

Article

International trade in UK nations and regions: the impact of coronavirus (COVID-19): 2020

An analysis looking at impacts of coronavirus pandemic on subnational trade in goods and services in 2020.

Contact:
Kevin Sharp
subnational.trade@ons.gov.uk
+44 1633 455518

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1 . Main points

- The coronavirus (COVID-19) pandemic affected international trade in the nations and regions of the UK in 2020, which all saw decreases in both total exports and total imports from 2019.
- Imports decreased in all nations and regions for trade in both goods and services from 2019 to 2020.
- Trade in services exports decreased in all regions apart from London and Northern Ireland, which saw increases of £8.4 billion and £65.0 million, respectively.
- The manufacturing industry accounted for £32.2 billion (50.3%) of the £63.9 billion decrease in UK goods exports, with exports in the West Midlands seeing the largest year-on-year fall in this industry at £7.0 billion (26.5%).
- The accommodation and food service activities industry contributed £13.4 billion (87.0%) of the £15.4 billion decrease in UK service exports year-on-year, with London and the South East accounting for £8.1 billion of this decrease.
- Exports of services in the information and communication, and financial and insurance activities industries saw growth from 2019 to 2020 of £11.5 billion and £8.5 billion, respectively, driven largely by exports from London.

2 . Total trade

In 2020, imports and exports of goods and services across all nations and regions in the UK were affected by the measures introduced globally to slow the transmission of coronavirus (COVID-19). At the UK level, total exports fell from £689.0 billion in 2019 to £609.7 billion in 2020, while total imports fell from £716.6 billion to £603.4 billion.

The impact of coronavirus (COVID-19) on UK trade was first reported in Quarter 1 (Jan to Mar) 2020, when the UK and its trading partners started to implement measures to stop the spread of coronavirus. These measures, which included border restrictions and the closure of non-essential industries, contributed to all UK nations and regions experiencing a decrease in total exports and total imports from 2019 to 2020. For more information, see our [UK trade: March 2020 bulletin](#).

The largest percentage decrease in total exports was in the West Midlands, which fell by 25.3% (£12.3 billion). The smallest percentage decreases were in the East of England and London, which fell by 4.3% (£1.9 billion) and 1.9% (£3.5 billion), respectively.

Figure 1: The impact of coronavirus restrictions on exports can be seen across all nations and regions, which all measured a year-on-year decrease in total exports

Total trade exports by International Territorial Level (ITL) 1 region, UK, 2019 to 2020

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The largest percentage decreases in total imports were in Wales, which fell by 28.6% (£6.5 billion), and Yorkshire and The Humber, which fell by 26.5% (£11.1 billion). The smallest percentage decrease was seen in Northern Ireland where imports fell 11.6% (£1.3 billion).

Figure 2: The impact of coronavirus restrictions on imports can be seen across all nations and regions, which all measured a year-on-year decrease in total imports

Total trade imports by International Territorial Level (ITL) 1 region, UK, 2019 to 2020

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Exports and imports of trade in goods fell year-on-year across all UK nations and regions, as production within non-essential industries was restricted globally and with many countries increasing restrictions on the export of goods. For more information, see the [World Trade Organization's Economic research and analysis, 23 April 2020](#). Evidence from [Make UK in May 2020](#) showed that 11.7% of sampled manufacturing firms in the UK were operating at full capacity, and the number of orders and sales were reduced.

The impact on trade was not limited to the physical movement of goods but also the exports and imports of services. These fell year-on-year in all nations except for exports of services in London and Northern Ireland. While some service sectors will have been able to carry on trading, with employees able to work from home, travel for both personal and business reasons, as well as services relating to trade in goods, were heavily affected.

The extent of the impact varied across different industries, and nations and regions within the UK will have been affected differently depending on their reliance on such industries.

3 . Trade in goods

In 2020, all nations and regions saw a year-on-year decrease in the exports and imports of goods. At the UK level, exports in goods fell from £372.7 billion in 2019 to £308.8 billion in 2020, while imports of goods fell from £503.6 billion to £438.2 billion. This was driven by the manufacturing industry that contributed the highest proportion of goods exports in 9 of the 12 International Territorial Level (ITL) 1 regions, and accounted for £32.2 billion of the £63.9 billion fall in goods exports at the UK level.

