

Article

# Non-financial business economy, exporters and importers in Great Britain (Annual Business Survey): 2015 provisional results

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 . Main points

The Annual Business Survey shows an increase in the number of registered businesses in the Great Britain non-financial business economy trading internationally, from 309,300 in 2014 to 326,200 in 2015.

The proportion of Great Britain non-financial businesses trading internationally has remained unchanged at 15.1%, since the number of businesses trading internationally has increased at the same rate as the population of Great Britain non-financial businesses.

Between 2014 and 2015, both the number of businesses exporting and the number of businesses importing have increased. The proportion of importers rose to 10.8% while the proportion of exporters fell to 10.6%, due to a slower growth. The latter can be attributed to the business population growing faster than the number of exporters.

Two-thirds (67.4%) of foreign-owned businesses (a total of 16,000 businesses) traded internationally in 2015. At the same time, 310,300 UK-owned businesses traded internationally which accounted for 14.6% of the UK-owned non-financial business economy.

London remained the region with the highest number of businesses trading internationally. Despite experiencing a fall from 74,400 businesses in 2014 to 71,500 in 2015, London accounted for nearly a quarter (23.7%) of English non-financial businesses trading internationally.

## 2 . Things you need to know about the survey

[Annual Business Survey \(ABS\)](#) estimates of exporters and importers include details of the number and proportion of businesses in Great Britain (that is, the UK excluding Northern Ireland) engaged in the international trade in goods and services. This is categorised by employment size group, broad industry group, ownership (UK or foreign-owned), turnover and age of business, along with a regional breakdown.

These estimates are experimental official statistics.

International trade is defined as the import and/or export of goods and/or services.

These estimates cover the non-financial business economy in Great Britain (excluding Public administration and defence; Public sector health and education; Finance; Farming; and Household services) which accounts for just under two-thirds of the economy in terms of gross value added.

Registered businesses are those that are registered for VAT and/or PAYE; any reference to a “business” only covers this group.

Industry breakdowns of these data 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, then the whole business will be classified as distribution.

Regional estimates are provided using different methodologies to those used for the other published breakdowns. The method for regional estimates involves apportioning out a trade status of a business to its local units based on employment. Our [information paper](#) contains further information on the methods used.

Due to methodological differences between the statistics from HM Revenue and Customs (HMRC) and the ABS statistics published in this release, the "trade in goods" figures within each dataset are not directly comparable and may differ. Methodological differences between the 2 releases include differences in: data sources and coverage, measurement of employee count, disclosure control procedures and the handling of revisions.

Total international trade is calculated as:

- the number of businesses exporting  
plus
- the number of businesses importing  
less
- the number of businesses that both export and import

The latter are included in both the exporter and importer counts so need to be subtracted to avoid double counting.

### **3 . Rise in the number of registered businesses trading internationally from 309,300 in 2014 to 326,200 in 2015**

The number of businesses in the Great Britain non-financial business economy trading internationally has increased by 17,000 between 2014 and 2015. This increase is in line with the overall increase in the number of registered businesses in the non-financial business economy, from 2.05 million in 2014 to 2.15 million in 2015. The share of businesses trading internationally has remained unchanged at 15.1%.

**Figure 1: The proportion of businesses that import or export goods and services, 2015 Great Britain**



**Source: Office for National Statistics**

There has been a small increase, between 2014 and 2015, in the proportion of businesses importing goods, up from 7.3% to 7.6%. However, the proportion of businesses exporting goods has remained unchanged at 5.2%. The proportion of businesses exporting and importing services have both fallen to 6.8% (from 7.0% in 2014) and 4.8% (from 4.9%), respectively.

The share of businesses exporting fell from 10.8% in 2014 to 10.6% in 2015. A reduction in the proportion of businesses exporting has not only been observed in the Annual Business Survey (ABS) but in our other statistical releases. The fall of exporting activities coincides with the continuation of the pound appreciating against its trading partners' currencies (except for the US dollar) in 2015.

However, the share of importing businesses rose from 10.6% in 2014 to 10.8% in 2015.

## **4 . Fall in international trade participation rates of foreign-owned businesses**

Foreign-owned businesses continue to be more likely to trade internationally than UK-owned businesses, with international trade participation rates being 67.4% for foreign-owned and 14.6% UK-owned businesses.

There has been a small fall in the number of foreign-owned businesses involved in international trade from 16,300 in 2014 to 16,000 in 2015. The decrease in numbers is the result of a drop in the number of businesses participating in international trade of services from 11,800 in 2014 to 10,900 in 2015. The number of foreign-owned businesses participating in trade of goods has increased from 9,800 in 2014 to 10,400 in 2015, as a result of a growth in the number of importers of goods.

By contrast, the number of UK-owned businesses participating in international trade has increased from 293,000 in 2014 to 310,300 in 2015.

## **5 . Mining and quarrying still has the highest proportion of businesses trading internationally in 2015**

Despite a fall (of 27.6%) in the number of businesses trading internationally, Mining and quarrying remained the sector with the highest proportion (32.8%) of businesses trading internationally in 2015. Manufacturing, and Wholesale and retail trade; repair of motor vehicles and motorcycles have equally large proportions of businesses trading internationally at 32.6% and 29.7%, respectively.

## **6 . Regions' performance**

Even though the number of registered businesses trading internationally grew, the effect has not been uniform across the nations and regions of Great Britain. The number of businesses participating in international trade in England increased from 284,500 to 301,200; and in Scotland from 16,900 to 17,300. In Wales, the number of businesses participating in international trade has remained unchanged at 7,800.

London remained England's largest contributing region with 21.9% of England's international trade participants located there. However, the number of London businesses participating in international trade has decreased from 74,400 in 2014 to 71,500 in 2015.

## **7 . Links to related statistics**

This publication coincides with publication of the [Annual business survey. UK non-financial business economy. 2015 provisional results](#). This release provides estimates of the size and growth of the UK non-financial business economy for 2015.

HMRC will publish the [UK trade in goods by business characteristics](#) release on 24 November 2016. The aim of the HMRC 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 and imports is carried out by particular industry groups?
- how many new businesses involved in international trade in goods are trading with specific partner countries?

## 8 . Quality and methodology

The [Annual Business Survey \(ABS\): Exporters and Importers in Great Britain](#) Quality and Methodology Information document contains important information on:

- the strengths and limitations of the data
- the quality of the output: including the accuracy of the data, how it compares with related data
- uses and users
- how the output was created