

Article

Non-financial business economy, exporters and importers in Great Britain (Annual Business Survey): 2014

The number and size of enterprises in Great Britain engaged in the international trade of goods and services, drawn from the Annual Business Survey.

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1 . Small fall in the number of registered businesses trading internationally between 2013 and 2014

The latest statistics from the [Annual Business Survey \(ABS\)](#) reveal that 15.2%, a total of 310,800 businesses in the Non-Financial Business Economy in Great Britain (GB) engaged in international trade in 2014. This is a decrease of 4,300 businesses compared with the number of businesses that traded internationally in 2013 (315,100). From 2011 to 2014, there is an overall increase in the proportion of businesses trading internationally from 14.8% to 15.2% in the Non-Financial Business Economy. International trade is defined as the import and/or export of goods and/or services.

Figure 1: The proportion of businesses that import or export goods and services, 2014, Great Britain

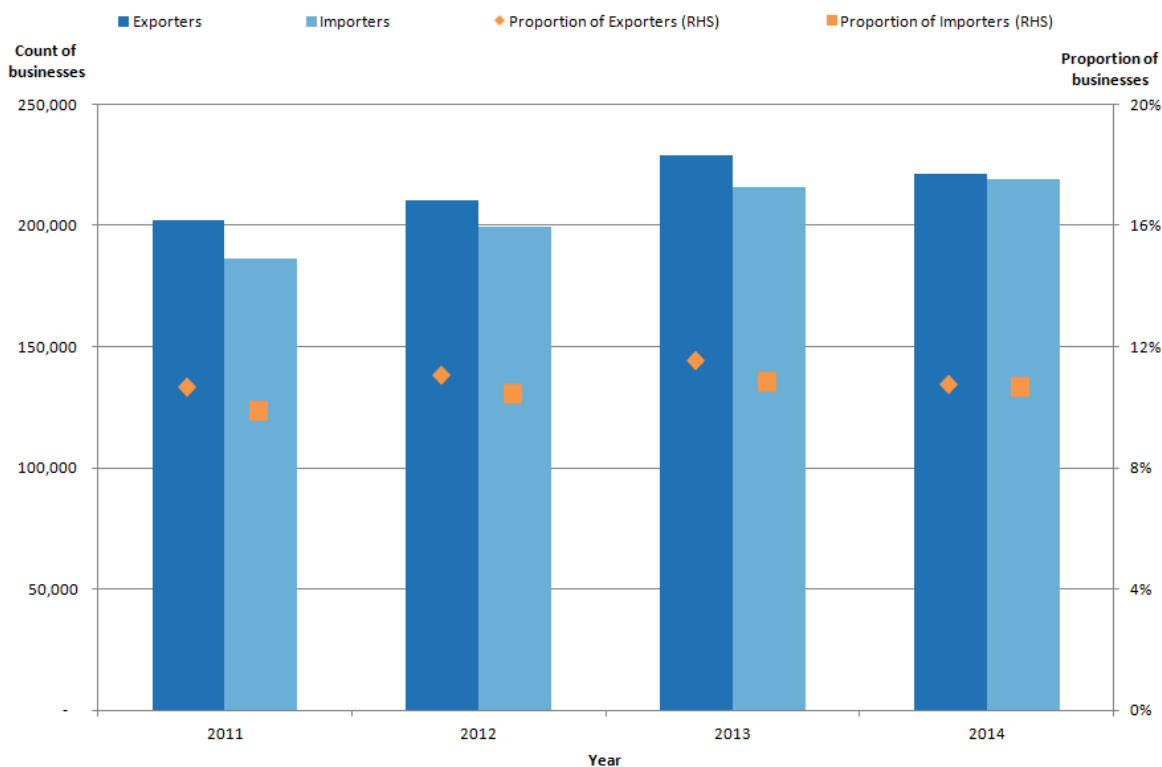


Source: Annual Business Survey (ABS) - Office for National Statistics

An estimate has been produced of the number of businesses exporting in 2010. Due to a lack of methodological consistency between the 2010 estimate and the available time series, we advise you to treat these estimates with caution. For more information, see Note 12.

The proportion of businesses importing fell between 2013 and 2014, from 10.9% to 10.7% despite an increase in the number of businesses of 3,200. The proportion of businesses exporting in GB experienced a larger decrease, falling from 11.6% in 2013 to 10.8% in 2014. This was due to a decrease in businesses exporting goods from 6.0% in 2013 to 5.2% in 2014 and in businesses exporting services from 7.1% in 2013 to 7.0% in 2014.

