Local sites and employee counts linked to businesses involved in international trade in services, UK subnational areas, quality and methods guide

What the local sites and employee counts linked to businesses involved in international trade in services for UK subnational area statistics cover, how we produce them, and their quality and comparability. Includes definitions and latest, past and upcoming changes.

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Release date:
17 July 2026

Next release:
To be announced

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1 . Overview

We provide estimates of local business sites ("local units") and associated employee counts linked to UK businesses engaged in international trade in services in industries that are covered by the International Trade in Services (ITIS) Survey. These estimates are available for UK subnational geographies, including International Territorial Levels ITL1 to ITL3 and bespoke city regions.

We publish these estimates as a dataset only, in our Local sites and numbers of employees linked to companies involved in international trade in services by subnational areas of the UK dataset.

This guide describes:

- the quality characteristics of the data, aligned to the five dimensions of quality used by the European Statistical System
- the methods and data sources used to produce the estimates
- the strengths and limitations of the statistics
- appropriate uses of the data

This guide is intended to help users understand how the statistics are produced and to support informed interpretation and use.

Important points

- These statistics identify businesses involved in exports and/or imports of services and link these businesses to their local sites and associated employment.
- Estimates are produced by linking ITIS Survey data with the InterDepartmental Business Register (IDBR).
- Employee counts relate to local units that are operated by internationally trading enterprises, not to staff directly involved in trade activity.
- The statistics do not measure the value of trade and should not be interpreted as an indicator of trade intensity.
- Coverage and comparability vary across geographies because of survey design, disclosure control and business structure complexity.
- Counts are based on ITIS Survey coverage, which is approximately 50% to 60% of the UK economy.

These are official statistics in development.

2 . Latest changes to quality and methods

We first published this guide on 17 July 2026.

We updated the methodology of this publication on 12 May 2026.

For more information on latest, past and upcoming changes, go to Section 7: Changes and their effects on comparability over time.

3 . What the statistics cover

Geographic coverage

The statistics cover the UK and the devolved administrations. They are classified into International Territorial Level (ITL) 1 and 3 regions.

Statistical coverage

The statistics include:

- local units linked to enterprises that export services
- local units linked to enterprises that import services
- employee counts associated with those local units

The estimates relate to businesses operating in industries covered by the International Trade in Services (ITIS) Survey; we classify them as enterprises that trade with EU countries, non-EU countries, or both.

What the statistics measure

The statistics provide information on the geographical distribution of local units that are associated with internationally trading enterprises.

The employee counts represent employment at local units that are operated by enterprises that trade internationally in services. They do not identify employees directly involved in exporting or importing activity.

The statistics measure business presence and employment associated with businesses that are internationally trading in services. They do not measure the value of imports or exports.

4 . Where the data come from

International Trade in Services Survey

The International Trade in Services (ITIS) Survey collects information on UK international trade in services and identifies businesses that are engaged in imports and exports of services.

Inter-Departmental Business Register

The Inter-Departmental Business Register (IDBR) provides information on businesses and their local units, including location and employment data.

National Statistics Postcode Lookup for the UK

In the current 2025 classification, there are 182 International Territorial Level (ITL) 3 regions within the UK. These include:

- counties or groups of unitary authorities in England
- groups of unitary authorities in Wales
- combinations of council areas in Scotland
- local government districts in Northern Ireland

Office for National Statistics Geography data

We use the Local Authority District mapper from the Office for National Statistics (ONS) Geography portal.

Linked data approach

The statistics are produced by linking trade information from the ITIS Survey to enterprise and local unit information held on the IDBR.

5 . How we produce the statistics

1. Enterprises involved in international trade in services are identified using survey data.
2. These enterprises are linked to their local units on the Inter-Departmental Business Register (IDBR).
3. Local unit employment figures are extracted and assigned to subnational geographies.
4. Results are aggregated to required geographic levels.
5. Statistical disclosure control is applied before publication.