Figure 3: All nations and regions measured a year-on-year decrease in exports of trade in goods, with London seeing the greatest decrease

Trade in goods exports by International Territorial Level (ITL) 1 region, UK, 2019 to 2020

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Exports of goods in the manufacturing industry fell year-on-year across all nations and regions. In the first lockdown period, responses from this industry in Wave 4 (20 April to 3 May 2020) of the Business Insights and Conditions Survey (BICS) showed exporting was lower than usual for 72.6% of exporting businesses and importing 60.0% lower than usual for importing businesses as a result of the coronavirus (COVID-19) pandemic.

Of all the ITL1 regions, the West Midlands saw the largest year-on-year decrease in goods export within the manufacturing industry at 26.5% (£7.0 billion). In March 2020, this region had 35.3% of the UK's workforce that were employed in the manufacture of motor vehicles, trailers and semi-trailers industry, according to [data from the Inter-Departmental Business Register \(IDBR\)](#).

Output in the manufacture of motor vehicles was affected by factory closures and the global shortage of microchips, with [monthly data from the Society of Motor Manufacturers and Traders \(SMMT\)](#) showing car manufacturing was down 99.7% from April 2019 to April 2020.

The manufacturing industry saw the largest decrease in the imports of goods, which at the UK level fell from £149.5 billion in 2019 to £119.0 billion in 2020. Trade from non-EU countries fell by £17.3 billion (23.1%) compared with £13.2 billion (17.7%) from EU countries. Of all the ITL1 regions, Wales saw the largest percentage fall in goods imports in the manufacturing industry from non-EU countries, which fell by 40.1% (£4.0 billion).

Manufacturing contributed £9.4 billion (71.0%) of Wales' £13.2 billion imports of goods in 2020. The aerospace and steel industries are a source of high value manufacturing jobs in Wales and likely contribute to this fall in imports, for more information see [UK Parliament's Impact on the Welsh economy, 21 July 2020](#). Of manufacturing businesses in Wales, 90% reported a decrease in orders from April to May 2020 according to [Make UK's Manufacturing Monitor, 15 May 2020](#).

The wholesale and motor trade industry was the second largest industry in the export of goods, accounting for £71.1 billion (23.0%) of the UK's £308.8 billion export of goods in 2020. The largest decreases in this industry were in London and the South East, where exports fell by £3.8 billion and £3.3 billion, respectively. This will partially reflect the decreases in outwards freight volumes from the Ports of London and Dover that fell 6.4% and 12.1%, respectively year-on-year, shown in data from [Department for Transport's \(DfT\) Port and domestic waterborne freight statistics: data tables, 7 September 2022](#).

Similarly, these data from DfT show freight volumes passing through Heathrow fell from 1.6 million tonnes in 2019 to 1.1 million in 2020. This will have contributed to Harrow and Hillingdon, where Heathrow is situated, seeing the biggest fall in imports of goods of all the ITL3 regions, driven by imports from non-EU countries. However, it should be noted that the onward distribution of goods means that the initial point of entry and dispatch will not necessarily reflect its ultimate destination.

The largest percentage decreases in the exports of goods year-on-year were seen in "high-contact" industries that were most affected by lockdown restrictions. These include transportation, storage, accommodation and food service activities, which fell by 50.1% (£8.7 billion), and retail (excluding motor trades), which fell by 25.1% (£5.4 billion). These industries typically account for less than 5% of the total exports of goods in each ITL1 region, so had a relatively small impact on total year-on-year changes in goods exports. For more information, see our [Effects of the coronavirus \(COVID-19\) pandemic on "high-contact" industries article](#).

There are two notable exceptions however, with retail (excluding motor trades) accounting for £8.7 billion (25.4%) of London's £34.3 billion value of exports of goods in 2020, and transportation, storage, accommodation and food service activities accounting for £3.5 billion (12.5%) of Scotland's exports of goods, which totaled £28.2 billion in 2020.

Exports in retail (excluding motor trades) in London fell by £5.4 billion (38.3%) from 2019 to 2020. A high proportion of London's retail trade is in miscellaneous manufactures that include trade in high value antiques and art, according to [HM Revenue and Customs' \(HMRC\) Regional trade statistics \(RTS\) data tables](#), and would likely have contributed to this fall.

