

Statistical bulletin

# UK Trade: June 2015

Latest monthly statistics on trade in goods classified according to Standard International Trade Classification (SITC) as well as monthly estimates for total trade in services.

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Release date:  
7 August 2015

Next release:  
9 September 2015

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# 1. Main points for June 2015

- UK Trade shows the extent of 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
- The UK's deficit on trade in goods and services was estimated to have been £1.6 billion in June 2015, compared with £0.9 billion in May 2015. This reflects a deficit of £9.2 billion on goods, partially offset by an estimated surplus of £7.6 billion on services
- Exports of goods decreased by £0.3 billion to £24.9 billion in June 2015, mainly reflecting a £0.5 billion fall in exports of unspecified goods. Imports of goods increased by £0.5 billion to £34.1 billion over the same period, attributed to a £0.2 increase in fuels (specifically oil) and a cumulative rise in imports of almost all other commodities
- In quarter 2 April to June 2015, the UK's deficit on trade in goods and services was estimated to have been £4.8 billion, narrowing by £2.7 billion when compared with quarter 1 January to March 2015
- In quarter 2 April to June 2015, the trade in goods deficit narrowed by £3.0 billion to £27.4 billion. Exports increased by £3.1 billion to £74.5 billion, attributed to an increase in chemical exports (£1.3 billion), exports of fuels (£1.0 billion) and machinery and transport equipment (£0.6 billion). Imports increased by £0.1 billion to £102.0 billion over the same period
- In quarter 2 April to June 2015, the trade in services surplus narrowed by £0.3 billion to £22.6 billion. There was a decrease of £0.1 billion in exports and a £0.2 billion increase in imports over the same period

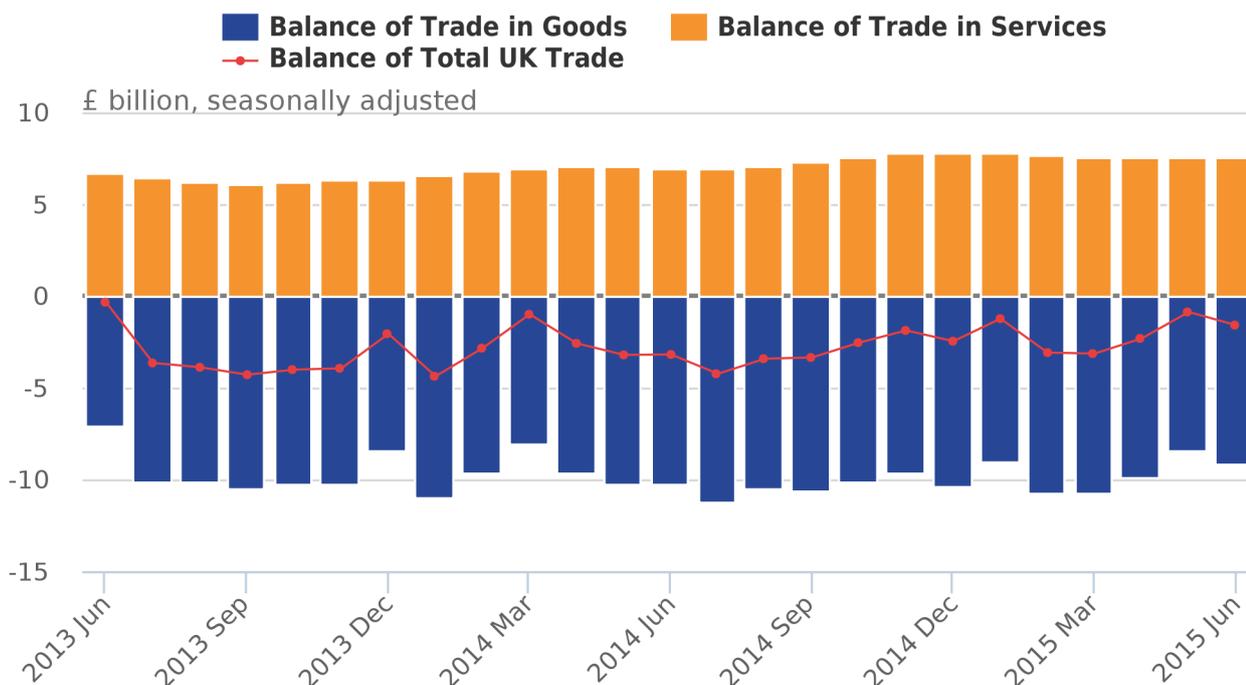
# 2. Main figures for June 2015

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

	Balance of trade in goods			Balance of trade in services	Total trade balance
	£ billion				
	EU	Non-EU	Total		
2014 Jun	-6.5	-3.7	-10.2	7.0	-3.2
2015 Apr	-7.4	-2.5	-9.8	7.5	-2.3
May	-7.1	-1.3	-8.4	7.5	-0.9
Jun	-7.6	-1.6	-9.2	7.6	-1.6

Source: Office for National Statistics

**Figure 1: Balance of UK trade, June 2013 to June 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 a key 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 data sources, the main one being HM Revenue & 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 around goods, as well as its ability to be easily quantified and measured. Trade in services is harder to measure, and source data are 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.

All information included in the monthly UK Trade statistical bulletin is on a Balance of Payments (BoP) basis and is seasonally adjusted unless otherwise specified. Data appearing in the UK Trade statistical bulletin are also used as a direct input into the quarterly Balance of Payments and National Accounts.

#### 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 elicit detailed reasons for movements, consequently, it is not possible for all data movements to be fully explained.

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

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

## UK Trade National Statistics suspension

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

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

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

## Definitions and explanations

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

## Use of the data

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

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

## Notes on tables

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

Symbols:

.. Not applicable

- Nil or less than half the final digit shown.