How we count local units and employees

This output is based on counts of local units listed on the IDBR, and their employees. This is a different approach to many other trade publications, which are usually based on counts of Value Added Tax (VAT)-registered businesses, or "enterprises" listed on the IDBR. We do not provide enterprise or business counts; instead, we count local units, which is a more granular way of counting business activity.

The local units of a business are counted at the postcode level. The number of local units for each business equates to the number of different postcode locations at which the business has physical premises. The number of employees associated with each local unit is the number of people employed at that physical location and excludes the owners of the enterprise. Where an enterprise registers no employee, we count the owner of the enterprise as an employee with a count of one.

Each local unit that is listed on the IDBR is associated with an enterprise and reporting unit reference number. Reporting units are administrative/accountancy offices responsible for collecting information on how local units operate. Most enterprises (about 70%) are single-site businesses that do not possess local units; for the purposes of this output, each of these single-site enterprises is counted as a single local unit. The remaining minority of multi-site enterprises (about 30%) are broken down into their component local units, with each local unit given a count of one.

In the current 2025 classification, there are 182 International Territorial Level (ITL) 3 regions within the UK. They include:

- counties or groups of unitary authorities in England
- groups of unitary authorities in Wales
- combinations of council areas in Scotland
- local government districts in Northern Ireland

Because each local unit has an associated postcode, each sits within a single ITL3 region of the UK. It is therefore possible to count the number of local units (and their associated employees) within each ITL3 region.

As of January 2021, the Nomenclature of Territorial Units for Statistics (NUTS) geographical classification system for the UK was replaced by ITLs, in line with Office for National Statistics (ONS) policy. ITL3 areas have been designed to mirror NUTS3 regions, so users should see very little difference between ITL3 areas and the equivalent NUTS3 regions.

Apportionment

The data recorded in the ITIS Survey is a sample collected at a reporting unit level.

To calculate the population estimates, a grossing factor is applied to sample estimates. The grossing factor can only be determined at the reporting unit level in the ITIS dataset, which is presented at the local unit level.

To calculate the number of local units, the number of reporting units present in the IDBR is taken and the ITIS grossing factor is applied.

For employees, the value presented in the IDBR for each local unit is taken and the same grossing factor is applied. This way, the value of all employees in the local units associated with the reporting add up to the total presented for the reporting unit.

The calculations we use are:
$Number of local units = 1 \times grossing factor$
$Number of employees = employees \times grossing factor$

How we match local units to trade in services businesses by reporting unit reference number

1. Each reporting unit in the International Trade in Services (ITIS) Survey data is cleaned to evaluate if the reporting unit is exporting only, importing only or doing both; the same process is done to see if the reporting unit is trading with EU countries only, non-EU countries only, or both EU and non-EU.

2. Each reporting/enterprise unit listed in the ITIS is then linked with the IDBR to get a local unit reference number; using the local unit reference number, the local unit can be identified as still operating or not.

3. Each local unit has its employee count and postcode, which can be linked to a ITL3 region.

4. Each local unit is given a count of one to determine counts of local units; the employee count for the local unit is taken as reported in the IDBR.

5. Each local unit and its employment is then multiplied by a grossing factor associated with its reporting unit so the sample data can represent the population; all marginal counts (for example, 1.12) are then rounded to the nearest whole number.

Number of successful matches

The tabulated data in our dataset includes only trade data that was successfully linked to a reporting unit in the IDBR. Linking the data in this way results in 99% of all reporting units in the ITIS Microdata being matched to the IDBR. The 1% of reporting units that are unmatched could not be linked to a local unit because of an invalid or out of date reporting unit reference number.

Postcode assignment

Most local units are assigned an ITL3 region by their postcode, which is obtained from the National Statitics Postcode Lookup (NSPL) and the Office for National Statistics (ONS) Geography file. However, some local units' postcodes are not identified by the NSPL or ONS Geography files. To overcome this, we use the ITL3 region collected in the IDBR file. While there is a preference to use the NSPL and ONS Geography files to assign ITL regions, quality assurance has shown that using the region recorded in the IDBR is also suitable.

