group 6	Machinery and equipment n.e.s	3,291	3,309	3,227	3,217	3,227	3,211
Group 7	Motor vehicles & transport equipment	1,352	1,341	1,341	1,386	1,419	1,470
Group 8	Aerospace and related machinery	192	182	193	197	184	201
Group 9	Other manufacturing	13,138	13,080	12,949	13,697	13,851	13,951
Group 10	Services	111,656	114,095	117,609	174,761	184,330	196,137
Unknown		7,112	7,977	9,038	18,062	18,035	19,960
Total		151,736	155,021	159,584	231,492	241,843	256,482

Source: HMRC OTS and ONS IDBR data

Figure 2.10: Percentage change in business count from 2018 to 2019, by industry group



UK Trade in Goods by Business Characteristics 2019

^{1.} Group 7 excludes aerospace.

^{2.} Industry Group 10 Services includes only businesses in the Services industry that carried out trade in goods.

^{3.} Reasons for why a business may be classed as having an Unknown industry group are explained in the Annex: Metadata FAQ.

Between 2018 and 2019, the total number of exporting businesses increased by 3%, with increases seen in 6 of the 10 industry groups. The total number of importing businesses increased by 6%, with increases in 8 of the 10 industry groups.

The most notable changes between 2018 and 2019 were as follows:

- The largest percentage increase in both exporting and importing businesses was in Group 4 'Pharmaceuticals' (up 8% and 15% respectively). A notable increase was also seen in Group 8 'Aerospace and related Machinery', the second largest increase in both exporting and importing businesses (up 6% and 9% respectively).
- The largest percentage decreases in exporting businesses were in Group 6 'Machinery and equipment' (down 2%) and Group 5 'Electronic and Electrical Equipment' (down 1%).
- The largest percentage decreases in importing businesses were in Group 3 'Chemicals' and Group 6 'Machinery and equipment' (both down 0.5%)

Between 2017 and 2019, the total number of exporting businesses increased 5%, with the total number of importing businesses increasing by 11%. There was an increase in the number of businesses exporting for 5 of the 10 industry groups, and an increase in the number of businesses importing for 8 of them:

The most notable changes between 2017 and 2019 were as follows:

- ↑ The largest percentage increases in exporting and importing businesses were in Group 4 'Pharmaceuticals' (up 10% and 20% respectively). A notable increase was also seen in Group 10 'Services', the second largest increase in both exporting and importing businesses (up 5% and 12% respectively).
- The largest percentage decreases in exporting businesses were in Group 6 'Machinery and equipment' and Group 2 'Mining, Petroleum products & Waste' (both down 2%).
- There were only two industry groups that saw decreases in the number importing businesses. These were Group 5 'Electronic and Electrical Equipment' and Group 6 'Machinery and equipment' (both down less than 0.5%).

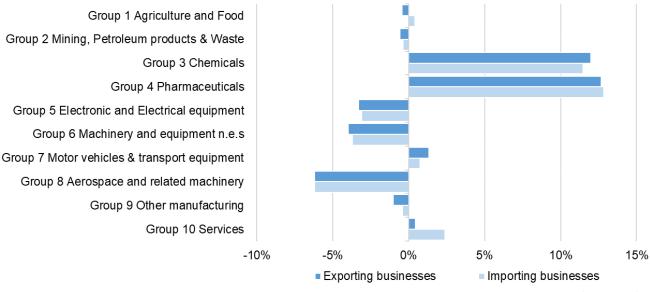
Table 2.3: Employee count by industry group, 2017-2019

Number of employees

			Exports			Imports	
Industry Group		2017	2018	2019	2017	2018	2019
Group 1	Agriculture and Food	512,268	521,364	519,095	591,222	601,814	604,249
Group 2	Mining, Petroleum products & Waste	303,585	314,031	312,171	348,924	346,892	345,584
Group 3	Chemicals	86,265	79,568	89,098	86,083	79,961	89,148
Group 4	Pharmaceuticals	38,186	38,767	43,677	37,457	38,074	42,957
Group 5	Electronic and Electrical equipment	175,244	169,147	163,554	176,371	171,709	166,396
Group 6	Machinery and equipment n.e.s	159,657	162,109	155,633	161,747	162,574	156,559
Group 7	Motor vehicles & transport equipment	168,756	195,391	197,966	172,826	199,761	201,237
Group 8	Aerospace and related machinery	97,336	109,043	102,267	97,160	108,883	102,116
Group 9	Other manufacturing	507,077	516,296	511,057	526,815	538,249	536,055
Group 10	Services	7,920,060	8,048,164	8,083,587	10,460,827	10,377,390	10,624,559
Unknown		•					
Total		9,968,434	10,153,880	10,178,105	12,659,432	12,625,307	12,868,860

Source: HMRC OTS and ONS IDBR

Figure 2.11: Percentage change in employee count from 2018 to 2019, by industry group



Source: HMRC OTS and ONS IDBR data

^{1.} Group 7 excludes aerospace.

^{2.} Industry Group 10 Services includes only businesses in the Services industry that carried out trade in goods.

^{3.} Reasons for why a business may be classed as having an Unknown industry group are explained in the Annex: Metadata FAQ.

