

Article

UK trade and investment with CPTPP countries: 2016 to 2020

Analysis of UK trade and investment with the 11 countries in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade agreement.

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1 . Main points

- UK exports of goods and services to Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries represented 8.3% of total UK exports to the world, on average, between 2016 and 2020, while UK imports of goods and services represented 6.9% of total UK imports from the world.
- The UK imported more goods than services from CPTPP countries between 2016 and 2020, though exported a similar value of goods and services.
- Other business services such as technical, trade-related and other business services, and financial services comprised 47% of UK services exports to and 51% of services imports from CPTPP countries between 2016 and 2020.
- Machinery and transport equipment, which includes cars and mechanical power generators (intermediate) represented 50% of total goods exports and 43% of total goods imports with CPTPP countries between 2016 and 2020.
- The value of the inward foreign direct investment position with Japan was much higher than with any other CPTPP country between 2016 and 2019.

2 . The Comprehensive and Progressive Agreement for Trans-Pacific Partnership

The [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) (CPTPP) is a free trade agreement between 11 countries around the Pacific Rim signed in 2018. These 11 countries are:

- Australia
- Brunei Darussalam
- Canada
- Chile
- Japan
- Malaysia
- Mexico
- New Zealand
- Peru
- Singapore
- Vietnam

The UK [formally applied to join the CPTPP on 01 February 2021](#) and on [02 June 2021 the CPTPP Commission agreed to begin accession negotiations with the UK](#). The UK has published its [Strategic approach to accession](#) (PDF, 4.43MB) and formal negotiations started on 22 June 2021.

The UK already has [trade agreements in effect](#) with most of the CPTPP countries, many of which maintain the terms of trade before the UK left the EU. Further trade deals have been negotiated with [Japan](#), [Australia](#) and [New Zealand](#) since the end of the EU transition period.

This article provides an economic analysis of the UK's trade and investment relationships with the countries that form the CPTPP between 2016 and 2020.

We explore recent trends of trade in services by service type, trade in goods by commodity, and directional foreign direct investment.

3 . UK trade with Comprehensive and Progressive Agreement for Trans-Pacific Partnership countries

UK total trade with Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries increased from £87.8 billion in 2016 to £110.7 billion in 2019, falling to £90.8 billion in 2020. The increase in total trade with CPTPP countries to 2019, and fall in 2020, was broadly in line with UK total trade with the world.

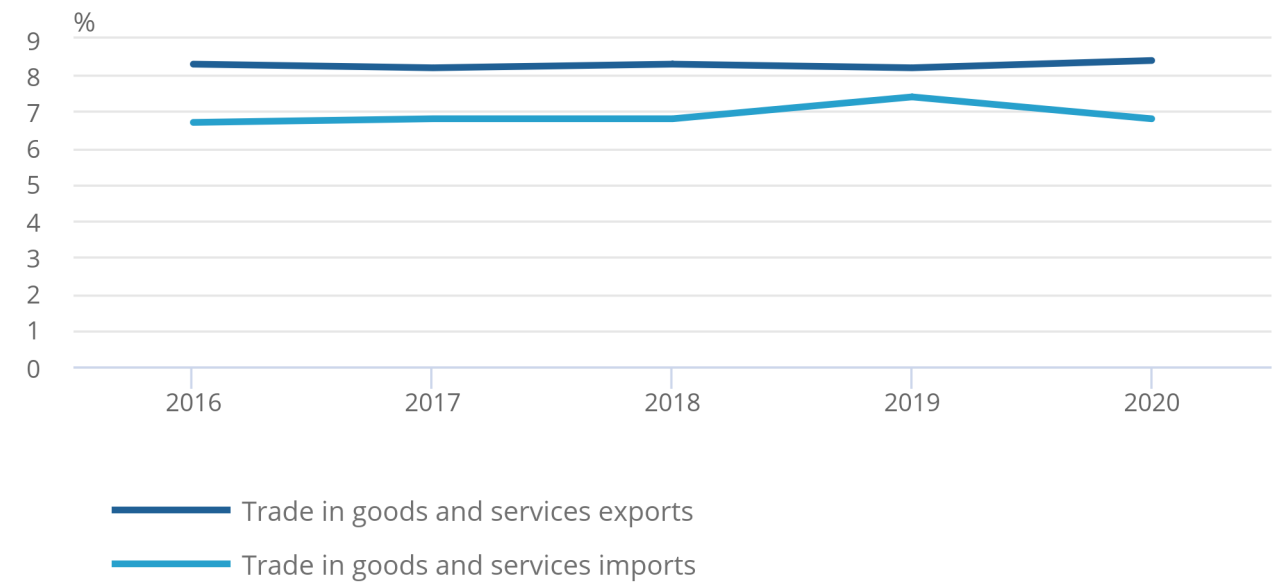
UK exports of goods and services to CPTPP countries represented 8.3% of total UK exports to the world, on average, between 2016 and 2020. UK imports of goods and services represented, on average, 6.9% of UK total imports from the world during this time. As a percentage of trade with the world, UK trade with CPTPP countries has been stable over the past five years.

Figure 1: The percentage of UK trade with CPTPP countries has been stable over the past five years

UK exports to and imports from CPTPP countries as a percentage of exports to and imports from the world, %, 2016 to 2020

Figure 1: The percentage of UK trade with CPTPP countries has been stable over the past five years

UK exports to and imports from CPTPP countries as a percentage of exports to and imports from the world, %, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The UK imported more goods than services from CPTPP countries between 2016 and 2020, though exported a similar value of goods and services

Overall, the UK had a trade surplus with CPTPP countries between 2016 and 2020 because the trade in services surplus was larger than the trade in goods deficit. This pattern is the same for UK trade with the world. There were large falls in gross trade flows in 2020, reflecting the impacts of the coronavirus (COVID-19) pandemic on international transactions.

Trade in goods exports to CPTPP countries increased from £23.1 billion in 2016 to £28.2 billion in 2019, falling to £25.3 billion in 2020. The value of UK services exports to CPTPP countries rose from £24.3 billion in 2016 to £28.9 billion in 2019, dropping to £25.1 billion in 2020.

Imports of goods increased each year between 2016 and 2019 from £26.9 billion to £36.2 billion. Imports of goods fell to £26.4 billion in 2020. UK imports of services from CPTPP countries rose each year between 2016 and 2019 from £13.5 billion to £17.4 billion in 2019, falling to £14.0 billion in 2020.

Figure 2: The UK had a trade surplus with CPTPP countries between 2016 and 2020

UK imports and exports of goods and services, and trade balance with CPTPP countries, £ billion, 2016 to 2020

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UK imports and exports of goods and services, and trade balance with CPTPP countries, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Exports are shown as positive values, imports are shown as negative values.
3. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

4 . Trade in services

UK total trade in services with Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries increased from £37.8 billion in 2016 to £46.3 billion in 2019, before falling to £39.1 billion in 2020. The 15.7% fall in total trade with CPTPP countries in 2020 was in line with the 15.9% fall in UK total trade with the world as coronavirus (COVID-19) pandemic restrictions reduced global trade.