Figure 2: International trade in Great Britain of goods and or services by number and proportion of registered businesses, 2011 to 2014



Source: Annual Business Survey (ABS) - Office for National Statistics

In terms of type of trade, between 2013 and 2014, the increase in the number of businesses importing services (95,200 to 99,600) was far greater than that of the number of businesses importing goods (151,000 to 151,300).

In 2014, businesses were more likely to import goods (7.4%) than import services (4.9%). However, there were more businesses exporting services (7.0%) than exporting goods (5.2%).

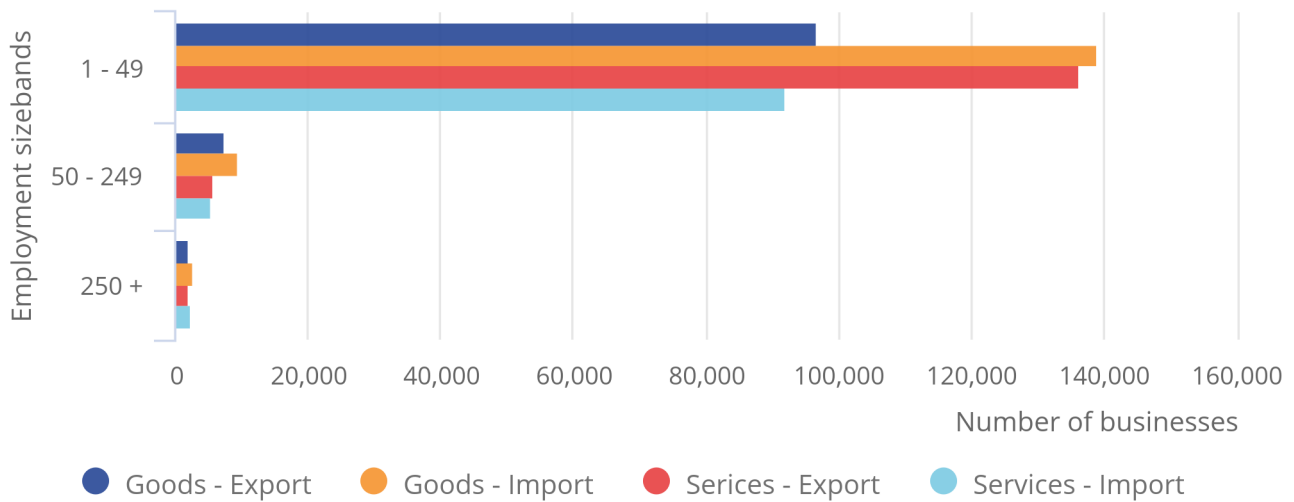
Larger businesses are more likely to trade internationally

The estimates show that the size of businesses increases the likelihood of international trading of goods and/or services. This is the case for both imports and exports in 2014, with almost half (48.0%) of large businesses (those with 250 or more people in employment) importing goods and/or services and 40.8% exporting. By contrast, only around one-tenth (10.1%) of small businesses (those with fewer than 50 people in employment) import goods and/or services and 10.3% export.

However, due to the much higher number of small businesses in the Non-Financial Business Economy, this category contributes the majority in terms of counts of businesses trading at 292,900 in 2014, compared with 13,800 medium-sized businesses (those with 50 to 249 people in employment), and 4,100 large businesses.

Figure 3: Number of businesses importing and exporting goods and services by employment size, 2014, Great Britain