^{4.} Unknown category excludes employees of foreign-owned businesses that are required to register for UK VAT due to distance selling regulations.

^{5.} Totals exclude the Unknown category.

^{6.} For businesses that both export and import goods, their employee count will be included under both 'Exports' and 'Imports'. This means exports and imports data for a year cannot be summed, as this would result in double counting.

Between 2018 and 2019, there were marginal increases in the total number of people employed in exporting and importing businesses. For both, notable increases were seen for Group 3 'Chemicals' and Group 4 'Pharmaceuticals' but were balanced out by decreases in Group 5 'Electronic and electrical equipment', Group 6 'Machinery and equipment', and Group 8 'Aerospace and related machinery.

The most notable changes between 2018 and 2019 were as follows:

- The largest percentage increase in the number of people employed was in Group 4 'Pharmaceuticals' for both exporting and importing businesses (up 13% in both cases). A notable rise was also seen in Group 3 'Chemicals', again for both exporting and importing businesses (up 12% and 11% respectively).
- The largest percentage decrease in the number of people employed was in Group 8 'Aerospace and related machinery' for both exporting and importing businesses (down 6% in both cases). A notable decrease was also seen in Group 6 'Machinery and equipment', again for both exporting and importing businesses (down 4% for both).

Between 2017 and 2019, the total number of people employed by exporting businesses increased by 2% overall. This has been driven by increases in the majority of exporting industries, with only Group 5 'Electronic and electrical equipment' and Group 6 'Machinery and equipment' experiencing declines. The overall number of people employed by importing industry groups also increased 2%, with 7 out of 10 importing industries seeing an increase. Groups seeing a decrease were Group 2 'Mining, Petroleum products & waste', Group 5 'Electronic and electrical equipment', and Group 6 'Machinery and equipment'.

The most notable changes between 2017 and 2019 were as follows:

- ↑ The largest percentage increase in employees was in Group 7 'Motor vehicles & transport equipment' for both exporting and importing businesses (up 17% and 16% respectively). A notable rise was also seen in Group 4 'Pharmaceuticals', the second largest increase for both exporting and importing businesses (up 14% and 15% respectively).
- The largest percentage decreases in employees for both exporting and importing businesses were in Group 5 'Electronic and electrical equipment' (decreases of 7% and 6% for exporters and importers respectively) and Group 6 'Machinery and equipment' (decreases of 3% for both exporters and importers).

Summary of trade by industry group 2017-2019:

Trade value, number of businesses and employee count

Between 2017 and 2019 the export trade value increased for 4 out of the 10 industry groups and import value increased for 5 industry groups.

The most notable increases and decreases in trade value over the 2017 to 2019 period:

- Export value increased for Group 3 'Chemicals' (up 53%), Group 9 'Other manufacturing' (up 21%), Group 10 'Services' (up 16%), and decreased for Group 4 'Pharmaceuticals' (down 15%), and Group 8 'Aerospace and related machinery' (down 14%).
- Import values increased for Group 3 'Chemicals' (up 68%), Group 10 'Services' (up 16%), and decreased for Group 8 'Aerospace and related machinery' (down 31%) and Group 4 'Pharmaceuticals (down 22%).

Over the 2017 to 2019 period there was little change in market share for any industry group for imports or exports.

The largest changes in market share over the 2017 to 2019 period:

- Group 10 'Services' (up 4% for imports and 3% or exports)
- Group 8 'Aerospace and related machinery' (down 1% for imports and 2% for exports).

The total number of businesses increased 5% and 11% for exporting and importing businesses respectively. The number of exporting businesses increased for half of industry groups, and the number of importing businesses increased for 8 out of the 10 industry groups.

Notable changes in number of businesses over the 2017 to 2019 period:

- Exporting business counts increased in Group 4 'Pharmaceuticals' (up 10%), and Group 10 'Services' (up 5%), and decreased in Group 6 'Machinery and equipment' (down 2%).
- Importing business counts increased in Group 4 'Pharmaceuticals' (up 20%), and Group 10 'Services' (up 12%). Marginal decreases of less than 0.5% were seen in Group 5 'Electronic and Electrical equipment' and Group 6 'Machinery and equipment'.

The total number of employees increased by 2% for both exporting and importing businesses between 2017 and 2019. The number of employees for both importing and exporting businesses increased for most industry groups, with the exception of Group 5 'Electronic and electrical equipment' and 6 'Machinery and equipment'. these industries experienced a decrease in the number of people employed for both exporting and importing businesses and additionally Group 2 'Mining, Petroleum products & Waste' for importing businesses.

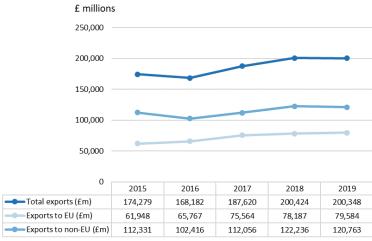
Notable changes in number of employees over the 2017 to 2019 period:

- Employee counts for exporting businesses increased in Group 7 'Motor vehicles & transport equipment' (up 17%) and Group 4 'Pharmaceuticals' (up 14%) and decreased in Group 5 'Electronic and electrical equipment' (down 7%) and Group 6 'Machinery and equipment' (down 3%).
- Employee counts for importing businesses increased in Group 7 'Motor vehicles & transport equipment' (up 16%) and Group 4 'Pharmaceuticals' (up 15%) and decreased in Group 5 'Electronic and electrical equipment' (down 6%) and Group 6 'Machinery and equipment' (down 3%).