Total services trade with CPTPP countries as a proportion of total services trade with the world has been stable since 2016. Total trade in services with CPTPP countries represented, on average, 8.6% of the UK's total trade in services between 2016 and 2020.

The UK's largest CPTPP markets between 2016 and 2020 were Australia, Japan, Canada and Singapore

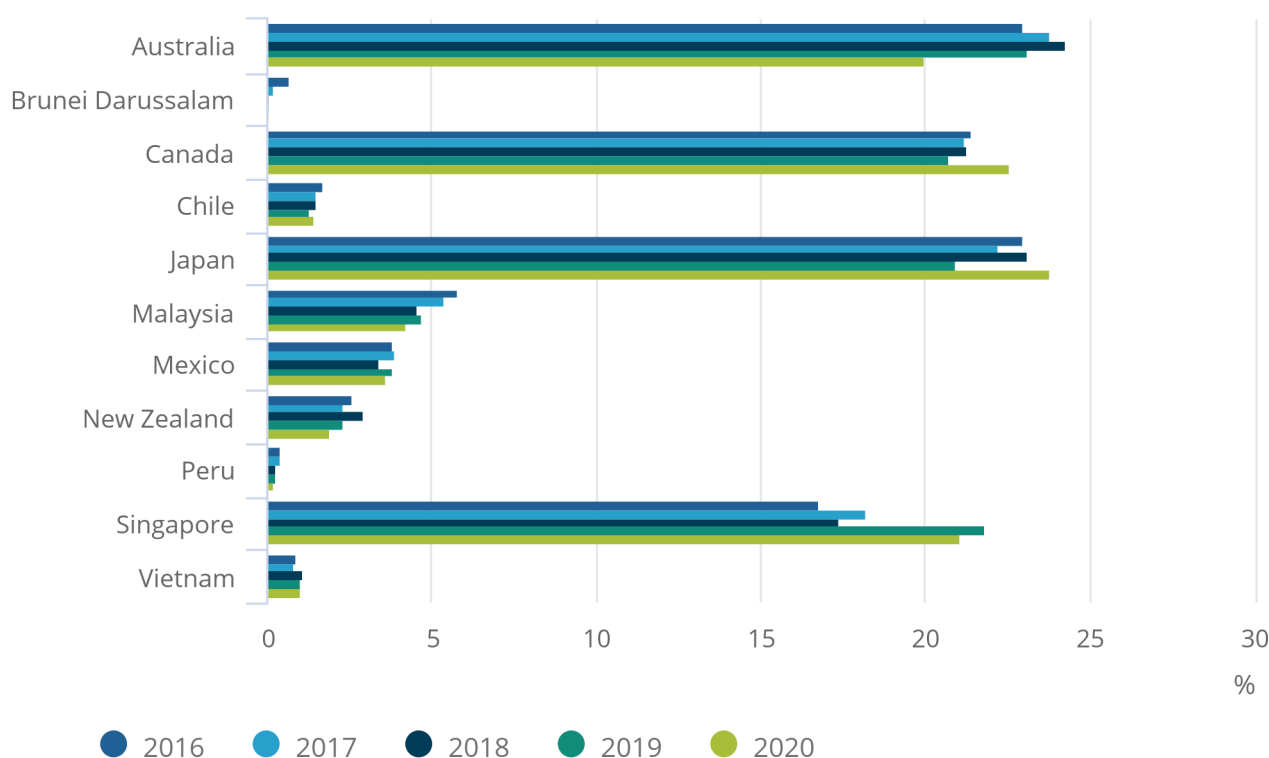
Australia, Japan, Canada and Singapore accounted for 86.0% of UK services exports to CPTPP countries between 2016 and 2020. These countries were also the main importers of UK services, accounting for 86.6% of UK services imports from CPTPP countries between 2016 and 2020.

Figure 3: The UK exported more services to Australia, Japan, Canada and Singapore than other CPTPP countries between 2016 and 2020

UK exports of services by country as a percentage of total UK exports to CPTPP countries, %, 2016 to 2020

Figure 3: The UK exported more services to Australia, Japan, Canada and Singapore than other CPTPP countries between 2016 and 2020

UK exports of services by country as a percentage of total UK exports to CPTPP countries, %, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

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2. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

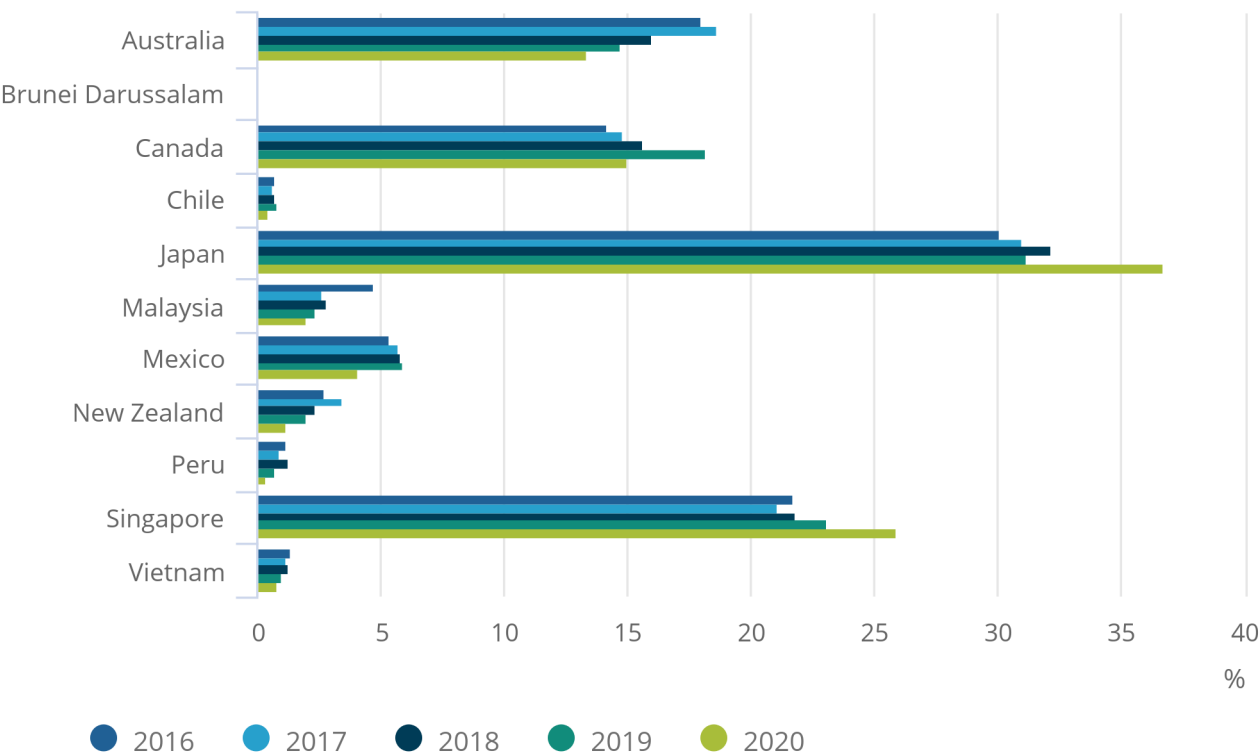
Exports of services to Australia increased each year between 2016 and 2019, led by other business services, direct insurance, and explicitly charged and other financial services. The fall in 2020 was largely because of a fall in personal travel, reflecting the effects of coronavirus restrictions. Services exports to Singapore increased by £1.6 billion in 2019, driven by increases in exports of explicitly charged and other financial services (£0.5 billion), intellectual property (£0.5 billion) and other business services (£0.4 billion).