## 4. Summary of latest UK Trade statistics

The deficit on trade in goods and services for June 2015 widened to £1.6 billion, from £0.9 billion in May 2015. The trade position reflects exports minus imports. Between May 2015 and June 2015, exports decreased by £0.2 billion to £43.2 billion and imports increased by £0.5 billion to £44.8 billion.

The deficit on trade in goods was £9.2 billion in June 2015; a widening of £0.8 billion from May 2015. Between May 2015 and June 2015, exports fell by £0.3 billion, whilst imports rose by £0.5 billion over the same period.

In detail, exports of goods fell by £0.3 billion to £24.9 billion in June 2015. The decrease mainly reflects a £0.5 billion fall in exports of unspecified goods following a high export value in the previous month. Exports of fuels also decreased in June 2015 (down £0.4 billion from May), £0.3 billion of this fall was due to oil. The overall decrease in exports of goods was partially offset by a £0.5 billion rise in chemicals, specifically organic chemicals.

Imports of goods rose by £0.5 billion to £34.1 billion in June 2015, £0.2 billion of this increase was attributed to fuels (specifically oil). The remaining increase was due to a cumulative rise in imports of almost all other commodities.

Between May 2015 and June 2015, exports to countries outside the EU fell by £0.3 billion. Exports of unspecified goods fell by £0.5 billion as trade levels returned to normal from May's high, whilst exports of chemicals partly offset the decrease with a monthly increase of £0.3 billion. In the same period, imports from the EU rose by £0.6 billion, mainly reflecting increases in material manufactures, machinery and transport equipment, and food and live animals (each up by £0.1 billion). This increase in imports results in a record trade deficit with the EU of £7.6 billion for June 2015.

In quarter 2 April to June 2015, the total trade deficit narrowed by £2.7 billion to £4.8 billion, the smallest since quarter 2 April to June 2011. Exports rose by £2.9 billion and imports rose by £0.2 billion

In quarter 2 April to June 2015, the trade in goods deficit narrowed by £3.0 billion to £27.4 billion. The widening reflects a quarterly increase of £3.1 billion in exports and a £0.1 billion rise in imports. At the commodity level, the rise in exports reflects a £1.3 billion increase in exports of chemicals and a £1.0 billion rise in exports of fuels. Exports of machinery and transport equipment rose less significantly than chemicals and fuels over the quarter (up £0.6 billion), but accounted for £1.2 billion of the overall narrowing of the goods deficit as respective imports fell by £0.6 billion.

By area, the UK's goods deficit with the EU widened by £0.2 billion to £22.0 billion in quarter 2 April to June 2015, while the UK's deficit with non-EU countries narrowed by £3.2 billion over the same period. The quarterly narrowing of the non-EU deficit is the largest since quarter 4 October to December 2013 when the deficit narrowed by £5.3 billion and reflects individual £1.3 billion improvements in both the balance of trade in chemicals and trade in machinery and transport equipment.

Geographically, in quarter 2 April to June 2015, the UK's deficit with China narrowed by £2.0 billion to £4.8 billion, while the UK's surplus with the USA increased by £1.2 billion to £4.7 billion.

This bulletin also reports on trade in services. However, the information on trade in services is mainly obtained from quarterly surveys, in some cases underpinned by larger annual surveys. That means that the data for the latest months are inevitably uncertain.

In quarter 2 April to June 2015, the trade in services surplus narrowed by £0.3 billion to £22.6 billion. There was a decrease of £0.1 billion in exports and a £0.2 billion increase in imports over the same period.

## Revisions

The total trade balance was revised downwards by £0.5 billion in both April 2015 and May 2015. Trade in goods accounts for almost all of the revisions to exports and imports in these months as new data have become available. Trade in services was largely unrevised in the same periods.

For the previous 5 months, revisions between the first and second estimate of the total trade balance have been in the same direction, a worsening of the trade balance. Investigating these revisions with HMRC has highlighted an improvement in our production process to use more up-to-date estimates.

The improvement to the process has been implemented this month, which generally over time should result in smaller revisions.

## 5. Longer-term perspective

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

## 6. Value of UK trade in goods

In June 2015, the UK's deficit on trade in goods was £9.2 billion, widening by £0.8 billion from May 2015. Total exports decreased by £0.3 billion (1.0%) to £24.9 billion and total imports increased by £0.5 billion (1.5%) to £34.1 billion.

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

**Table 2: Change in UK trade main commodity value, June 2015 compared with May 2015**

	Exports (£m)	Imports (£m)
Oil (see section on "trade in oil")	-320	+223
Cars	-9	+10
Consumer goods other than cars	+212	+61
Intermediate goods	+27	-11
Capital goods	-66	+98
Chemicals	+457	+142
Semi-manufactured goods other than chemicals	-117	+98

Source: Office for National Statistics

In quarter 2 April to June 2015, the deficit on trade in goods was £27.4 billion, narrowing by £3.0 billion from quarter 1 January to March 2015.

Total exports increased by £3.1 billion (4.3%) to £74.5 billion and total imports increased by £0.1 billion (0.1%) to £102.0 billion.