Exports in the transportation, storage, accommodation and food service activities industry fell by £7.0 billion (66.2%) in Scotland, with trade with non-EU countries accounting for £6.7 billion of this decrease. Around three-quarters of Scotland's exports in this industry were exported from Eastern Scotland in 2020, where the Forth Ports are located. This port group had the largest outwards freight volumes of all UK ports in 2020, however volumes had fallen by 7.2% from 2019. This reduced activity reflects the fall in exports from this industry.

The fall in the transportation, storage, accommodation and food service activities industry, along with the £2.0 billion (11.3%) fall in manufacturing, which contributes over half of Scotland's export of goods, contributed to Scotland having the third largest fall in goods exports out of the ITL1 regions. HMRC's RTS data tables suggest the main commodities traded in these industries are mineral fuels, lubricants and related materials and machinery and transport equipment, which contributed 55.2% of Scotland's export of goods in 2020.

4 . Trade in services

At the UK level, exports in services fell from £316.3 billion in 2019 to £300.9 billion in 2020, while imports of services fell from £213.0 billion to £165.2 billion. Analysis on modes of supply for services show businesses that relied on personnel to travel overseas to provide a service (Mode 4) and to purchase a service (Mode 2) were the most affected by coronavirus (COVID-19) restrictions, falling by 10.4 and 6.5 percentage points respectively from 2019 to 2020. Meanwhile, exports remotely supplied to trading partners (Mode 1) increased 16.9 percentage points year-on-year. For more information, see our [UK Trade in services by modes of supply: 2020 article](#).

All nations and regions measured a decrease in the export and imports of services, with the exception of service exports in London and Northern Ireland, which grew by 6.1% (£8.4 billion) and 2.1% (£65 million), respectively. This growth was driven by the financial and insurance activities industry in both regions, as well as the information and communication industry in London.

Figure 4: Most nations and regions saw a year-on-year decrease in exports of trade in services, with the exception of London and Northern Ireland

Trade in services exports by International Territorial Level (ITL) 1 region, UK, 2019 to 2020

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The financial and insurance activities industry is the largest contributor to total service exports in 10 of the 12 International Territorial Level (ITL) 1 regions. The ability to work from home, in addition to certain areas within it being classed as essential work, made this industry more resilient to coronavirus restrictions. Despite this, all nations and regions outside London, the East of England and Northern Ireland saw a year-on-year decrease in this industry.

Using the Office for National Statistics' Labour Market [Workforce jobs by region and industry dataset](#), 3.2% of UK employees worked in the financial and insurance industry in 2020, whereas London had over double the UK average at 6.9%. These values had not significantly changed from the distributions in 2019, with the stability of employment in this sector likely attributed to the furlough scheme retaining staff, along with the nature of this industry being more suited to working from home.

The large increase in London exports from the financial and insurance activities industry from £41.4 billion in 2019 to £56.8 billion in 2020 (37.1%) contributed to the UK seeing an overall increase of £8.5 billion (9.3%) in this industry. Of the £15.4 billion increase in London's exports of financial and insurance activities industry, £10.5 billion came from the ITL2 region Inner London West, where the City of London is located.

Similar to the pattern seen in the trade of goods, the industries that had the largest percentage year-on-year decrease were those that were most affected by the coronavirus lockdown restrictions. The industry that saw the largest fall in service imports was travel, which fell 71.1% year-on-year from £59.7 billion in 2019 to £17.2 billion in 2020 as restrictions were placed on international travel. Retail (excluding motor trades) saw the second biggest percentage decreases in both service imports and exports, falling by 34.1% and 55.6%, respectively.

At the UK level, the largest year-on-year decrease for service exports was from the accommodation and food service activities industry, which fell 69.3% from £19.4 billion in 2019 to £6.0 billion in 2020. Exports from this industry include foreign spend on hotels and restaurants that were restricted at the end of March 2020 when businesses providing holiday accommodation were told to close commercial operations. Reduced travel to the UK would have affected exports in this industry, with Department for Transport (DfT) data showing that passenger numbers in the UK's three largest airports (Heathrow, Gatwick, and Stansted) fell by 74.4% year-on-year.