Figure 4: The UK imported more services from Japan than any other CPTPP country between 2016 and 2020

UK imports of services by country as a percentage of total UK imports from CPTPP countries, %, 2016 to 2020

Figure 4: The UK imported more services from Japan than any other CPTPP country between 2016 and 2020

UK imports of services by country as a percentage of total UK imports from CPTPP countries, %, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

- 1. Data are rounded to one decimal place.
- 2. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The UK imported more services from Japan than any other CPTPP country between 2016 and 2020. Intellectual property was the most imported service type, followed by financial services, and other business services, which together comprised 87% of total services imports from Japan.

Other business services and financial services comprised 47% of UK services exports to and 51% of services imports from CPTPP countries

The UK's trade in services relationship with CPTPP countries was dominated by trade of other business services and financial services between 2016 and 2020. Other business services exports averaged 25% of total exports to CPTPP countries over these five years. Imports of other business services represented 36% of total imports from CPTPP countries, on average, over the same period.

Singapore was the largest importer of UK other business services in the CPTPP between 2017 and 2020 ahead of Japan and Australia. Japan was the largest importer of other business services in 2016. Of these other business services exports to Japan, 21% were research and development services, a much larger share than the combined average of research and development exports to the other CPTPP countries (4%). Japanese research and development expenditure as a proportion of gross domestic product (GDP) has consistently been among the highest of any country in the world in recent years, [according to the World Bank](#).

Singapore was also the leading source of UK imports of other business services between 2016 and 2020, most of which were technical, trade-related and other business services. Imports of other business services from Singapore were more than double imports from Japan during this time.

Exports of financial services comprised 22% of total UK exports to CPTPP countries, on average, between 2016 and 2020. Financial services exports to Japan were worth £2.4 billion, on average, during this time. This was almost twice as much as the next biggest importer - Canada. Imports of financial services were 16% of total imports from CPTPP countries. The UK also imported more financial services from Japan than any other CPTPP country between 2016 and 2020.

Imports and exports of travel services fell during 2020 because of the coronavirus pandemic

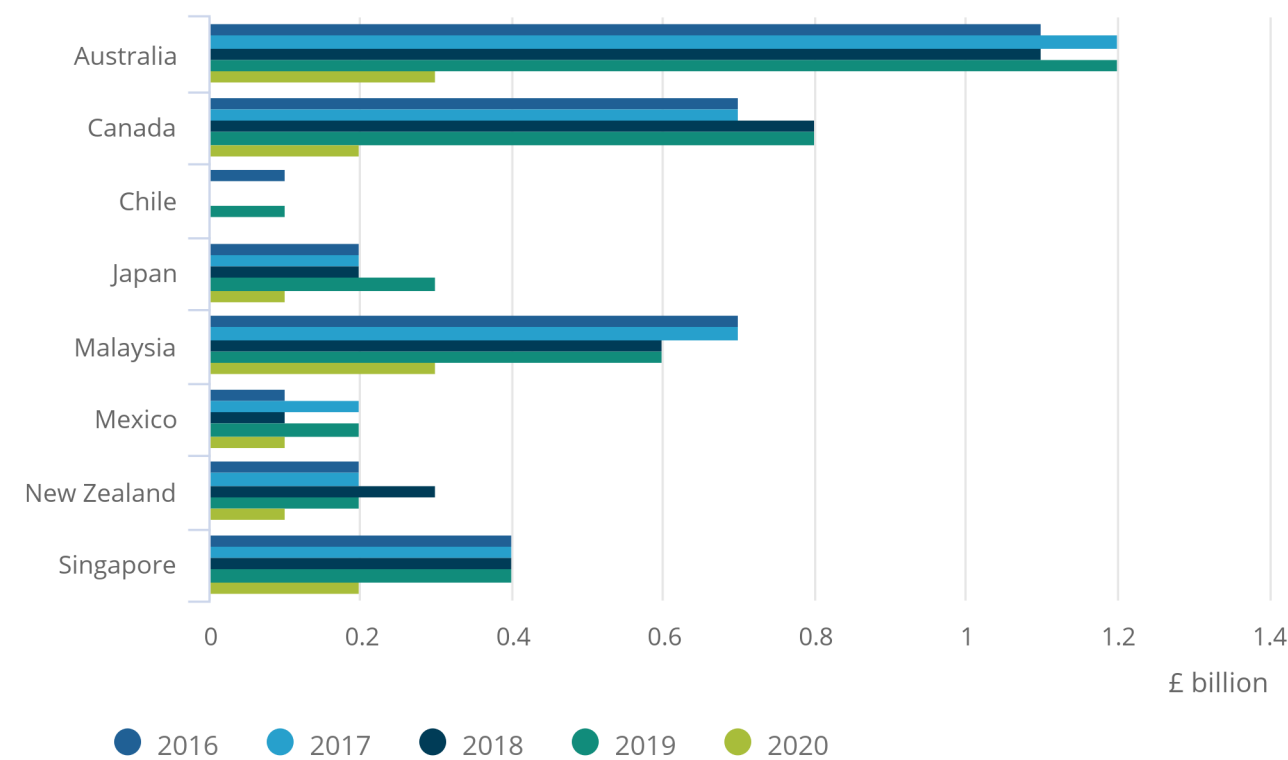
The coronavirus pandemic has impacted the travel and tourism sector as government restrictions have severely limited travel opportunities. UK personal travel exports to CPTPP countries fell by 68% in 2020 with falls of similar magnitude across all countries.