3. Trade by size of business

Timelines of trade for large businesses⁴ 2015-2019

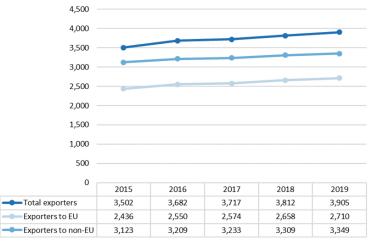
Figure 3.1: Value of UK exports by large businesses 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of exports by large businesses decreased marginally from 2018 to 2019 but increased overall by 15% from 2015 to 2019, bar a 3% decrease between 2015 and 2016. This pattern was largely driven by exports to non-EU countries in which there was an 8% increase from 2015 to 2019, with a 9% decrease from 2015 to 2016. Exports to the EU rose consistently from 2015 to 2019 with an average 7% year-on-year increase. Exports to non-EU countries for large businesses were consistently greater than exports to the EU, 59% greater on average from 2015 to 2019.

Figure 3.2: Count of UK exporters – large businesses 2015-2019

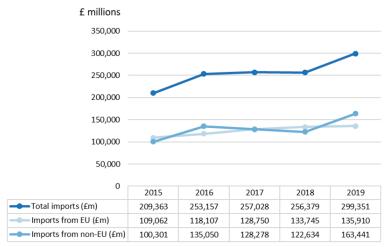


Source: HMRC OTS and ONS IDBR data

The total number of large UK businesses exporting goods increased 2% from 2018 to 2019, with an average year-on-year increase of 3% from 2015 to 2019. This was driven by increases in exporters to both EU and non-EU countries, with average year-on-year increases of 3% for exporters to the EU, and 2% for exporters to non-EU countries. On average, the number of large businesses exporting to non-EU countries was 26% higher than the number of large businesses exporting to the EU during 2015 to 2019.

⁴ Large businesses are defined as those with 250 or more employees.

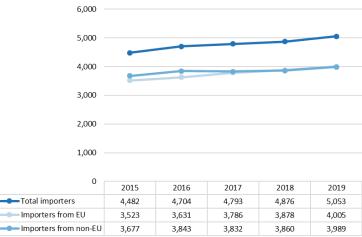
Figure 3.3: Value of UK imports by large businesses 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of goods imported by large businesses increased 43% overall between 2015 and 2019 and rapidly between 2018 and 2019 by 17%. This was largely driven by a buck in trend for imports by large businesses from non-EU countries, which increased by 33% between 2018 and 2019, after experiencing a continuous decrease between 2016 and 2018. Imports from the EU followed a different pattern, experiencing increases year-on-year between 2015 and 2019 with an average increase of 6%. Imports from non-EU countries were marginally lower than imports from the EU for most years during the 2015 to 2019 period, except for 2016 and 2019 where they were 14% and 20% greater respectively.

Figure 3.4: Count of UK importers - large businesses 2015-2019

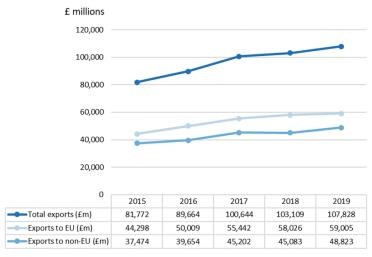


Source: HMRC OTS and ONS IDBR data

The total number of large businesses importing goods increased 4% from 2018 to 2019, exceeding the average year-on-year increase of 3%, seen between 2015 and 2019. This was driven by increases in large businesses importing from the EU (up 14%) and those importing from non-EU countries (up 8%) over the 2015 to 2019 period.

Timelines of trade for SMEs⁵ 2015-2019

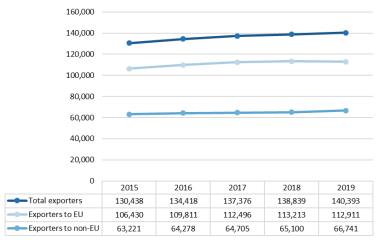
Figure 3.5: Value of UK exports by SMEs 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of goods exported by small and medium-sized businesses (SMEs) rose by 5% from 2018 to 2019, with an average year-on-year increase of 7% between 2015 and 2019. Exports to both the EU and to non-EU countries increased during this 2015 to 2019 period by 33% and 30% respectively. Exports to the EU were consistently higher than exports to non-EU countries during the 2015 to 2019 period, an average of 23% higher.