London saw the largest decrease in service exports from the accommodation and food services industry from £5.2 billion in 2019 to £1.0 billion (80.1%) in 2020. Of this fall in exports, £3.3 billion was to non-EU countries, £0.8 billion of which came from exports to the US. The US introduced a travel ban to the UK in mid-March 2020 with restrictions in place until November 2021.

The South East saw the second largest decrease in exports from the accommodation and food services industry, falling from £4.6 billion in 2019 to £0.7 billion in 2020 (84.7%). Exports to Italy accounted for £0.7 billion of this fall, the largest of any other trading partner. Of this decrease, £3.1 billion came from the Berkshire, Buckinghamshire and Oxfordshire ITL2 region where the presence of tourist destinations such as Windsor and Oxford, along with foreign student populations potentially contributed to this fall.

The largest year-on-year decrease in retail (excluding motor trade) service exports was seen in London, which fell from £2.7 billion in 2019 to £0.6 billion in 2020 (77.9%); this would have also been affected by the large fall in tourism throughout 2020. This decrease was predominantly seen in the ITL2 regions of Inner London West and Inner London East where exports fell by 82.0% and 82.6%, respectively. By comparison, retail service exports (excluding motor trade) from the other ITL1 regions combined only fell by £0.8 billion.

5 . Local lockdowns

Reductions in trade were seen across all nations and regions across the UK as a result of global restrictions in response to the coronavirus (COVID-19) pandemic. Outside of national restrictions, localised lockdowns were announced that targeted specific regions within the UK. These restrictions differed in the their timings, the industries that they affected, and the parts of the economy that were able to remain open.

Large areas of the North West, West Midlands, East Midlands and Wales among others, spent additional time in local lockdowns between July and October 2020. Lockdowns in Greater Manchester, Lancashire, and Wales were among those classified as part of [research by the Bank of England \(PDF, 128 KB\)](#) as being particularly “strong”. This definition included closure of non-essential retail, restaurants, gyms and schools, in addition to national restrictions. Further lockdowns were also put in place in Scotland in September 2020, specifically West Central Scotland, to prevent mixing indoors.

Despite these further limits on business activity, no conclusive negative impacts can be seen on international trade for these areas compared with other International Territorial Level 3 regions across 2020 as a whole. Additional lockdowns outside national restrictions were specifically targeted at high-contact business, such as those involved in the accommodation and food services industry, but that contributed a relatively small amount to total exports and imports.

Furthermore, businesses outside of these industries may have already adapted their business model during the first national lockdown, and may have been able to revert to these ways of working when local restrictions were put in place. Therefore, the additional impact of local lockdowns on businesses that rely heavily on importing and exporting may have been limited. For information on how businesses may have adapted their model during this time, see the [Mckinsey and Company's survey, 5 October 2020](#).

6 . International trade in services and goods by subnational areas of the UK data

[Subnational trade in services](#)

Dataset | Released 5 July 2022

Experimental estimated value of exports, imports, and balance of services for 2020 for International Territorial Levels (ITLs) 1, 2 and 3, and city regions, including industry and partner country.

[Subnational trade in goods](#)

Dataset | Released 5 July 2022

Experimental estimated value of exports, imports and balance of goods for 2020 for International Territorial Levels (ITLs) 1, 2 and 3, and city regions, including industry and partner country.

[JOBS05: Workforce jobs by region and industry](#)

Dataset | Released on 13 September 2022

Workforce jobs by region and industry. Workforce jobs tables are usually updated in March, June, September and December.

7 . Glossary

ITL

The International Territorial Levels (ITL) is a hierarchical classification of administrative areas used for statistical purposes. ITL1 are major socio-economic regions, while ITL2 and ITL3 are progressively smaller regions. In the context of the UK, the ITL1 areas are Wales, Scotland, Northern Ireland and the nine regions of England.

COVID-19

COVID-19 is the name used to refer to the disease caused by the SARS-CoV-2 virus, which is a type of coronavirus. The Office for National Statistics (ONS) takes COVID-19 to mean presence of SARS-CoV-2 with or without symptoms.

Stockpiling

Stockpiling is the act of acquiring and storing a large quantity of something. Businesses (or individuals) may decide to stockpile for a number of reasons, including anticipation of a sudden rise in demand or a disruption in supply. In this article, we are referring to stockpiling by businesses, rather than households.