Figure 5: Exports of personal travel services fell sharply in 2020 because of coronavirus pandemic restrictions

UK personal travel services exports to CPTPP countries, £ billion, 2016 to 2020

Figure 5: Exports of personal travel services fell sharply in 2020 because of coronavirus pandemic restrictions

UK personal travel services exports to CPTPP countries, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Trade in services by service type data for Brunei Darussalam, Peru and Vietnam are unavailable.
3. "." denotes value suppressed to mitigate disclosure.
4. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

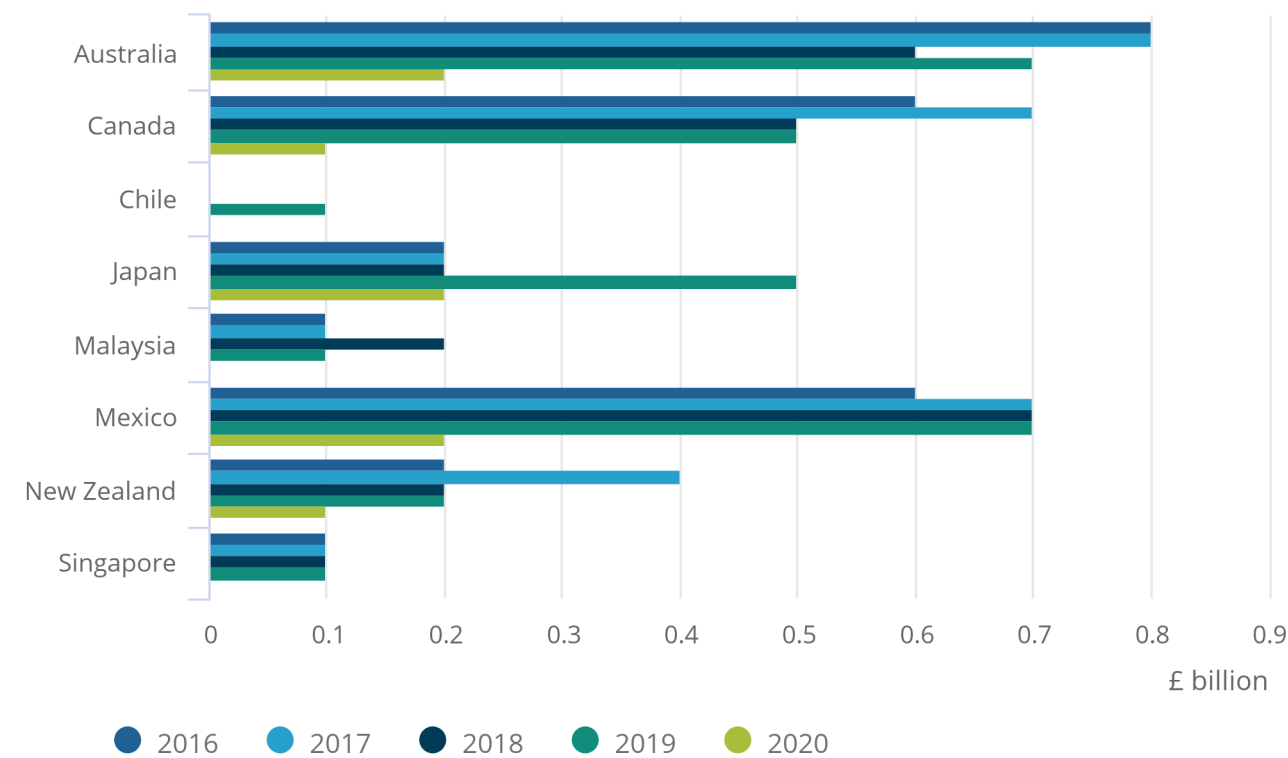
Imports of personal travel made up almost one-fifth of total service imports from CPTPP countries between 2016 and 2019 (exports of personal travel were 14% of total UK exports to CPTPP countries) and were also reduced by coronavirus pandemic restrictions.

Figure 6: Imports of personal travel services fell sharply in 2020 because of coronavirus (COVID-19) pandemic restrictions

UK personal travel services imports from CPTPP countries, £ billion, 2016 to 2020

Figure 6: Imports of personal travel services fell sharply in 2020 because of coronavirus (COVID-19) pandemic restrictions

UK personal travel services imports from CPTPP countries, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Trade in services by service type data for Brunei Darussalam, Peru and Vietnam are unavailable.
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4. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Imports and exports of intellectual property increased between 2016 and 2019, but fell in 2020

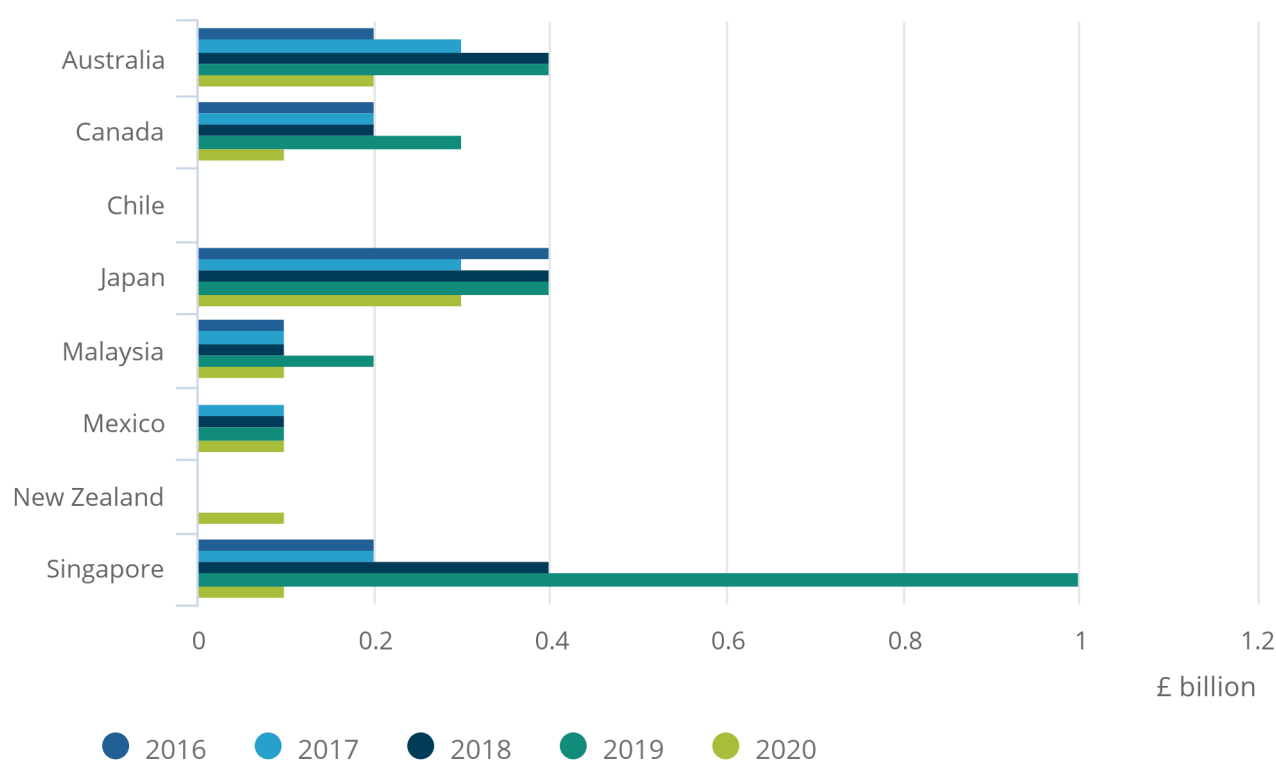
Exports of intellectual property to CPTPP countries increased from £1.1 billion in 2016 to £2.3 billion in 2019, before falling to £1.0 billion in 2020. This increase was mainly because of higher exports of intellectual property to Singapore. Between 2017 and 2019, UK exports to Singapore increased from £0.2 billion to £1.0 billion, possibly because of company relocations, though fell to £0.1 billion in 2020.