Figure 3.6: Count of UK exporters – SMEs 2015-2019

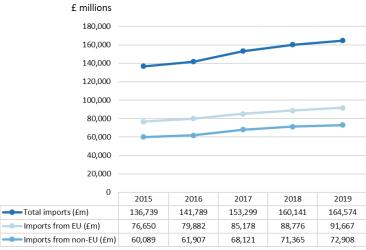


Source: HMRC OTS and ONS IDBR data

The total number of SMEs exporting goods increased 1% from 2018 to 2019, with an average year-on-year increase of 2% between 2015 and 2019. This was driven by similar patterns in the number of exporters to non-EU countries which increased by an average of 1% year-on-year. The number of exporters to the EU reduced marginally between 2018 and 2019 but grew by 6% over the period from 2015 to 2019 and was consistently and uniformly greater than the number of exporters to non-EU countries, an average of 71% greater during 2015 to 2019.

⁵ SMEs (small and medium sized enterprises) are defined as businesses with less than 250 employees.

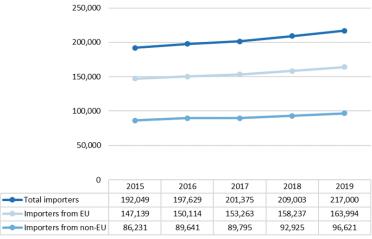
Figure 3.7: Value of UK imports by SMEs 2015-2019



Source: HMRC OTS and ONS IDBR data

The total value of goods imported by SMEs rose 3% from 2018 to 2019 and by 20% overall from 2015 to 2019. Imports from both the EU and non-EU countries both drove this trend with increases of 20% and 21% over the 2015 to 2019 period respectively. Imports from the EU were consistently and uniformly greater than imports from non-EU countries, an average of 26% higher during the 2015 to 2019 period.

Figure 3.8: Count of UK importers - SMEs 2015-2019



Source: HMRC OTS and ONS IDBR data

The total number of SMEs importing goods increased 4% from 2018 to 2019, with an average year-on-year increase of 3% between 2015 and 2019. This was driven by steady increases in both the number of SMEs importing from the EU and those importing from non-EU countries, with average year-on-year increases of 3% for both. The number of SMEs importing from the EU was consistently and uniformly greater than those importing from non-EU countries, an average of 70% higher during the 2015 to 2019 period.

Analysis of trade by business size

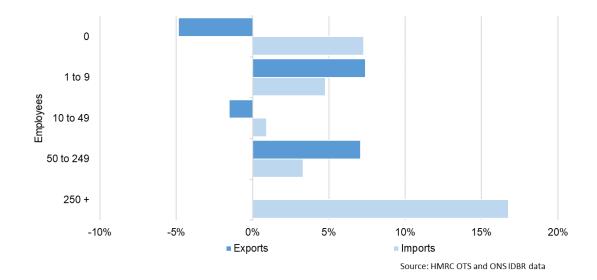
Table 3.1: Total value of UK trade by business size, 2017-2019

\sim			
£	mil	lions	3

		Exports		Imports		
Business size (Number of employees)	2017	2018	2019	2017	2018	2019
0	239	246	234	423	329	353
1 to 9	20,349	20,230	21,728	26,904	28,072	29,414
10 to 49	30,298	30,455	29,988	51,768	53,644	54,130
50 to 249	49,758	52,178	55,877	74,204	78,096	80,678
250+	187,620	200,424	200,348	257,028	256,379	299,351
Unknown	53,596	60,064	58,329	85,170	84,733	79,600
Total	341,860	363,596	366,505	495,498	501,253	543,526

Source: HMRC OTS and ONS IDBR data

Figure 3.9: Percentage change in UK trade value from 2018 to 2019, by business size



^{1.} Unknown category includes trade by foreign-owned businesses required to register for UK VAT due to distance selling regulations.

^{2.} Reasons for why a business may be classed as having an Unknown business size are explained in the Annex: Metadata FAQ.

Between 2018 and 2019 the overall value of imports increased for all business size categories. The overall value of exports also increased but not in all categories. Sharp declines for those businesses with zero employees contrasted with increases for those with '1 to 9' and '50 to 249' employees.

The most notable changes between 2018 and 2019 were:

- ↑ The largest increase in value of exports was by the '1 to 9' employees category (up 7%). The largest increase in value of imports was by the '250+' employee category (up 17%).
- The largest decrease in value of exports from 2018-19 was the 'Zero' employees category (down 5%).

Between 2017 and 2019 the value of exports increased for the majority of business size categories, with decreases seen in the 'Zero' and '10 to 49' employees categories. The value of imports increased for all business size categories except the 'Zero' employees category.

The most pronounced changes between 2017 and 2019 were:

- ↑ The largest increase in value of exports was for the '50 to 249' employees category (up 12%). The largest increase in value of imports was for the '250+' employees category (up 16%).
- For both exports and imports, the 'Zero' employees category was the size group to see the largest decrease in value (down 2% for exports and 17% for imports).