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

**Table 3: Change in UK trade main commodity value, April 2015 to June 2015 compared with January 2015 to March 2015**

	Exports (£m)	Imports (£m)
Oil (see section on "trade in oil")	+759	+914
Cars	+120	+217
Consumer goods other than cars	-107	-602
Intermediate goods	+36	-586
Capital goods	-107	+69
Chemicals	+1,269	+437
Semi-manufactured goods other than chemicals	-225	-252

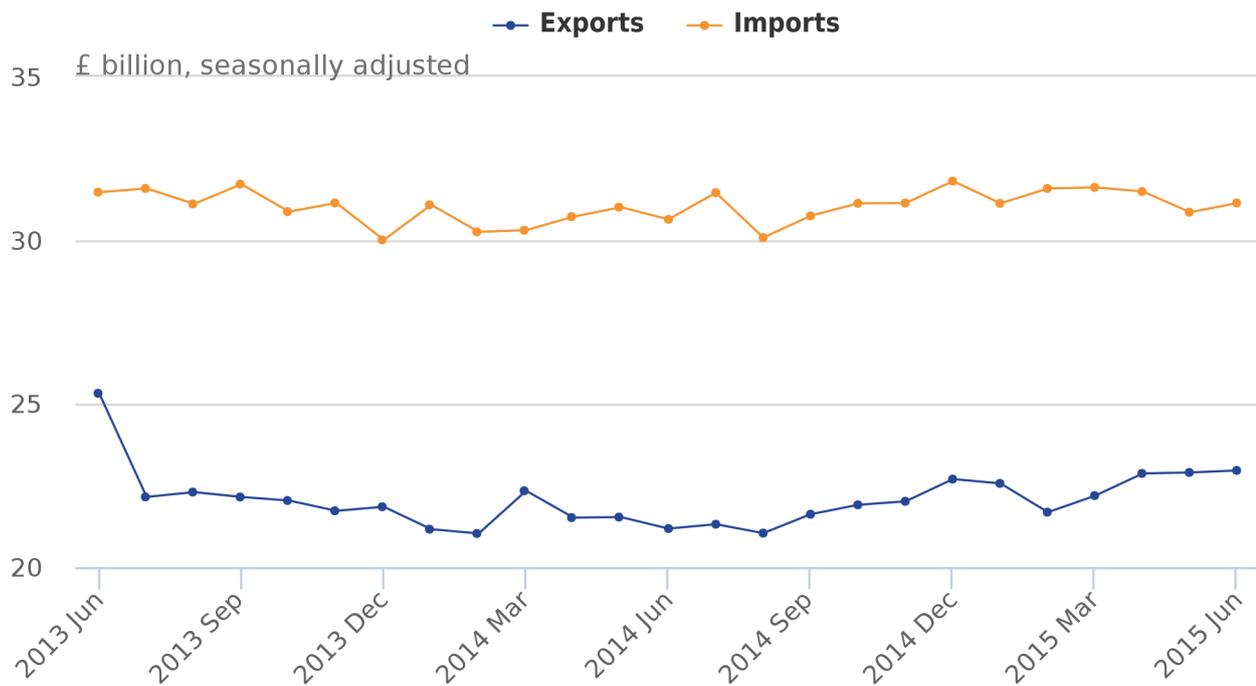
Source: Office for National Statistics

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



Source: Office for National Statistics

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



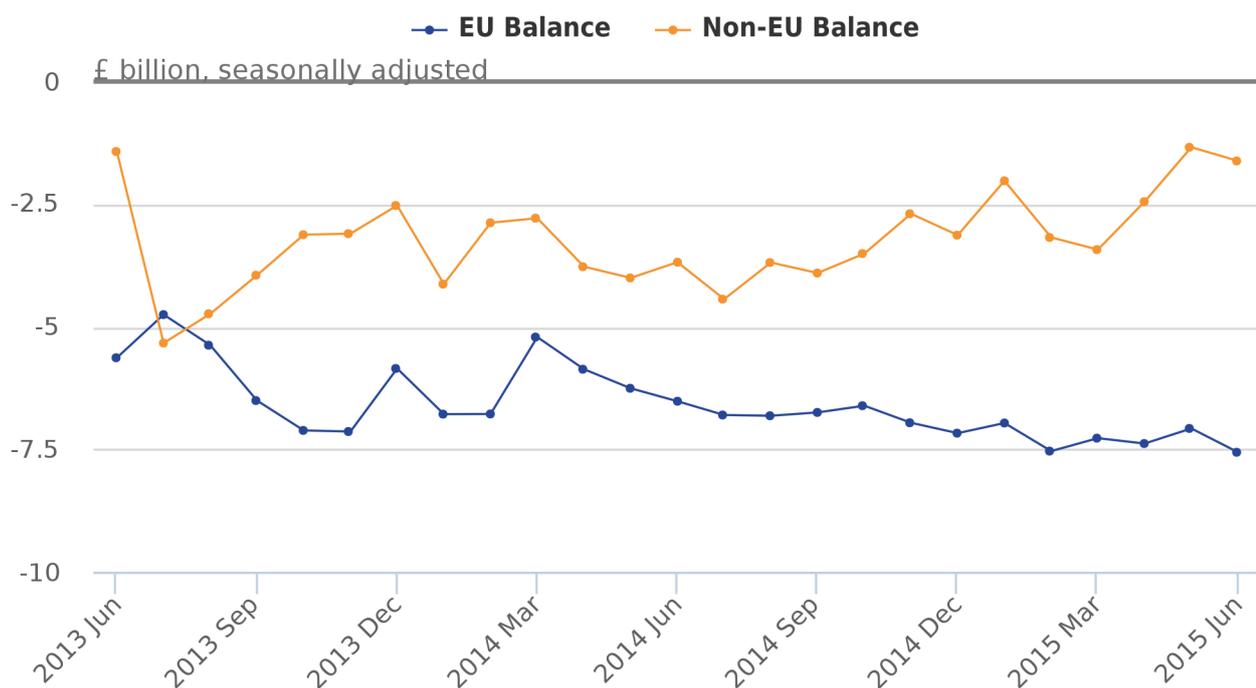
Source: Office for National Statistics

## 7. Trade in goods – analysis by area

### Monthly analysis

In June 2015, the deficit on trade in goods with EU countries widened by £0.5 billion to £7.6 billion. The deficit on trade in goods with non-EU countries widened by £0.3 billion to £1.6 billion (Figure 4).