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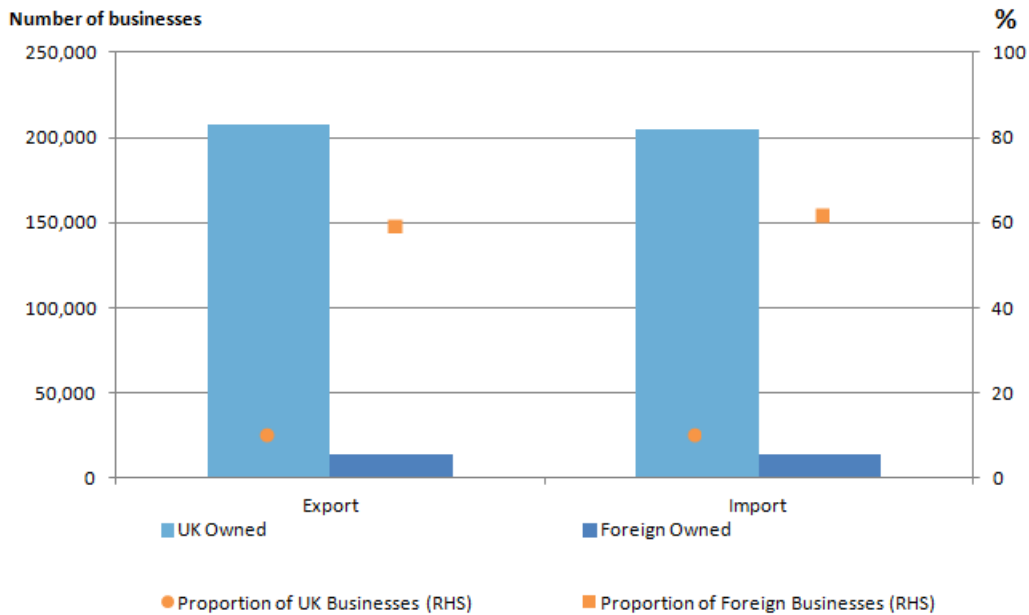


Source: Annual Business Survey (ABS) - Office for National Statistics

Foreign-owned businesses more likely to trade internationally than UK owned

Despite there being 15 times as many UK-owned businesses exporting goods and/or services than foreign-owned (207,700 compared with 13,600), in 2014 there was a higher proportion of foreign-owned businesses exporting than UK-owned, 59.3% compared with 10.3%. There was also a higher proportion of foreign-owned businesses importing, with 62.0% importing goods and/or services in 2014 compared with 10.1% of UK-owned businesses.

Figure 4: Counts and proportions of businesses exporting and importing by ownership, 2014, Great Britain



Source: Annual Business Survey (ABS) - Office for National Statistics

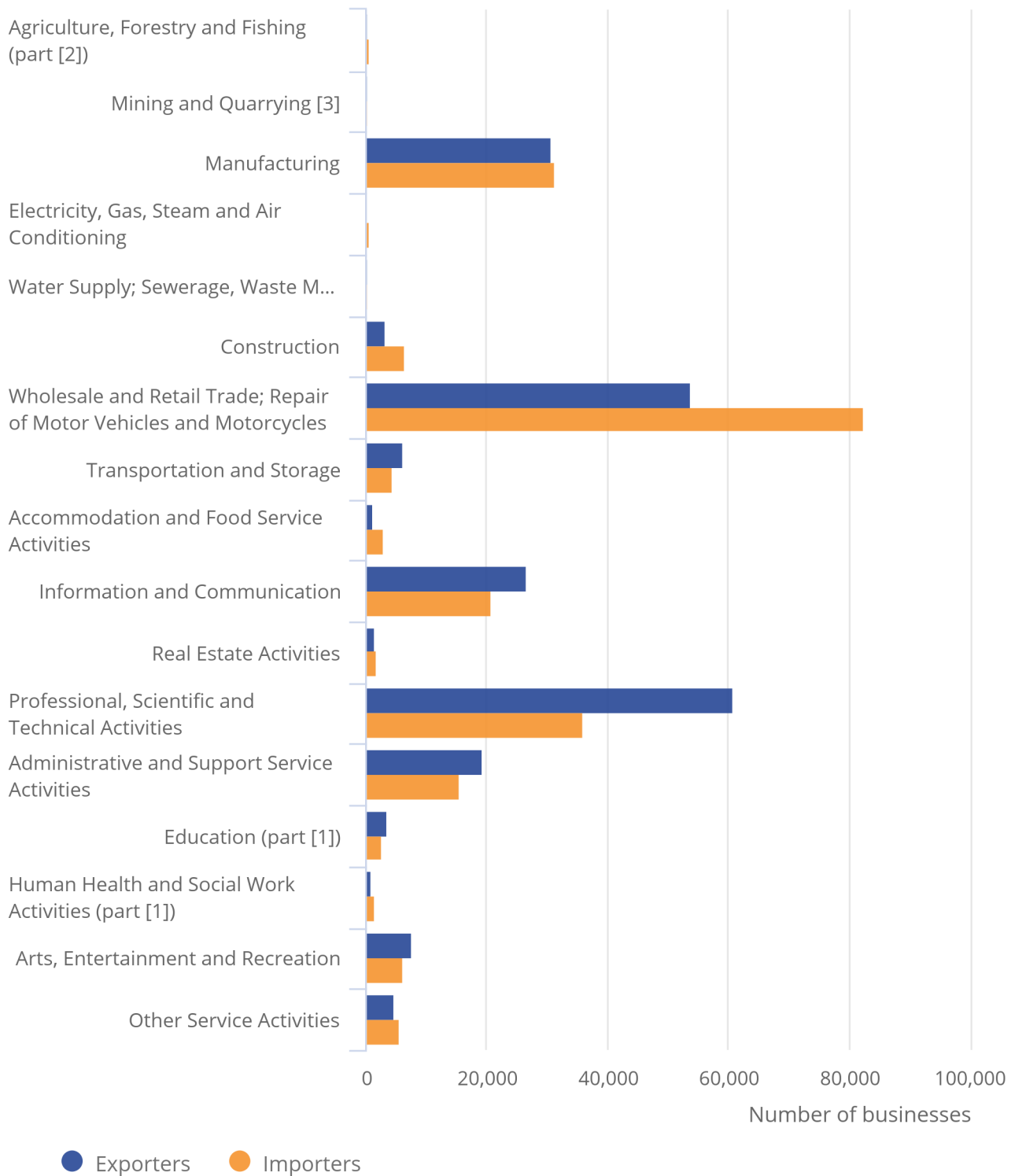
Mining and Quarrying had the highest proportion of businesses trading internationally in 2014