Figure 7: Exports of intellectual property increased between 2016 and 2019, but fell in 2020

UK exports of intellectual property by country, £ billion, 2016 to 2020

Figure 7: Exports of intellectual property increased between 2016 and 2019, but fell in 2020

UK exports of intellectual property by country, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Trade in services by service type data for Brunei Darussalam, Peru and Vietnam are unavailable.

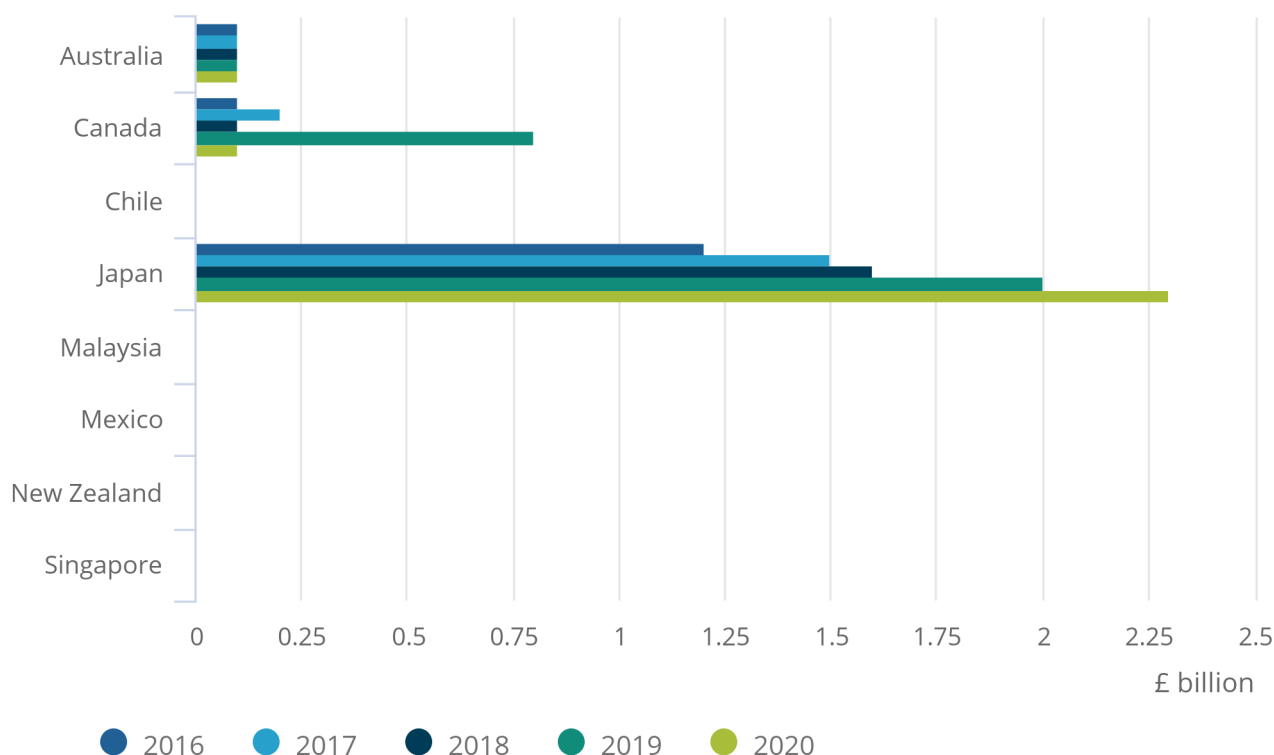
Imports of intellectual property from CPTPP countries increased from £1.4 billion in 2016 to £3.0 billion in 2019, though fell to £2.5 billion in 2020. An upward trend of intellectual property imports from Japan between 2016 and 2020, from £1.2 billion to £2.3 billion, was the main reason for this growth. UK imports of intellectual property from Canada were higher than usual in 2019 (£0.8 billion).

Figure 8: Imports of intellectual property increased between 2016 and 2019, but fell in 2020

UK imports of intellectual property by country, £ billion, 2016 to 2020

Figure 8: Imports of intellectual property increased between 2016 and 2019, but fell in 2020

UK imports of intellectual property by country, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Trade in services by service type data for Brunei Darussalam, Peru and Vietnam are unavailable.
3. "." denotes value suppressed to mitigate disclosure.

5 . Trade in goods

UK total trade in goods with CPTPP countries increased from £49.9 billion in 2016 to £64.3 billion in 2019, before falling to £51.7 billion in 2020. Total trade in goods with CPTPP countries represented, on average, 7.0% of the UK's total trade in goods with the world between 2016 and 2020.

Machinery and transport equipment led UK trade in goods with CPTPP countries

Machinery and transport equipment represented 50% of total goods exports and 43% of total goods imports with CPTPP countries between 2016 and 2020. Both exports and imports saw a decline in 2020 because of the impact of the coronavirus pandemic on global supply chains.

Japan was the largest import partner for machinery and transport equipment during this time, representing 20.6% of total CPTPP imports. Road vehicles and the machinery and parts needed to manufacture road vehicles were an important driver of this trading relationship. Imports of cars to Japan accounted for £7.2 billion between 2016 and 2020, while imports of mechanical power generators (intermediate) were £5.6 billion.