8 . Data sources and quality

All figures presented are experimental, derived from a methodology that is subject to change based on feedback and that should be used with caution.

Unless otherwise specified, data within this article are in current prices. This means they have not been adjusted to remove the effects of inflation.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the subnational trade QMI.

Datasets and sources

This article presents analysis of estimates of the value of imports and exports of goods and services in 2020 to and from subnational areas of the UK. This is based, predominantly, on the experimental [Subnational trade datasets: 2020](#) published alongside our previous [International trade in UK nations, regions and cities: 2020 bulletin](#) that compares the [Subnational trade datasets: 2019](#).

Additional datasets and sources are also used to explain and provide context for the subnational movements of trade in goods and services in 2020. These include our [Workforce jobs by region and industry dataset](#) that can be used to highlight the concentration of industry in each region, and the Department for Transport's (DfT) [Freight and passenger data](#) to monitor cross-border movements of people and goods. Responses from the [Business Insights and Conditions Survey \(BICS\)](#), which is designed to capture economic-based information from business who are currently trading, are also used to provide anecdotal evidence on the main challenges faced by UK businesses involved in international trade. BICS provides a useful insight into some of the underlying causes of the movements in trade outlined in this article regarding the impact of the coronavirus (COVID-19) pandemic.

Our subnational trade dataset captures yearly data at aggregated industry groups and as such, it is not possible to see the impact of certain events on the trade in individual products. Nevertheless, this article aims to present analysis that provides useful context and reasoning behind our 2020 subnational trade data.

The impact of coronavirus on trade statistics

The impact of the coronavirus (COVID-19) pandemic has caused higher levels of volatility in trade statistics in 2020. This period also saw stockpiling in the lead up to the UK leaving the EU, as detailed in our [Did UK firms stockpile items ahead of the Brexit deadline? article](#). Understanding the impacts of coronavirus restrictions across regions and disentangling this from the impact of other factors, including the lead up to the UK leaving the EU, is challenging. As such, it is difficult to assess the extent that trade movements reflect short-term trade disruption or longer-term supply chain adjustments. This will be better understood as future data and research become available.

Differences between ONS estimates and the devolved governments

The Office for National Statistics' (ONS) estimates of subnational trade in services will differ from those presented by the devolved governments because of collection, coverage and methodological differences. One such difference is Northern Ireland Statistics and Research Agency's (NISRA) Broad Economy Sales and Exports Statistics (BESES) does not include financial services and most of agriculture sectors whereas the ONS cover these.

9 . Related links

[International trade in UK nations, regions and cities: 2020](#)

Bulletin | Released 5 July 2022

Experimental estimated value of exports and imports of goods and services for 2020 for International Territory Levels 1, 2 and 3, and city regions. Includes EU and non-EU split.

[International trade in UK nations, regions and cities: 2019](#)

Bulletin | Released 05 November 2021

Experimental estimated value of exports and imports of goods and services for 2019 for International Territory Levels 1, 2 and 3, and 16 city regions. Includes EU and non-EU split.

[International trade with UK nations, regions and cities QMI](#)

QMI | Released 5 July 2022

Quality and Methodology Information (QMI) report for our Subnational trade estimates release, detailing the strengths and limitations of the data, methods used, and data uses and users.

[Business insights and impact on the UK economy](#)

Bulletin | Released 6 October 2022

The impact of challenges facing the economy and other events on UK businesses. Based on responses from the voluntary fortnightly business survey (BICS) to deliver real-time information to help assess issues affecting UK businesses and economy, including financial performance, workforce, trade, and business resilience.

[UK trade: March 2020](#)

Bulletin | Released 13 May 2020

Total value of UK exports and imports of goods and services in current price, chained volume measures and implied deflators.

[UK Trade in services by modes of supply: 2020](#)

Article | Released 25 February 2022

Experimental estimates of UK trade in services by Mode of Supply, country and service type on a balance of payments basis.

10 . Cite this article

Office for National Statistics (ONS), released 20 October 2022, ONS website, article, [International trade in UK nations and regions: the impact of coronavirus \(COVID-19\): 2020](#)