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



Between May 2015 and June 2015, exports to the EU increased by £0.1 billion (0.7%) to £11.6 billion. Exports to Germany, Italy and Sweden each increased by £0.1 billion. These increases were partially offset by £0.1 billion decreases in exports to both Belgium and Luxembourg (combined) and France.

Between May 2015 and June 2015, imports from the EU increased by £0.6 billion (3.0%) to £19.1 billion. Imports from Germany increased by £0.3 billion, with imports from Belgium and Luxembourg (combined) and Sweden each increasing by £0.1 billion.

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

**Table 4: Change in UK trade main commodity value (EU), June 2015 compared with May 2015**

	Exports (£m)	Imports (£m)
Oil (see section on "trade in oil")	-406	+23
Cars	-58	+51
Consumer goods other than cars	+100	+65
Intermediate goods	+62	+53
Capital goods	+37	+130
Chemicals	+120	+42
Semi-manufactured goods other than chemicals	+50	+137

Source: Office for National Statistics

Between May 2015 and June 2015, exports to non-EU countries decreased by £0.3 billion (2.4%) to £13.3 billion. There are a number of countries reporting a £0.1 billion decrease in exports this month including China, India and Japan. There were offsetting increases in exports to Switzerland and the USA, both of £0.2 billion.

Between May 2015 and June 2015, imports from non-EU countries decreased by £0.1 billion (0.4%) to £14.9 billion. Imports from the USA decreased by £0.3 billion, with imports from several other countries, including Qatar and Turkey, showing decreases of £0.1 billion. There were offsetting increases in imports from Hong Kong of £0.2 billion, and from a number of other countries, including Nigeria and South Korea, of £0.1 billion.

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

**Table 5: Change in UK trade main commodity value (non-EU), June 2015 compared with May 2015**

	Exports (£m)	Imports (£m)
Oil (see section on 'trade in oil')	+86	+200
Cars	+49	-41
Consumer goods other than cars	+112	-4
Intermediate goods	-35	-64
Capital goods	-103	-32
Chemicals	+337	+100
Semi-manufactured goods other than chemicals	-167	-39

## Quarterly analysis

In quarter 2 April to June 2015, the deficit on trade in goods with EU countries widened by £0.2 billion to £22.0 billion.

Between quarter 1 January to March 2015 and quarter 2 April to June 2015, exports to the EU increased by £0.6 billion (1.8%) to £34.2 billion. Exports to France increased by £0.3 billion and exports to Germany increased by £0.2 billion.

Between quarter 1 January to March 2015 and quarter 2 April to June 2015, imports from the EU increased by £0.9 billion (1.6%) to £56.2 billion. Imports from the Netherlands increased by £0.6 billion and from Belgium and Luxembourg (combined) and Germany, each by £0.4 billion. These increases were partially offset by a decrease in imports from France of £0.5 billion.

At the commodity level, the data are shown in Table 6.

**Table 6: Change in UK trade main commodity value (EU), April 2015 to June 2015 compared with January 2015 to March 2015**

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	Exports (£m)	Imports (£m)
Oil (see section on "trade in oil")	+364	+317
Cars	+233	+268
Consumer goods other than cars	+125	-97
Intermediate goods	-24	-58
Capital goods	-135	+184
Chemicals	-175	+342
Semi-manufactured goods other than chemicals	-81	-175

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Source: Office for National Statistics

In quarter 2 April to June 2015, the deficit on trade in goods with non-EU countries narrowed by £3.2 billion to £5.4 billion.

Between quarter 1 January to March 2015 and quarter 2 April to June 2015, exports to non-EU countries increased by £2.4 billion (6.4%) to £40.4 billion. Exports to the USA increased by £1.6 billion, to China by £0.7 billion and to Saudi Arabia by £0.6 billion.

Between quarter 1 January to March 2015 and quarter 2 April to June 2015, imports from non-EU countries decreased by £0.8 billion (1.7%) to £45.8 billion. Imports from China decreased by £1.4 billion, this was partially offset by increases in imports from South Korea of £0.6 billion and Switzerland of £0.4 billion.

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

**Table 7: Change in UK trade main commodity value (non-EU), April 2015 to June 2015 compared with January 2015 to March 2015**

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	Exports (£m)	Imports (£m)
Oil (see section on 'trade in oil')	+395	+597
Cars	-113	-51
Consumer goods other than cars	-232	-505
Intermediate goods	+60	-528
Capital goods	+28	-115
Chemicals	+1,444	+95
Semi-manufactured goods other than chemicals	-144	-77

Source: Office for National Statistics

## 8. Trade in goods – geographical analysis

The USA remains the UK's top export partner with exports of £4.4 billion in June 2015. There were record highs in the level of exports to Uruguay in June 2015, with an increase of £0.1 billion (650.0%). This, together with a small decrease in imports, meant the UK's trade surplus with Uruguay was also at a record high of £0.1 billion. Anecdotal evidence suggests this increase is due to a rise in the export of crude oil.

Germany remains the UK's top import partner with imports of £5.3 billion in June 2015. There were no significant monthly import movements in June 2015.

In quarter 2 April to June 2015, there were record highs in exports to the USA and to Saudi Arabia. Exports to the USA increased by £1.6 billion (13.6%) to £13.2 billion. Anecdotal evidence suggests this is due to an increase in the export of chemicals. Exports to Saudi Arabia were also at a record high, increasing by £0.6 billion (66.0%) to £1.4 billion over the same period. Exports to Greece decreased by £0.1 billion (19.4%) to a record low of £0.2 billion in quarter 2 April to June 2015.