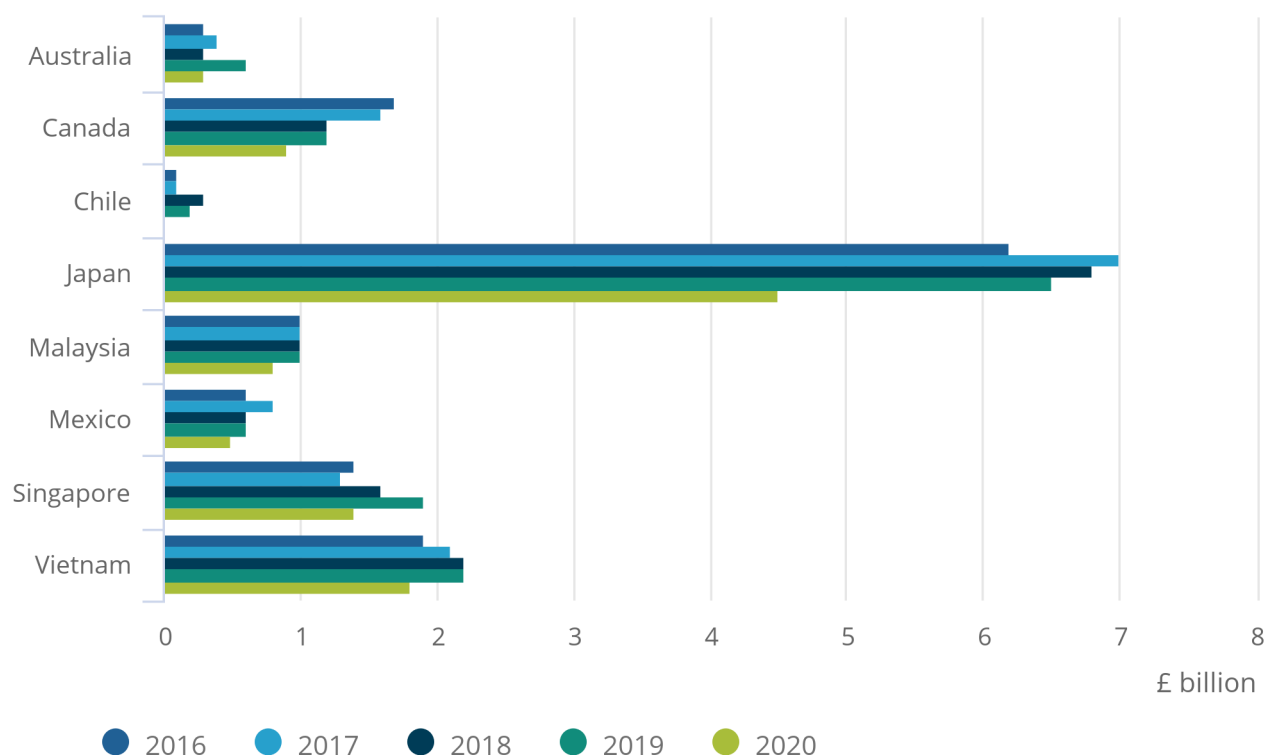
Imports of cars from Japan remained steady between 2019 and 2020 despite the impacts of coronavirus on global supply chains. Some evidence suggests that Japanese manufacturers have been more resilient than their global counterparts to the semiconductor shortage which has impacted the production of cars.

Figure 9: Imports of machinery and transport equipment fell in 2020

UK imports of machinery and transport equipment by country, £ billion, 2016 to 2020

Figure 9: Imports of machinery and transport equipment fell in 2020

UK imports of machinery and transport equipment by country, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Export statistics for Brunei Darussalam were suppressed for most years between 2016 and 2019 and have not been included in this figure.

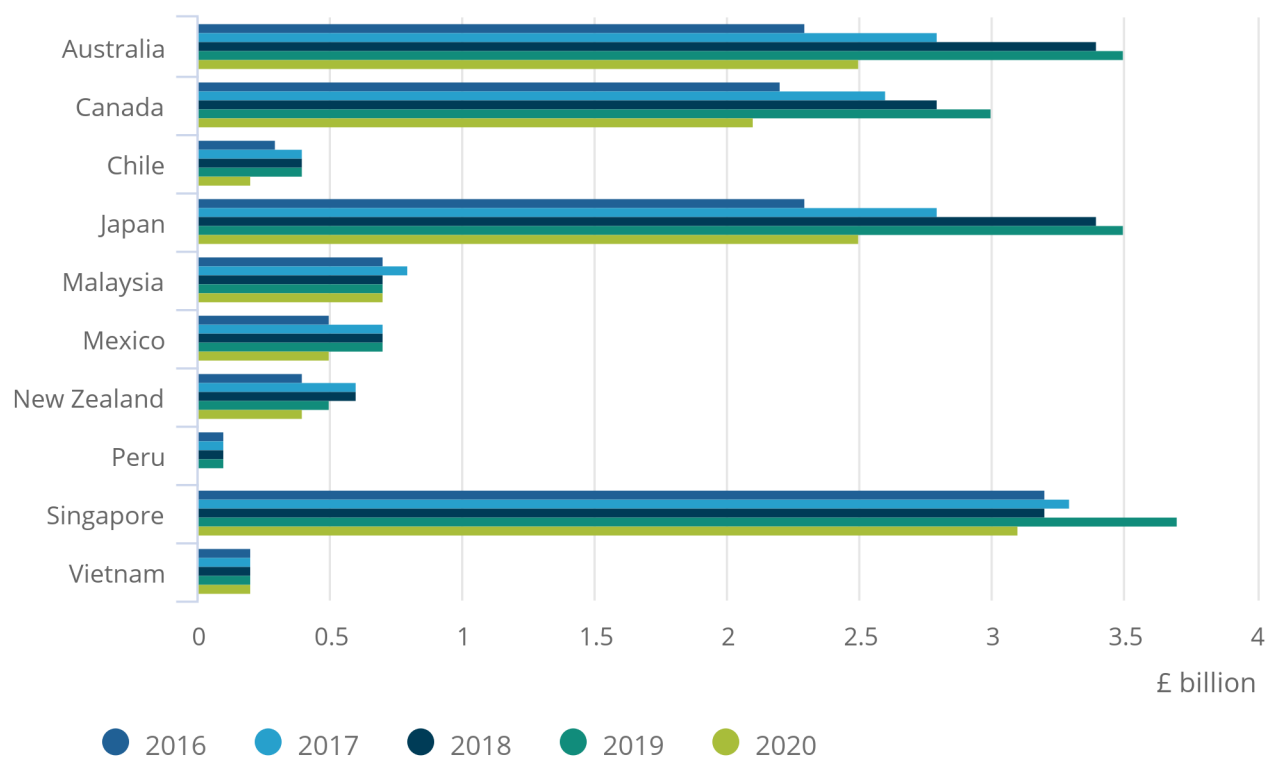
Exports of machinery and transport to Singapore represented 12.6% of total exports to CPTPP countries between 2016 and 2020, the majority of which was exports of mechanical power generators (intermediate) (£10.2 billion). Japan accounted for £14.6 billion exports of machinery and transport equipment during this time (11.1% of total CPTPP exports in this period). This was mostly cars (£4.7 billion) but also mechanical power generators (intermediate) (£4.0 billion). Exports of cars and mechanical power generators (intermediate) to Japan increased from 2016 to 2019 before falling in 2020 because of the coronavirus pandemic. This could be partly attributed to the UK increasingly becoming a production base for several Japanese car brands.