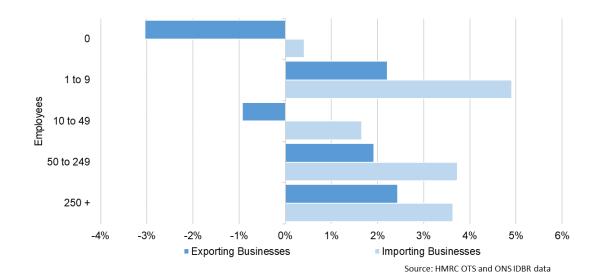
Table 3.2: Business count by business size, 2017-2019

Number of businesses

	Exports				Imports	
Business size (Number of employees)	2017	2018	2019	2017	2018	2019
0	7,563	7,567	7,337	11,465	11,552	11,600
1 to 9	83,937	85,231	87,119	128,022	134,375	140,975
10 to 49	34,705	34,694	34,372	47,538	48,415	49,217
50 to 249	11,171	11,347	11,565	14,350	14,661	15,208
250+	3,717	3,812	3,905	4,793	4,876	5,053
Unknown	10,643	12,370	15,286	25,324	27,964	34,429
Total	151,736	155,021	159,584	231,492	241,843	256,482

Source: HMRC OTS and ONS IDBR data

Figure 3.10: Percentage change in business count from 2018 to 2019, by business size



^{1.} Unknown category includes foreign-owned businesses required to register for UK VAT due to distance selling regulations.

^{2.} Reasons for why a business may be classed as having an Unknown business size are explained in the Annex: Metadata FAQ.

Between 2018 and 2019, 3 out of 5 business size groups experienced a rise in the number of businesses exporting, whilst all business size groups experienced a rise in the number of businesses importing.

The most notable changes between 2018 and 2019 were:

- ↑ The largest percentage increase in number of exporting businesses was in the '250+' employees category (up 2%).
- The largest percentage decrease in number of exporting businesses was in the 'Zero' employees category (down 3%).
- ↑ The largest percentage increase in number of importing businesses was in the '1 to 9' employees category (up 5%).

Between 2017 and 2019, 3 out of 5 business size groups experienced a rise in the number of businesses exporting goods, whilst all business size groups experienced a rise in the number of businesses importing.

The most notable changes between 2017 and 2019 were:

- The largest percentage increase in number of exporting businesses was in the '250+' employees category (up 5%).
- The largest percentage decrease in number of exporting businesses was in the 'Zero' employees category (down 3%).
- ↑ The largest percentage increase in number of importing businesses was in the '1 to 9' employees category (up 10%).

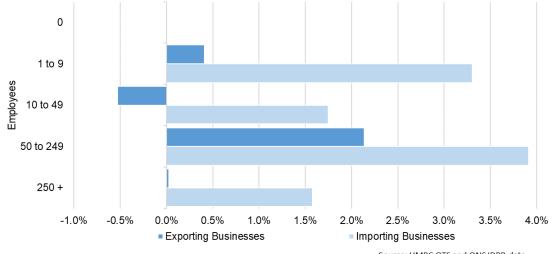
Table 3.3: Employee count by business size, 2017-2019

Number of employees

	Exports			Exports Imports			
Business size (Number of employees)	2017	2018	2019	2017	2018	2019	
0	0	0	0	0	0	0	
1 to 9	274,039	276,413	277,540	417,585	430,802	445,039	
10 to 49	754,303	756,285	752,298	1,019,876	1,041,700	1,059,924	
50 to 249	1,151,782	1,174,392	1,199,519	1,468,148	1,501,415	1,560,184	
250+	7,788,310	7,946,790	7,948,748	9,753,823	9,651,390	9,803,713	
Unknown							
Total	9,968,434	10,153,880	10,178,105	12,659,432	12,625,307	12,868,860	

Source: HMRC OTS and ONS IDBR data

Figure 3.11: Percentage change in employee count from 2018 to 2019, by business size



^{1.} Unknown category excludes employees of foreign-owned businesses that are required to register for UK VAT due to distance selling regulations.

^{2.} Reasons for why a business may be classed as having an Unknown business size are explained in the Annex: Metadata FAQ.

^{3.} Total excludes the Unknown category.

Between 2018 and 2019, there was an increase in the number of people employed by exporting businesses for all business size categories except the '10 to 49' employees group. For importing businesses, there were increases in all business size categories.

The most notable changes between 2018 and 2019 were:

- The largest percentage increase in number of employees within exporting businesses was in the '50 to 249' employees group (up 2%).
- The only percentage decrease in number of employees within exporting businesses was in the '10 to 49' employees group (down 0.5%).
- The largest percentage increases in number of employees within importing businesses were in the '50 to 249' and '1 to 9' employees categories (up 4% and 3% respectively).

Between 2017 and 2019, there was an increase in the number of people employed by exporting businesses for all business size groups except the '10 to 49' employees group. For importing businesses, there were increases in all business size categories.

The most notable changes between 2017 and 2019 were:

- ↑ The largest percentage increase in number of employees within exporting businesses was in the '50 to 249' employees group (up 4%).
- The only percentage decrease in number of employees within exporting businesses was in the '10 to 49' employees group (down 0.3%).
- The largest percentage increases in number of employees within importing businesses were in the '1 to 9' employees and the '50 to 249' categories (up 7% and 6% respectively).