In quarter 2 April to June 2015, imports from South Korea, the USA, Poland and Pakistan were all at a record high. Imports from South Korea increased by £0.6 billion (62.7%) to £1.6 billion when compared with quarter 1 January to March 2015. Imports from the USA increased by £0.2 billion (1.8%) to £8.6 billion, with evidence attributing this movement to an increase in the imports of miscellaneous manufactures. Imports from Poland increased by £0.1 billion (5.0%) to £2.1 billion and imports from Pakistan increased by £1.0 million (3.0%) to £0.3 billion.

**Table 8: Change in UK monthly trade with significant partner countries, June 2015 compared with May 2015**

	Exports (£m)	
	June 2015 value	1-month change
1 USA	4,400	178
2 Germany	2,655	75
3 France	1,608	-66
4 Netherlands	1,540	-27
5 Irish Republic	1,412	18
6 China	1,164	-119
7 Belgium and Luxembourg	905	-93
8 Italy	750	66

9	Spain	748	20
10	Switzerland	683	178

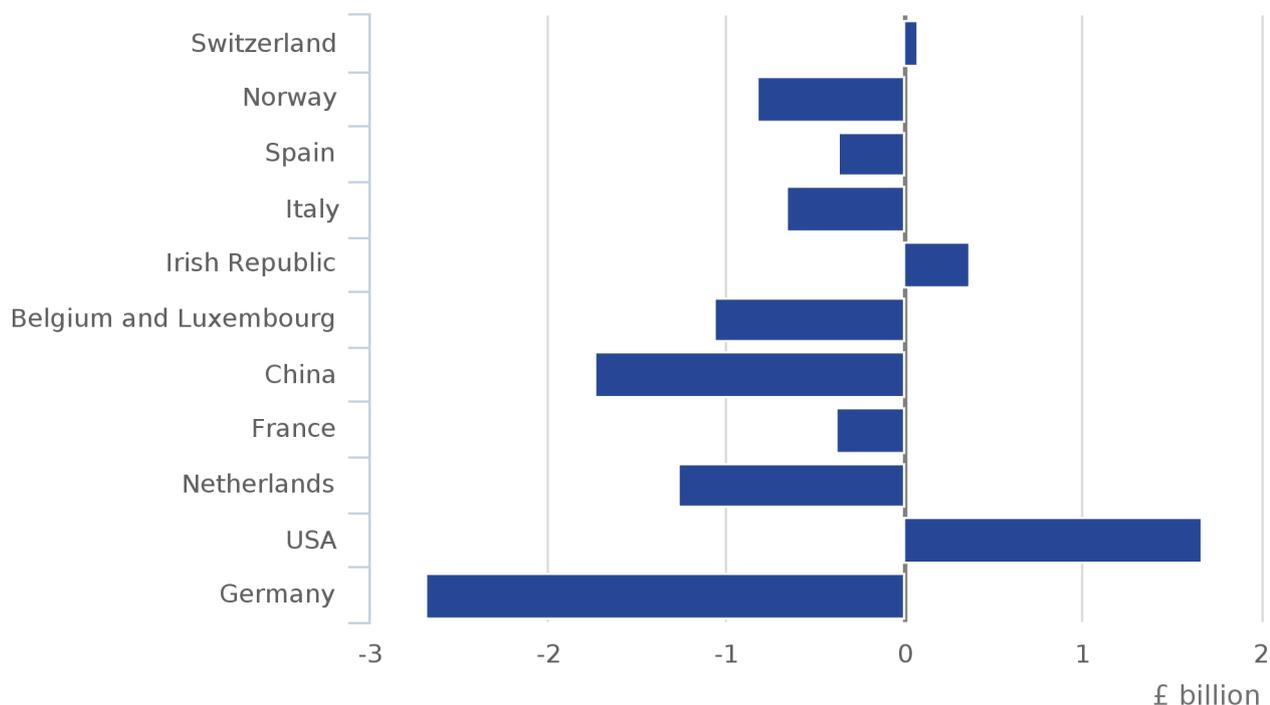
		Imports (£m)	
		June 2015 value	1-month change
1	Germany	5,340	294
2	China	2,899	39
3	Netherlands	2,802	9
4	USA	2,729	-295
5	France	1,984	5
6	Belgium and Luxembourg	1,963	139
7	Italy	1,403	-18
8	Spain	1,117	-33
9	Norway	1,070	76
10	Irish Republic	1,041	1

Source: Office for National Statistics

Notes:

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

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



Source: Office for National Statistics

**Table 9: Change in UK 3-monthly trade with significant partner countries, April 2015 to June 2015 compared with January 2015 to March 2015**

		Exports (£m)	
		Quarter 2 2015 value	Quarterly change

1	USA	13,204	+1576
2	Germany	7,848	+187
3	France	4,829	+291
4	Netherlands	4,411	+34
5	Irish Republic	4,155	+116
6	China	3,662	+663
7	Belgium and Luxembourg	2,893	+68
8	Spain	2,195	-67
9	Italy	2,134	+14
10	Switzerland	1,786	-105