Figure 10: Exports of machinery and transport equipment fell in 2020

UK exports of machinery and transport equipment by country, £ billion, 2016 to 2020

Figure 10: Exports of machinery and transport equipment fell in 2020

UK exports of machinery and transport equipment by country, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Export statistics for Brunei Darussalam were suppressed for most years between 2016 and 2019 and have not been included in this figure.

The leading CPTPP markets for UK exports of chemicals were Japan, Canada and Australia

The UK is a large exporter of chemicals globally. Exports of chemicals to CPTPP countries represent 15.2% of total goods exports to CPTPP between 2016 and 2020. Total exports of chemicals to CPTPP countries accounted for 7.3% of total world chemical exports.

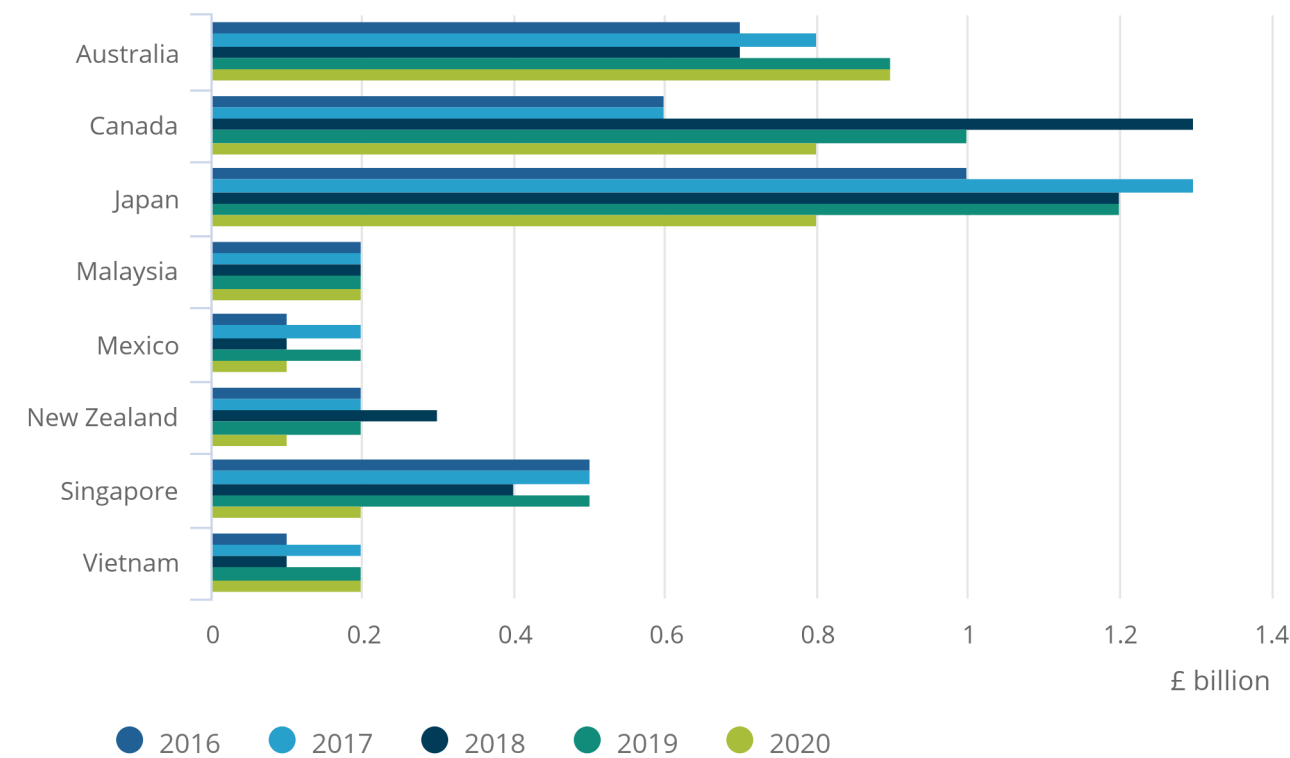
The leading CPTPP markets for UK exports of chemicals were Japan, Canada and Australia. For all three countries, most of these exports were medicinal and pharmaceutical products. Exports of chemicals to Japan have fallen from £1.3 billion in 2017 to £0.8 billion in 2020. Chemicals exports to Australia have been increasing gradually from £0.7 billion in 2016 to £0.9 billion in 2020 despite the impacts of the global pandemic.

Figure 11: Exports of chemicals were led by Japan, Canada and Australia

UK exports of chemicals by country, £ billion, 2016 to 2020

Figure 11: Exports of chemicals were led by Japan, Canada and Australia

UK exports of chemicals by country, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

- 1. Data are rounded to one decimal place.
- 2. Statistics for Brunei Darussalam, Chile and Peru were suppressed for most years between 2016 and 2019 and have not been included in this figure.

Miscellaneous manufactures imports from Vietnam increased from 2016 to 2019

Imports of miscellaneous manufactures contributed 14.0% of total CPTPP trade between 2016 and 2020. Vietnam represents the largest CPTPP import partner for miscellaneous manufactures and was the fourteenth largest import partner for this commodity in 2020.

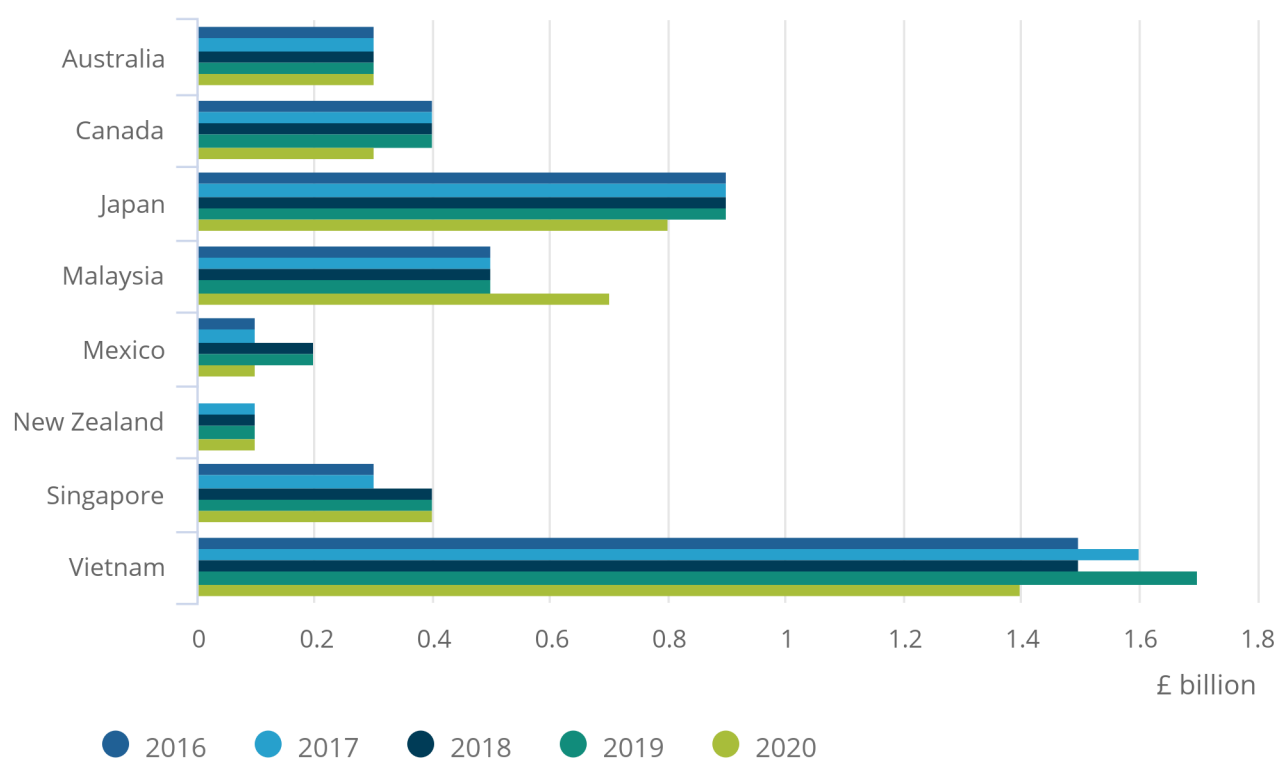
Miscellaneous manufactures imports from Vietnam increased from £1.5 billion in 2016 to £1.7 billion in 2019, before falling in 2020. Other manufactures, clothing and footwear were the main contributors to this. The national lockdown and the [closing of non-essential retail](#) in the UK in this period is likely to have impacted demand for clothing and footwear.