43.1% of businesses in the “Mining and Quarrying” sector exported and/or imported in 2014. This is compared with businesses associated to “Accommodation and Food Services Activities” which at 2.7% had the lowest proportion of businesses trading internationally.

However, based on the number of businesses, “Mining and Quarrying” has a relatively low number of businesses exporting and/or importing (500 businesses) in 2014, as seen in Figure 5. The “Professional, Scientific and Technical Activities” sector was the largest in terms of exporters at 60,900. The sector with the largest number of importers was “Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles” at 82,400.

Figure 5: Number of businesses Exporting and Importing by Section, 2014, Great Britain

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Notes:

1. Excludes Financial and insurance; Public administration and defence; Public provision of Education; Public provision of Health and all medical and dental practice activities.
2. Excludes crop and animal production.
3. Includes oil and gas extraction.

Within these sectors at a divisional level, 86.9% of businesses in the "Manufacture of leather and related products" engaged in international trade in 2014. This high percentage is mainly driven by a large proportion of businesses in that industry importing (83.6%) compared to exporting (47.0%).

23.7% of international trading businesses were located in the London area in 2014⁶

In 2014, 73,600 businesses in London exported and/or imported goods and/or services. This made up 23.7% of the total number of businesses trading within GB. When looking at direction of trade, London accounted for a larger share of the total number of exporters (25.5%) than importers (22.7%).

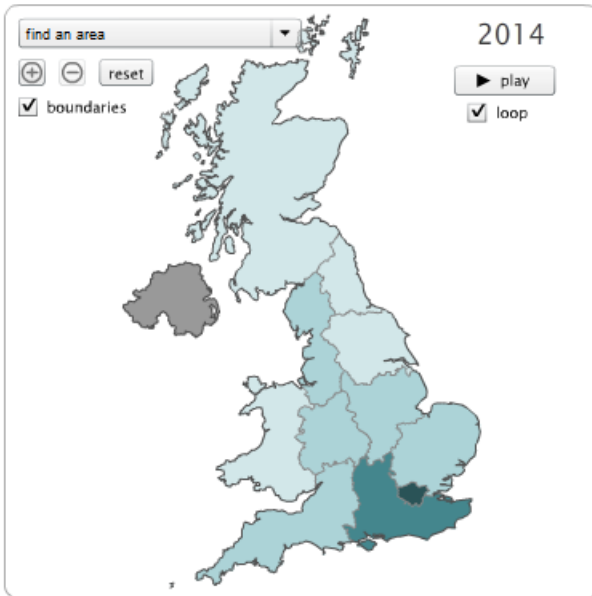
Between 2011 and 2014, London also experienced the largest increase in the number of businesses trading internationally from 59,000 businesses to 73,600 businesses.

The West Midlands and the North East were the only regions to experience a fall in the number of businesses trading goods and/or services between 2011 and 2014. The number of businesses trading internationally in the West Midlands fell from 23,500 in 2011 to 23,100 in 2014, and in the North East from 6,100 to 5,100 businesses during this time.