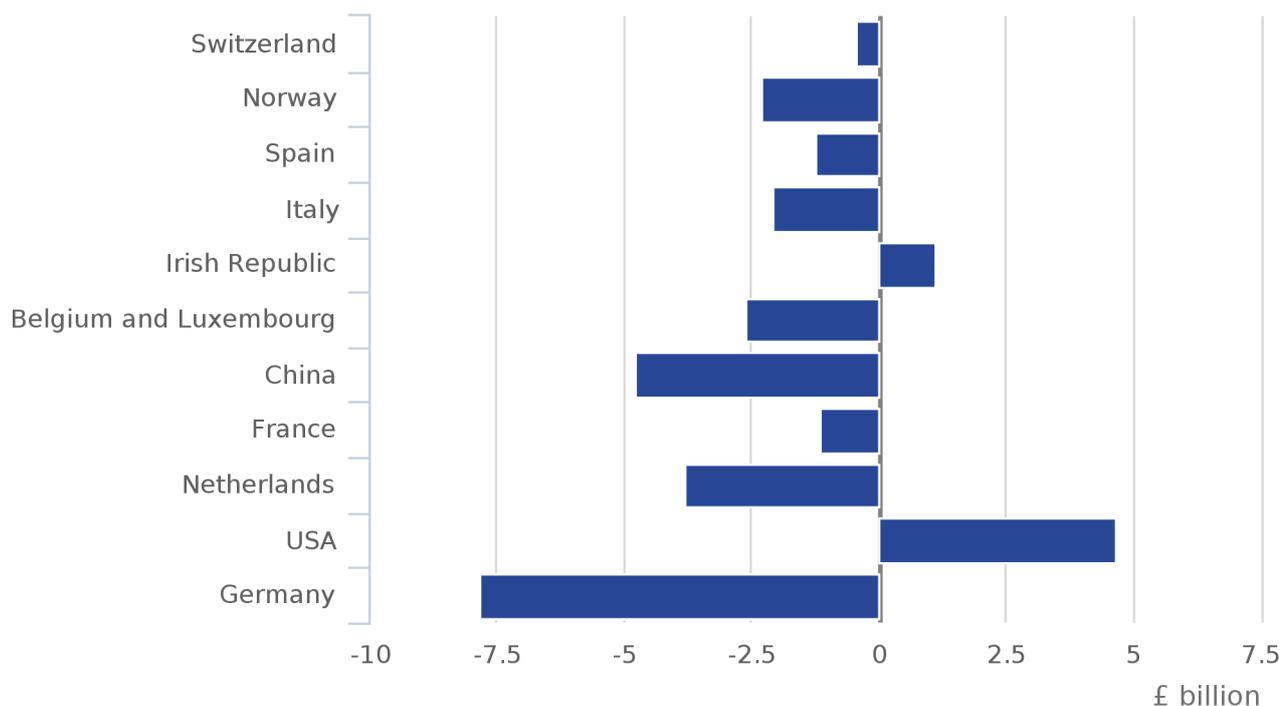
		Imports (£m)	
		Quarter 2 2015 value	Quarterly change
1	Germany	15,658	+373
2	USA	8,553	+359
3	China	8,415	-1363
4	Netherlands	8,188	+642
5	France	5,987	-452
6	Belgium and Luxembourg	5,512	+380
7	Italy	4,211	+104
8	Spain	3,438	+60
9	Norway	3,112	-231
10	Irish Republic	3,034	-24

Source: Office for National Statistics

Notes:

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

**Figure 6: Significant UK partner countries, 3-month balances, April 2015 to June 2015**



Source: Office for National Statistics

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

Between May 2015 and June 2015, the total volume of exports increased by 1.5% and the total volume of imports increased by 2.9%.

At the commodity level, the data are shown in Table 10.

**Table 10: Change in UK main commodity volume, June 2015 compared with May 2015**

	Exports percentage change	Imports percentage change
Food, beverages and tobacco	+1.1	+3.9
Basic materials	-2.4	+13.0
Semi-manufactured goods; of which	+8.1	+4.9
Chemicals	+15.2	+5.7
Finished manufactured goods; of which	+2.7	0.0
Cars	-1.5	+1.3
Consumer goods other than cars	+10.7	+1.8
Intermediate goods	0.0	0.0
Capital goods	-1.0	+2.6

Source: Office for National Statistics

In quarter 2 April to June 2015, the volume of exports increased by 6.6% and the volume of imports increased by 0.4% when compared with quarter 1 January to March 2015.

At the commodity level, the data are shown in Table 11.

**Table 11: Change in UK main commodity volume, April 2015 to June 2015 compared with January 2015 to March 2015**

	Exports percentage change	Imports percentage change
Food, beverages and tobacco	-1.4	+0.6
Basic materials	-2.4	+6.1
Semi-manufactured goods; of which	+12.8	+2.6
Chemicals	+20.8	+5.5
Finished manufactured goods; of which	+2.5	-1.1
Cars	+4.0	-2.1
Consumer goods other than cars	-0.5	-3.5
Intermediate goods	+0.7	-2.7
Capital goods	-0.3	+1.7

Source: Office for National Statistics

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

In June 2015, compared with May 2015, export prices increased by 0.1% and import prices decreased by 0.7%. Excluding the oil price effect, export prices increased by 0.4% and import prices decreased by 0.4%.

In quarter 2 April to June 2015, when compared with quarter 1 January to March 2015, export prices increased by 0.3% and import prices decreased by 0.4%. Excluding the oil price effect, export prices decreased by 0.6% and import prices decreased by 1.2%.