Trade by age of business

4. Trade by age of business

Analysis of trade by business age

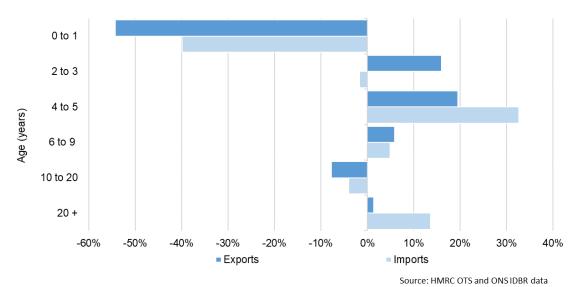
Table 4.1: Total value of UK trade by business age, 2017-2019

£ millions

	Exports			Imports		
Age group (years)	2017	2018	2019	2017	2018	2019
0 to 1	4,656	5,519	2,521	6,396	6,592	3,963
2 to 3	7,706	10,039	11,646	14,196	12,805	12,589
4 to 5	5,600	4,531	5,414	11,924	9,185	12,177
6 to 9	13,479	13,295	14,075	29,205	30,875	32,384
10 to 20	45,388	42,291	39,037	65,261	63,747	61,208
20+	244,168	262,087	265,584	344,125	352,115	400,150
Unknown	20,863	25,834	28,228	24,391	25,934	21,055
Total	341,860	363,596	366,505	495,498	501,253	543,526

Source: HMRC OTS and ONS IDBR data

Figure 4.1: Percentage change in UK trade value from 2018 to 2019, by business age



^{1.} Reasons for why a business may be classed as having an Unknown age are explained in the Annex: Metadata FAQ.

Trade by age of business

Table 4.1 shows the value of trade by age of business. Interpretation of movements in age group categories should be treated with caution, since individual businesses naturally progress through the groups.

Between 2018 and 2019, there has been a sharp decline in the value of international trade being carried out by newer businesses (aged 0 to 1 years old), deviating from the increases seen in previous years. A subsequent increase of a similar magnitude has not been seen in the next age category (aged 2 to 3) for either imports or exports, with a continued downward trend for imports.

The most notable changes were as follows:

- Between 2018 and 2019, the largest increase in the value of exports was experienced by businesses aged 4 to 5 years old (up 19%), and between 2017 and 2019 it was businesses aged 2 to 3 years old (up 51%)
- ↑ Between 2018 and 2019, the largest increase in the value of imports was experienced by businesses aged 4 to 5 years old (up 33%), and between 2017 and 2019 it was businesses aged over 20 years old (up 16%)
- The largest decrease in the value of exports was experienced by businesses aged 0 to 1 years old (down 54% from 2018 to 2019, and down 46% from 2017 to 2019).
- The largest decrease in the value of imports was also experienced by businesses aged 0 to 1 years old (down 40% from 2018 to 2019, and down 38% from 2017 to 2019).

Access to data

The detailed tables for 2019 data are available on the gov.uk website in <u>Microsoft Excel spreadsheet format</u>. Previously published data for 2013-2018 is also available on the same webpage⁶.

These files contain individual tables for Industry Group, Age, and Business Size and also two-dimensional tables which show:

- Industry Group by Age;
- Industry Group by Business Size;
- Business Size by Age.

A breakdown of industry, age or business size by country for 2019 is available for selected partner countries.

These countries are Algeria, Australia, Bangladesh, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Republic of Ireland, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, USA, Vietnam, EU (all EU partner countries combined), Non-EU (all non-EU partner countries combined).

⁶ Note that previously published data for 2015, 2014 and 2013 was compiled on a General Trade as opposed to a Special Trade basis. For more details on the difference between General and Special trade, see the <u>Methodology Paper for Overseas Trade Statistics</u>.

What is the purpose of these experimental statistics?

To produce trade statistics based on 10 predefined industry groups to show the total value of UK trade imported and exported, broken down by age and size of UK businesses.

Why is this release "Experimental Statistics"?

Experimental statistics allow a new publication to incorporate new methodology which is subject to change. It also allows external users to provide feedback on the publication and enhancements can be made to future releases.

What data has been used to produce this release?

This release combines data from the Overseas Trade Statistics (OTS) published by HM Revenue & Customs (HMRC) with the Inter-Departmental Business Register (IDBR) published by the Office for National Statistics (ONS). The OTS is a detailed dataset covering the UK's trade in goods with other nations by partner country and product. More information can be found in the methodology paper for the Overseas Trade Statistics. Since 1994 the IDBR has been the comprehensive list of UK businesses that is used by government for statistical purposes. More information about the Inter-Departmental Business Register can be found on the ONS website.

What is the definition of a "business"?

For the purpose of this release the term "business" is used to represent an enterprise. An enterprise can be defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.

Business characteristics such as employee count, age group and industry group are recorded at enterprise level on the IDBR. The business counts published here are therefore counts of enterprises, and the value of trade is derived from trade declared to HMRC by the underlying VAT-registered or EORI-registered⁷ businesses.

How has the data matching been done?

Data is matched by linking the VAT number of each business within the trade statistics data with its corresponding reference on the IDBR data. If a match is not found, then a 'fuzzy matching' on the name is attempted. Any remaining unmatched VAT numbers are allocated to an industry group obtained from departmental VAT records where possible, while their age and business size are recorded as 'Unknown'. For VAT registrations that encompass a group of businesses, there are a number of possible enterprises that the VAT registration could be linked to. The choice of enterprise is therefore made by applying multiple criteria:

- 1. Preference is given to the enterprise with the highest turnover.
- 2. In cases where there are multiple enterprises with the same turnover, the enterprise with the highest employee count is selected.
- 3. If there are multiple enterprises with the same employee count then the enterprise with the earliest birthdate is selected.
- 4. If there are multiple enterprises with the same birthdate then the enterprise linked to the 12-digit VAT registration with the earliest birthdate is selected.