A [mapping tool](#) is available for viewing these results, by NUTS 1 region. The mapping tool can be used to illustrate how the number of businesses exporting and/or importing, goods and/or services has changed across the regions from 2011 to 2014, as well as enabling comparisons with other regions. A non-functional screenshot of the tool's landing page follows for illustration.

A reproduction image of the interactive mapping tool for Exporters of Goods and Services

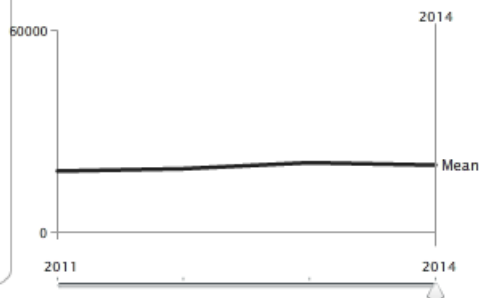
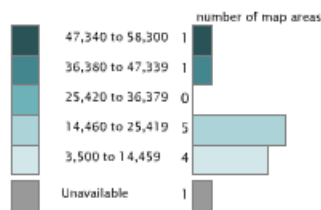
Annual Business Survey-GB Business Economy
Exporters of Goods and Services
Count of Businesses



Note: Part coverage for Sections A,K,P and Q. see ABS Technical Report for more detail
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Map shows: Exporters of Goods and Services

Exporters of Goods and Services



Graphic by: ONS Data Visualisation Centre
Source: Office for National Statistics, UK

Where can I find out more about these statistics?

For the data behind this short story, as well as further breakdowns of export and import activity, please see the data tables.

It is intended that this import and export breakdown will be published each November alongside the standard ABS release, with the next update available in November 2016, containing information for 2015. Future outputs will be available on our website via the ABS webpages.

We would welcome any feedback you might have about this release and would be particularly interested in knowing how you make use of these data to inform your work. Please contact us via email: abs@ons.gsi.gov.uk.

2 . Notes

1. These estimates are experimental official statistics. More detail of the methodology used to produce them and their coherence with other sources can be found in the [information paper \(522.5 Kb Pdf\)](#).
2. Registered businesses/enterprises are those which are registered for VAT and/ or PAYE; any reference to a “business” or “enterprise” only covers this group.
3. These estimates cover the Non-Financial Business Economy in Great Britain, excluding the Insurance and Reinsurance industries, which accounts for just under two-thirds of the economy in terms of Gross Value Added. The [information paper \(522.5 Kb Pdf\)](#) contains further information on the coverage of these estimates.
4. The Annual Business Survey, which is the source for this release, only covers hunting, forestry, fishing and support activities within the agriculture sector.
5. Industry breakdowns of these data have figures but are based on the main activity of the business. For example, if a business undertakes both distribution and service activities, but most of its employment is within distribution, it will be classified to distribution.

6. Regional estimates are provided using different methodologies to that used for the other available breakdown. The method involves apportioning out a trade status of an enterprise to its local units based on employment. The [information paper \(522.5 Kb Pdf\)](#) contains further information on the methods used.
7. These estimates do not consider the value of the goods and services being traded, only the counts of businesses trading internationally.
8. No attempt has been made to follow individual businesses over the time series. So for example, although the proportion of businesses importing has increased over this period, some individual businesses might have stopped importing.
9. The relationships between characteristics reported in this short story have been assessed individually, but it is important to remember that characteristics such as business size and ownership are likely to be interlinked.
10. HM Revenue and Customs (HMRC) publishes the UK Trade Statistics by Business Characteristics statistics. The aim of this release is to add value to the UK Trade in Goods figures 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?

The Annual Business Survey (ABS) estimates on exporters and importers includes details of the number and proportion of 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. The latest release also contains a regional breakdown.

The aim of the ABS estimates on 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?

Due to methodological differences between the HMRC statistics and ABS statistics published in this release, the "Trade in goods" figures within each dataset are not directly comparable and may differ.

HMRC statistics for 2014 will be published on 12 November. These statistics can be found on the [GOV.UK](#) website.

11. Total international trade is calculated as Exporters plus Importers less Exporters and Importers.
12. There was a user requirement for an estimate of the number of businesses that exported in 2010. As this cannot be produced directly from the ABS, because data collection for both goods and services began in 2011, we have developed new methodology for producing a 2010 estimate. These estimates suggest that there were 188,100 businesses exporting goods and/or services in 2010. These estimates should be treated with caution when comparing against 2011 to 2014 estimates as they are based on different methodology. For more information on the methods used and the results please see the [2010 estimate paper \(242.9 Kb Pdf\)](#).