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



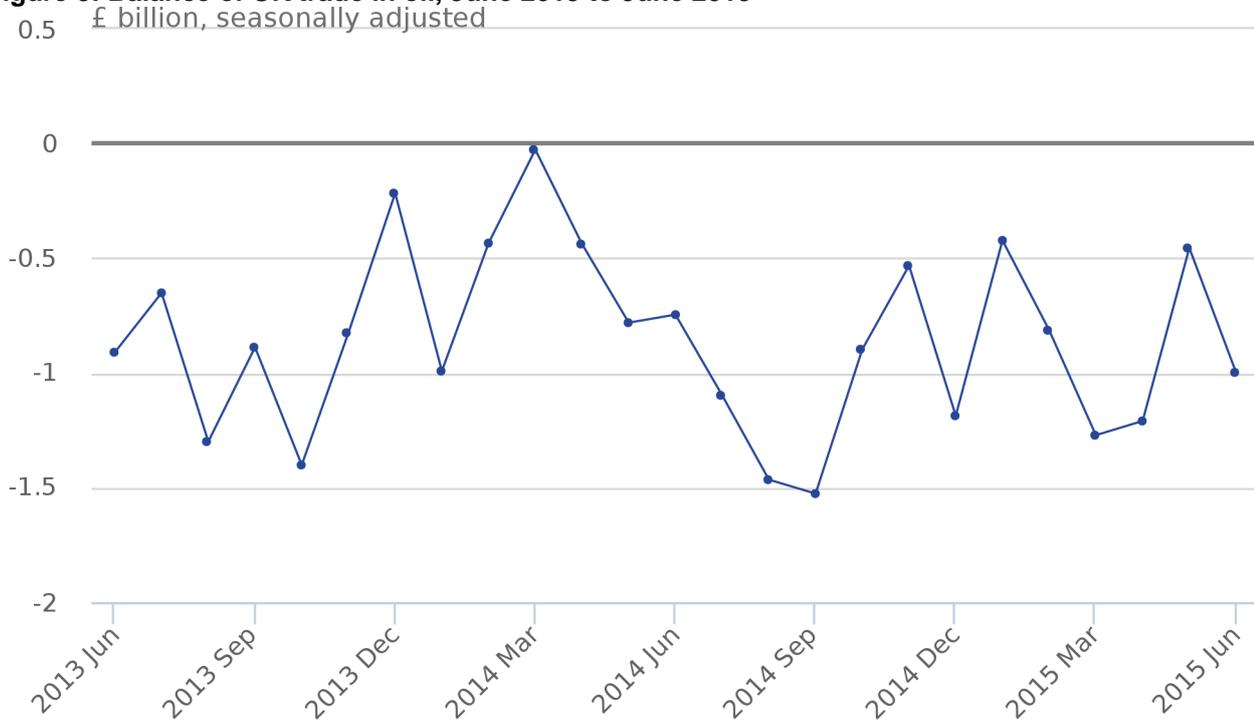
Source: Office for National Statistics

## 11. Trade in oil

In June 2015, the balance on trade in oil was in deficit by £1.0 billion compared with a deficit of £0.5 billion in May 2015. Oil exports decreased by £0.3 billion to £1.9 billion and oil imports increased by £0.2 billion to £2.9 billion.

In quarter 2 April to June 2015, the balance on trade in oil was in deficit by £2.7 billion, widening by £0.2 billion when compared with quarter 1 January to March 2015. Oil exports increased by £0.8 billion to £5.8 billion and oil imports increased by £0.9 billion to £8.5 billion.

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



Source: Office for National Statistics

## 12. Trade in services

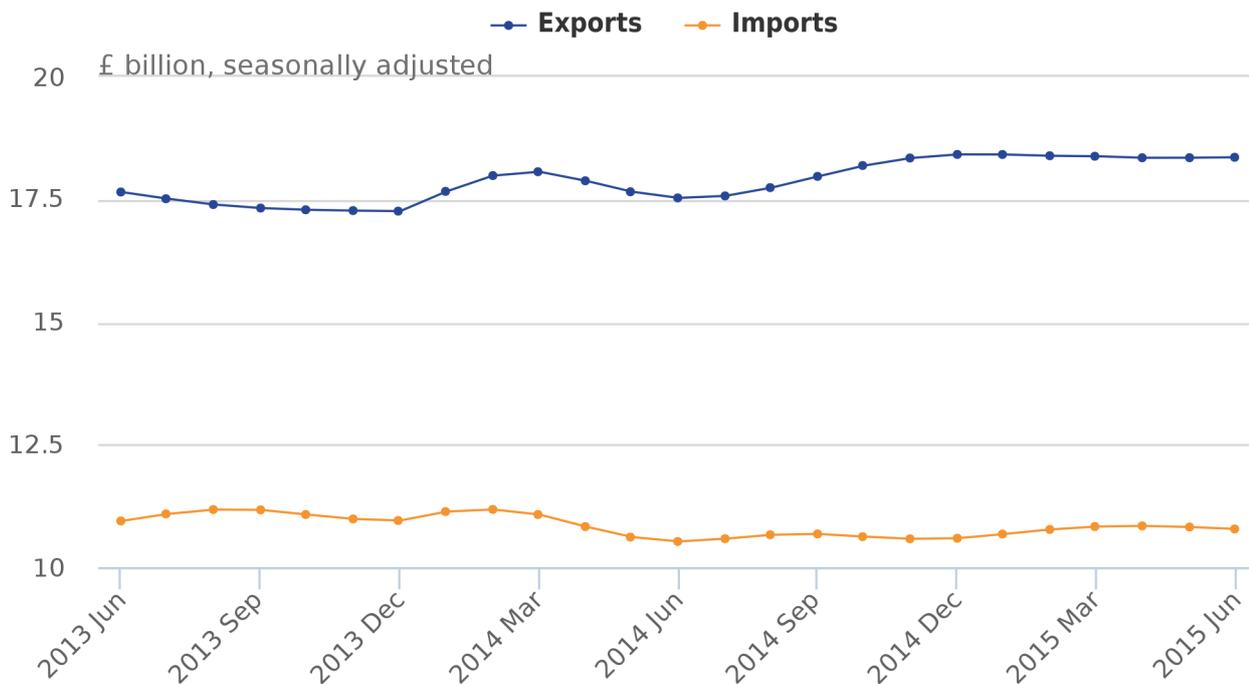
In June 2015, the UK's estimated surplus on trade in services was £7.6 billion.