These criteria are based on the assumption that trade is more likely to be carried out by businesses with a higher turnover and a higher employee count, and by older, more established enterprises.

⁷ EORI is an acronym for Economic Operator Registration and Identification. In the UK, an EORI number is assigned to importers and exporters by HMRC for the purposes of trading with countries outside the EU.

What are the reasons a business may be classified as 'Unknown'?

There are a number of reasons why a business may be classified within the 'Unknown' category for industry group, number of employees, business size or age group:

- 1. Businesses where the trading VAT/EORI number is invalid are classified as Unknown for industry group, number of employees, business size and age group.
- 2. Overseas-based businesses with a VAT presence in the UK are classified as Unknown for industry group, number of employees, business size and age group.
- 3. Businesses for which IDBR data on industry group, number of employees, business size or age group are unavailable are placed in the Unknown category for the respective group(s).
- 4. EU trade in oil and gas that cannot be attributed to a VAT number is placed in the Unknown category for employee count, business size and age group, while industry group is estimated from HMRC records on businesses trading similar goods.
- 5. Trade carried out by businesses in the Channel Islands and Isle of Man is placed in the Unknown category for industry group, number of employees, business size and age group.
- 6. Parcel post trade that is dealt with centrally (trade with Non-EU only) is placed in the Unknown category for industry group, number of employees, business size and age group.
- 7. Although trade carried out by UK Government is placed in the Unknown category for employee count, it is categorised under the '250+' group for business size.

For more detailed information or to comment on this methodology, contact the uktradeinfo helpdesk:

Email: uktradeinfo@hmrc.gov.uk

Which variables are being published?

Age of business (0-1, 2-3, 4-5, 6-9, 10-20, 20+, Unknown) Business size (Number of employees) (0, 1-9, 10-49, 50-249, 250+, Unknown) (SME⁸: 0-249 / Large: 250+) Industry group (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Unknown)

Statistical value of trade in goods in GBP (£) Employee count Business count

What are the industry groupings?

The industry group refers to the classification of the main activity of the business. A business may trade predominantly in commodities relating to its main activity, but may also trade in commodities outside of this group. For example, the 'Pharmaceuticals' industry group (group 4) contains all importing or exporting businesses classified as belonging to the 'Pharmaceuticals' sector. However, the 'trade in goods' value for this group contains all trade in goods carried out by these businesses. This may predominantly be trade in pharmaceutical goods, but could include trade in any other type of commodity.

⁸ SME is an acronym for Small and Medium-sized Enterprises. In this report, it refers to businesses with less than 250 employees.

The Standard Industrial Classification 2007 (SIC) groupings within each Industry group are:

Group	Description	SIC 2007
Group 1	Agriculture and Food	A, 10 – 17
Group 2	Mining, Petroleum products and Waste	B, 19, 24, D, E
Group 3	Chemicals	20
Group 4	Pharmaceuticals	21
Group 5	Electronic and Electrical equipment	26, 27
Group 6	Machinery and equipment n.e.s	28
Group 7	Motor vehicles, transport equipment (excluding aerospace)	29, 30 (excluding 30.3)
Group 8	Aerospace and related machinery	30.3
Group 9	Other manufacturing	18, 22, 23, 25, 31, 32
Group 10	Services	33, F – U

For further details on SIC 2007 visit the ONS website.

What partner countries or geographical areas are available?

Only a selection of partner countries are available, which are: Algeria, Australia, Bangladesh, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Republic of Ireland, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, USA, Vietnam, EU (all EU countries combined), Non-EU (all non-EU countries combined), World (all countries combined). These are the top EU and non-EU partner countries for the UK in terms of trade value.

This data is available in Microsoft Excel spreadsheet format.

How were the employee count and business count fields calculated?

The business count is the total number of businesses who imported or exported, with the specified characteristics. The employee count is the total number of employees for those businesses. It does *not* mean that all these employees are directly involved in the activity of international trade.

Business counts for trade with the EU as a whole include all VAT-registered businesses. However, counts of businesses trading with individual EU partner countries exclude businesses trading below the relevant Intrastat threshold (for 2019, these thresholds are £1.5 million for EU imports and £250,000 for EU exports), as information on the partner countries of these businesses is not collected.

Does this data include trade in services?

This publication does **not** include any data on services traded by businesses. However, a breakdown is provided of industry type, which includes Group 10 – 'Services'. The figures within this group include only the value of **goods** traded by those businesses who are classified within the Services industry, the number of businesses in the Services industry who are trading in goods, and the employee counts for those businesses. The figures do **not** contain any data on the services those businesses provide or the values related to them.

How have suppressions been applied to these experimental statistics?

While the OTS is subject to passive disclosure control, due to linking with the IDBR these experimental statistics are subject to active disclosure control. Disclosure control procedures applied are in line with those recommended by the appropriate GSS guidance.