Businesses based in the Isle of Man and the Channel Islands (Jersey/Guernsey) are excluded from this analysis. Therefore, the estimates of total local unit counts cannot be compared with publications that include the Isle of Man and the Channel Islands.

Sector coverage

The ITIS Survey collects data on UK companies' activities in the imports and exports of services internationally. The survey consists of 52 products, and 17 products cover most industries. In terms of trade coverage, the survey covered 66% of total exports and 60% of total imports in data year 2021, for example. It excludes the following sectors:

- travel and transport
- banking and other financial institutions
- higher education
- most activities in the legal professions

Data relating to financial companies (including insurance and pension companies) are not present in the ITIS sample. However, analysis referring to trade in financial services, and insurance and pension services is still presented in our dataset. These data were not removed from the sample because doing so would exclude non-financial companies that may import or export these service types.

Treatment of outliers

The outlier methodology is applied to fix extreme results in our outputs. We post-stratify, where there is overrepresentation in certain areas, including:

- local units with an individual grossing factor greater than 200
- local units where the sum of the grossing factor for the reporting unit they are linked to is greater than 10,000
- local units where employees make up 20% of employees in each ITL3 region

How these local units are outliered depends on their grossing factor. If the grossing factor of the local units identified using this method is above four, then the grossing factor is set to one to reduce the effect of these outliers. If the grossing factor is below four, then the local unit is completely removed.

We also do manual sense checks and outlier removal. When a single reporting unit is causing a large year-on-year change in an ITL3 region — specifically when this change is caused by the grossing factor, rather than the unweighted figures — we manually set the grossing factor to one to reduce its impact.

We apply a consistent approach to outlier detection and treatment to reduce variability caused by extreme trade values that are unrepresentative of the population. Outlier detection and treatment is done at local-unit level. Outliers are removed and further analysed to determine if they need to be treated or removed.

Weighting

The data recorded in the ITIS Survey is a sample collected at a reporting-unit level.

The data reported in this dataset is on the local-unit level. To calculate the number of local units, the number of reporting units is multiplied by the grossing factor in the ITIS dataset.

6 . Quality of the statistics

Statistical designation

These statistics are official statistics in development.

Official statistics in development are newly developed or innovative official statistics that are undergoing evaluation. They are published to involve users and stakeholders in their development and to build quality through transparency, user engagement and methodological improvement.

The Office for National Statistics (ONS) is committed to improving these statistics over time and welcomes feedback from users to help ensure they continue to meet user needs and provide public value.

Users should be aware that the methods and data sources used to produce these statistics may be refined in future releases as development work progresses. Any significant changes will be communicated through this quality and methods guide and accompanying publications.

How we quality assure the data and statistics

1. Source data validation: the International Trade in Services (ITIS) Survey and Inter-Departmental Business Register (IDBR) data undergo validation checks before processing.

2. Linkage assurance: checks are carried out to ensure enterprises are correctly linked to their associated local units.

3. Geographic validation: local units are validated against geographic classifications to ensure they are assigned to the correct subnational areas.

4. Employment validation: employee estimates are reviewed for consistency with underlying business register information.

5. Disclosure control: outputs are assessed and protected using disclosure control methods to reduce the risk of identifying individual businesses.

6. Analytical review: final estimates are subject to quality assurance and analytical review before publication.

Strengths and limitations

Strengths

- Provide a geographically detailed view of local units linked to internationally trading service businesses.

- Combine trade information with business register data to enhance understanding of regional economic activity.

- Cover both importing and exporting enterprises.

- Use high-coverage administrative business register data (IDBR).

- Provide subnational employment insight linked to international trade activity.

- Support place-based economic analysis and policy development.