Exports in June 2015 were estimated to have been £18.4 billion and imports £10.8 billion.

In quarter 2 April to June 2015, the estimated surplus on trade in services was £22.6 billion.

In quarter 2 April to June 2015, exports were estimated to have been £55.1 billion and imports £32.4 billion.

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



Source: Office for National Statistics

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

In quarter 2 April to June 2015, the surplus on trade in services was £22.6 billion. Financial services remains the largest contributor to this surplus at £10.3 billion.

In quarter 2 April to June 2015, exports of services dropped by £0.1 billion to £55.1 billion. This decrease reflects changes across several service products. For the same period, imports of services rose by £0.2 billion to £32.4 billion. The main contributor to this increase was other business services (£0.3 billion). At service product level, the data are shown in Table 12.

**Table 12: Change in UK service product, quarter 2 (April to June) 2015, compared with quarter 1 (January to March) 2015**

Service Product	Exports (£m)	
	2015 Q2 Value	Quarter Change
Other business	13,699	502
Financial	13,014	-119
Travel	6,602	206
Insurance and pension	5,980	-163
Transport	5,954	-176

Telecommunications, computer and information	3,890	-175
Charges for the use of intellectual property	3,271	-106
Manufacturing & Maintenance	877	-79
Personal, cultural and recreation	728	-65
Government	648	36
Construction	398	11
Total Exports	55,061	-128
Service Product	Imports (£m)	
	2015 Q2 Value	Quarter Change
Travel	8,751	-1
Other business	7,841	302
Transport	6,375	12
Financial	2,736	-61
Telecommunications, computer and information	2,362	-26
Charges for the use of intellectual property	1,648	-178

Government goods and services	911	220
Personal, cultural and recreation	829	0
Construction	362	-22
Manufacturing & Maintenance	321	-80
Insurance and pension	297	1
Total Imports	32,433	167

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Source: Office for National Statistics

Notes:

1. Quarter 2 (April to June 2015) data is based largely on estimates

In this release, a country breakdown for Trade in Services is not available. However a country breakdown up to quarter 1 January to March 2015 can be found in the [United Kingdom Economic Accounts](#) and the [Quarterly Balance of Payments publications](#).

## Revisions to trade in services

Revisions to April 2015 and May 2015 mainly reflect updated estimates from the ONS International Passenger Survey. Exports were revised down in April 2015 by less than £0.1 billion and in May 2015 by £0.1 billion. Imports saw minimal change for both periods.

## 13. Records sheet

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

# 14. Background notes

## 1. What's new?

### HM Revenue & Customs (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.

### 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.

### Related publications

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](#).

### Erratics

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

### Non-monetary gold

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

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

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

### Revisions

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

## 2. Missing trader intra-community (MTIC) fraud

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

### Deflation

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

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

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

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

## 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. Short guide to UK trade

Ever since statistics on exports and imports of goods were first collected in 1697, UK trade has been one of the country's main economic indicators.

All information included in the monthly UK Trade statistical bulletin is on a balance of payments (BoP) basis and is seasonally adjusted unless otherwise specified. The release contains tables showing the total value of trade in goods together with index numbers of volume and price, figures analysed by broad commodity group (values and indices) and according to geographical area (values only). In addition the UK trade statistical bulletin also includes early monthly estimates of the value of trade in services.

Data appearing in the UK Trade statistical bulletin are also used as a direct input into the quarterly balance of payments and national accounts.

### 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.

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

Import figures for trade in goods include adjustments to allow for the impact of VAT MTIC fraud.

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

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

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

## 6. Method

### Composition of the data

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

### 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.

## 7. Quality

### Basic quality information

**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 therefore likely to be less reliable than those for trade in goods.

**Reliability:** Revisions to data provide one indication of the reliability of key indicators. Table 13 shows summary information on the size and direction of the revisions which 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 13: Revisions analysis, UK trade, June 2015**

	£ million		
	Revisions between first publication and estimates 12 months later		
	Value in latest period	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)	43,246	712	940*
Total trade imports (IKBI)	44,847	274	663
Total trade balance (IKBJ)	1,601	440	666

Source: Office for National Statistics

The table covers estimates of UK trade first published from September 2010 (for July 2010) to August 2014 (for May 2014). [Revision spreadsheets](#) giving these estimates and the calculations behind the averages in the table are available on our website.

More information about revisions material in this statistical bulletin can be found on our website.

## 8. EMU coverage

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

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

## 9. Summary quality report

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

## 10. National accounts revisions policy

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

## 11. Revisions

Revisions Table 17R shows revisions to the main aggregates since the last UK Trade statistical bulletin of 10 July 2015. The revisions to trade in goods from April 2015 reflect revised data from HM Revenue & Customs and other data suppliers, revised estimates of trading associated with VAT MTIC fraud, later survey data on trade prices and a reassessment of seasonal factors.

There are revisions to trade in services from April 2015.

## 12. Publication policy

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

## 13. Accessing data

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.

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform your work. To provide feedback on the bulletin please contact us via email on [trade.in.goods@ons.gsi.gov.uk](mailto:trade.in.goods@ons.gsi.gov.uk).

### Overseas trade statistics

HM Revenue & Customs (HMRC) publish [overseas trade statistics](#) on the same day as we release the UK Trade data each month. The aggregate estimates here 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.

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

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