Where the data has been suppressed, additional suppressions (masks) have been used making it impossible to calculate the contents of suppressed cells. All suppressed cells are shown with an "S".

Why do the trade totals and business counts not match the published <u>OTS</u> or the <u>UK</u> <u>Importer and Exporter Population</u> release?

The trade totals will not match the published OTS for two reasons, both related to EU trade. Firstly, the OTS totals for EU trade include an estimate for non-response which is not included in this publication. Secondly, the contribution of traders below the Intrastat threshold for EU trade has had to be recalculated on a per trader basis, and has not been allocated to individual EU countries. Although this closely replicates the methodology for the estimation of below threshold trade in the OTS, timing and other methodological differences mean there is not an exact match.

The business counts in this release will not match the counts given in the UK Importer and Exporter Population release. This is due to differences in the methodology used to estimate trade below the Intrastat threshold for EU trade, and timing issues (the UK Importer and Exporter Population release is published April, prior to the annual OTS dataset being finalised).

Why is this data different to that presented in the <u>HMRC Regional Trade Statistics</u> (RTS) releases?

Due to methodological differences, the data presented in this release will not match published RTS data. The main reasons for this are:

- The business counts in this release are calculated on a per enterprise basis, while RTS business counts are calculated at the level of the VAT-registered business.
- Different methods are used for estimating trade below the Intrastat reporting threshold for EU trade, to enable trade values to be allocated per business in this release.
- This release includes all UK trade in goods, while RTS data excludes trade in non-monetary gold.

Are there any similar statistics available on the characteristics of UK exporters and importers?

The ONS produce the Annual Business Survey (ABS) publication <u>Great Britain non-financial business economy exporters and importers</u> (next release currently due to be published May 2021). This includes details of the number and proportion of non-financial GB enterprises (excluding Northern Ireland) engaged in international trade in goods and services, categorised by employment size group, broad industry group, ownership (UK/foreign owned), turnover, and age of business. A regional breakdown is also supplied.

The aim of **Great Britain non-financial business economy exporters and importers** is to supply comprehensive information on business trading behaviour for both goods and services to provide answers to questions such as:

- What share of businesses export goods and/ or services?
- What share of businesses import goods and/ or services?
- Are importing businesses also those that export, or do some businesses only import or export?

The aim of the HMRC **UK Trade in Goods by Business Characteristics** is to add value to the UK trade in goods data by looking at the characteristics of businesses trading. This may provide answers to questions such as:

- How many people are employed by businesses engaged in international trade in goods?
- What share of exports/imports is carried out by particular industry groups?
- How many new businesses involved in international trade in goods are trading with specific partner countries?

Due to **methodological differences** between the ABS statistics and the HMRC statistics published in this release, the trade in goods data within each dataset are not directly comparable and may differ. Methodological differences between the two releases include differences in: data sources and coverage, measurement of employee count, disclosure control procedures, and the handling of revisions.

The ONS also produce the experimental dataset <u>UK trade in goods by business characteristics: 2016 to 2018</u> which is compiled on a Balance of Payments (BoP) basis, while the HMRC UK Trade in Goods by Business Characteristics release is compiled on a Special Trade basis. The main difference between the ONS release and this release is that HMRC link each VAT registered business to an enterprise on the IDBR, whereas the ONS release links to the reporting unit on IDBR. This leads to some inconsistency between the two datasets. Another key difference is the business size characteristic of foreign-owned businesses required to register for UK VAT due to distance selling regulations; the ONS release allocates these according to their employee count on IDBR, whereas this release allocates them to the 'unknown' business size category.

Methodology notes

- 1. All data within the release is compiled on a Special Trade basis. This applies to both 2019 data and data from previous years which has been included for comparison. This change is in line with the compilation of the Overseas Trade Statistics (OTS), which have been published on a Special Trade basis since May 2016.
- 2. For VAT registrations that encompass a group of businesses, there are a number of possible enterprises that the VAT registration could be linked to, the choice of enterprise is therefore made by applying multiple criteria. These criteria are based on the assumption that trade is more likely to be carried out by businesses with a higher turnover and a higher employee count, and by older, more established enterprises. See the 'How has the data matching been done?' section on page 30 for more information on this matching process.
- 3. All revisions to OTS data from 2013 onwards have been applied. This release also includes all unscheduled corrections to OTS data published on 09 August 2019.
- 4. Some businesses that were previously published within the 'Zero' employees category for business size (see <u>2013-2015 releases</u>) were subsequently identified as foreign-owned businesses that are required to register for UK VAT due to distance selling regulations. Although these businesses are recorded on the IDBR as having zero employees, within this release they have been placed in the 'Unknown' category for business size.
- 5. The age of a business is determined by the birth date and death date of the enterprise rather than that of the underlying VAT-registered business. This maintains consistency within the data in that each business will always have the same birth date and death date for all EU and non-EU imports and exports.
- 6. A unique industry group is assigned to each business for all EU and non-EU imports and exports.
- 7. Due to rounding, there may be small differences between the values (£) presented in the accompanying Microsoft Excel spreadsheets and those presented in this report.