Limitations

- Do not measure trade values or volumes.
- Employees and local units are linked to trading enterprises, not necessarily to trade-related roles.
- Small area estimates may be affected by disclosure restrictions and year-on-year volatility.
- Enterprise structures and survey sample composition can complicate the geographic attribution of activity.
- Counts are based on ITIS Survey coverage, which is approximately 50% to 60% of the UK economy, in terms of sector composition.
- ITIS sampling is not stratified by International Territorial Level (ITL) 3 region.

European Statistical System Quality Dimensions

The Office for National Statistics (ONS) has developed Guidelines for measuring statistical quality based on the five European Statistical System (ESS) Quality Dimensions. These are:

- relevance
- accuracy and reliability
- timeliness and punctuality
- comparability and coherence
- accessibility and clarity

We have integrated these considerations into the production of this guide.

7 . Changes and their effects on comparability over time

Latest changes

We updated the methodology of this publication on 12 May 2026. We made changes to the formula used to calculate the number of local units in the International Trade in Services (ITIS) Survey data.

We have revised data from 2019 to 2023 for comparability purposes. Future data years will also incorporate this change.

8 . Comparability and coherence with other statistics producers

Coherence with other Office for National Statistics sources

Coherence with our business demography and workforce statistics is high, as the local units statistics use Inter-Department Business Register (IDBR) local units as their structural foundation.

Comparability over time

Comparability may be affected by:

- changes to survey questionnaires, coverage or methodology
- updates to classification systems (for example, Standard Industrial Classification (SIC) codes) that may cause businesses to fall out of the survey
- business restructuring, mergers, and relocations
- improvements to linkage methodology

Users should exercise caution when interpreting small year-on-year changes, particularly at lower geographic levels, as the same International Trade in Services (ITIS) Survey businesses are not sampled every year.

9 . Users and uses of these statistics

These statistics data support regional economic analysis, trade policy development, and place-based decision making. They can be used to:

- understand regional patterns in international trade in services
- inform local and regional growth strategies
- assess the exposure of local labour markets to globally trading service businesses
- provide supporting evidence for trade-related interventions and investment decisions
- inform academic research into spatial economic productivity and global value chains

The main users include:

- UK government and the Welsh Government
- the Department for Business and Trade
- local authorities and combined authorities
- academics and researchers
- business organisations and analysts
- journalists
- members of the public

Feedback from users indicates strong demand for more granular, geography-based trade data and improved integration of business demography with trade activity.

These statistics help address user demand for subnational evidence on international trade involvement, particularly the local labour market footprint of service-trading businesses. While national trade totals remain the primary source for economic aggregates, this dataset enables regional and spatial analysis that is not possible using higher level statistics.

10 . Definitions

Local unit

An individual site or workplace where business activity takes place.

Enterprise

The smallest combination of legal units that carries out business activities and has a degree of autonomy in decision-making.

International Trade in Services Survey

The Office for National Statistics (ONS) survey used to measure the UK's international trade in services.

Inter-Departmental Business Register

A comprehensive register of UK businesses used for statistical purposes.

Employee count

The number of employees associated with a local unit that is linked to an internationally trading enterprise.

International Territorial Level

The geographic classification used for producing UK regional statistics.

11 . Related links

[Local sites and numbers of employees linked to businesses involved in international trade in services, by subnational areas of the UK]
Dataset | Released 12 May 2026
Estimates of the count of local units and employees linked to those involved in exporting and importing services for International Territorial Level (ITL) 1 and ITL3, including non-EU and EU split.

[International Trade in Services Survey quality and methodology information (QMI)]
Methodology | Last revised 25 October 2024
Quality and methodology information for the International Trade in Services (ITIS) survey data detailing the strengths and limitations of the data, methods used, and data uses and users.

[Inter-Departmental Business Register (IDBR)]
Webpage
Office for National Statistics webpage describing the Inter-Department Business Register and our process for requesting data.

12 . Cite this page

Office for National Statistics (ONS), released 17 July 2026, ONS website, quality and methods guide, [Local sites and employee counts linked to businesses involved in international trade in services, UK subnational areas, quality and methods guide]