Figure 12: Imports of miscellaneous manufactures from Vietnam fell in 2020

UK imports of miscellaneous manufactures by country, £ billion, 2016 to 2020

Figure 12: Imports of miscellaneous manufactures from Vietnam fell in 2020

UK imports of miscellaneous manufactures by country, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Statistics for Brunei Darussalam, Chile and Peru were suppressed for most years between 2016 and 2019 and have not been included in this figure.

In 2020, material manufactures exports to Japan and Canada rose strongly

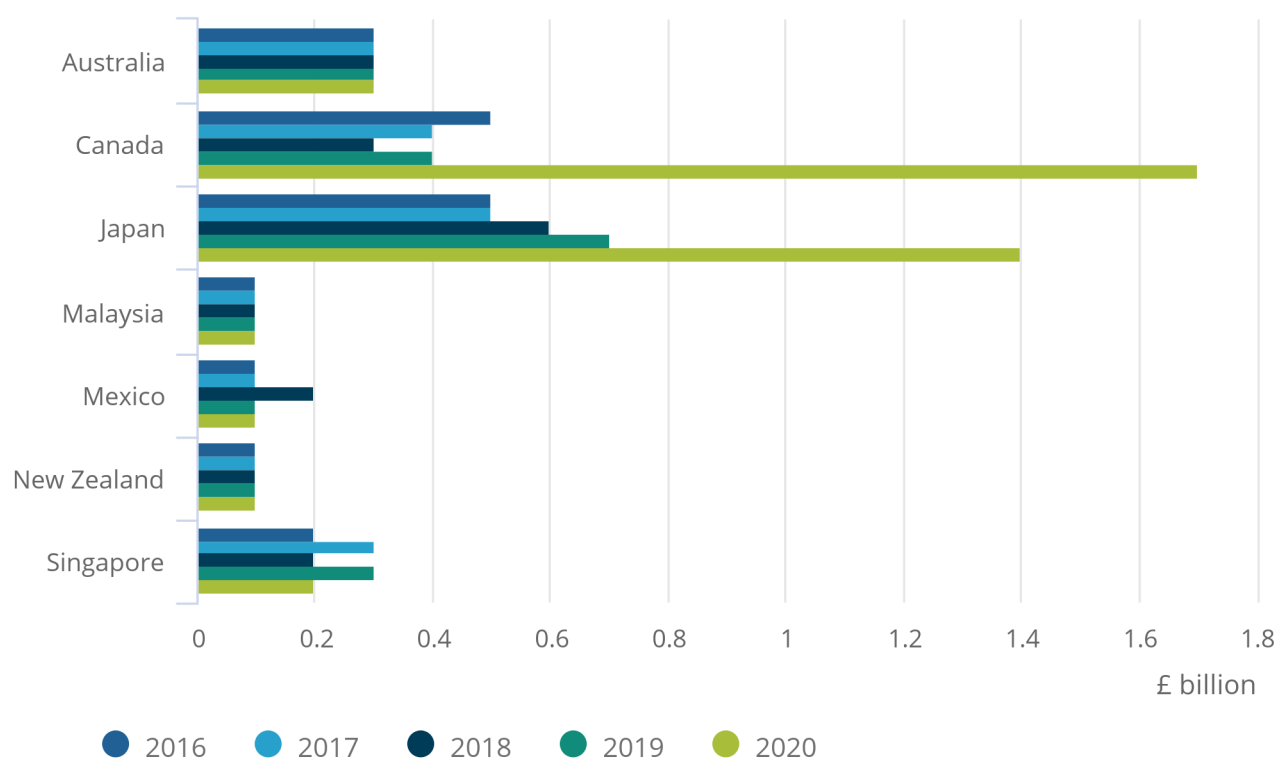
Exports of material manufactures to Canada and Japan rose sharply in 2020 to £1.7 billion and £1.4 billion respectively, this is compared with £0.5 billion for both in 2016. Exports of material manufactures accounted for 8.9% of total CPTPP exports between 2016 and 2020.

Figure 13: Exports of material manufactures increased in 2020 despite the global coronavirus pandemic

UK exports of material manufactures by country, £ billion, 2016 to 2020

Figure 13: Exports of material manufactures increased in 2020 despite the global coronavirus pandemic

UK exports of material manufactures by country, £ billion, 2016 to 2020



Source: Office for National Statistics - UK trade statistics

Notes:

1. Data are rounded to one decimal place.
2. Statistics for Brunei Darussalam, Chile, Peru and Vietnam were suppressed for most years between 2016 and 2019 and have not been included in this figure.

The large increase in material manufactures exports to Canada and Japan in 2020 was mainly because of exports of non-ferrous metals, which increased from £0.1 billion and £0.4 billion in 2019 respectively, to £1.5 billion and £1.2 billion in 2020. Non-ferrous metals, such as palladium and copper, are used for car and chemical production. The price of these metals increased in 2020 as coronavirus lockdowns eased globally and demand increased.

Explore trade in goods country-by-commodity data for 2020

Explore the [2020 trade in goods data](#) using our interactive tools. Our data break down the UK trade in goods with 234 countries by 125 commodities.

Use our map to get a better understanding of what goods the UK traded with a country. Select a country by hovering over it or using the drop-down menu.

6 . Foreign direct investment

Inward positions

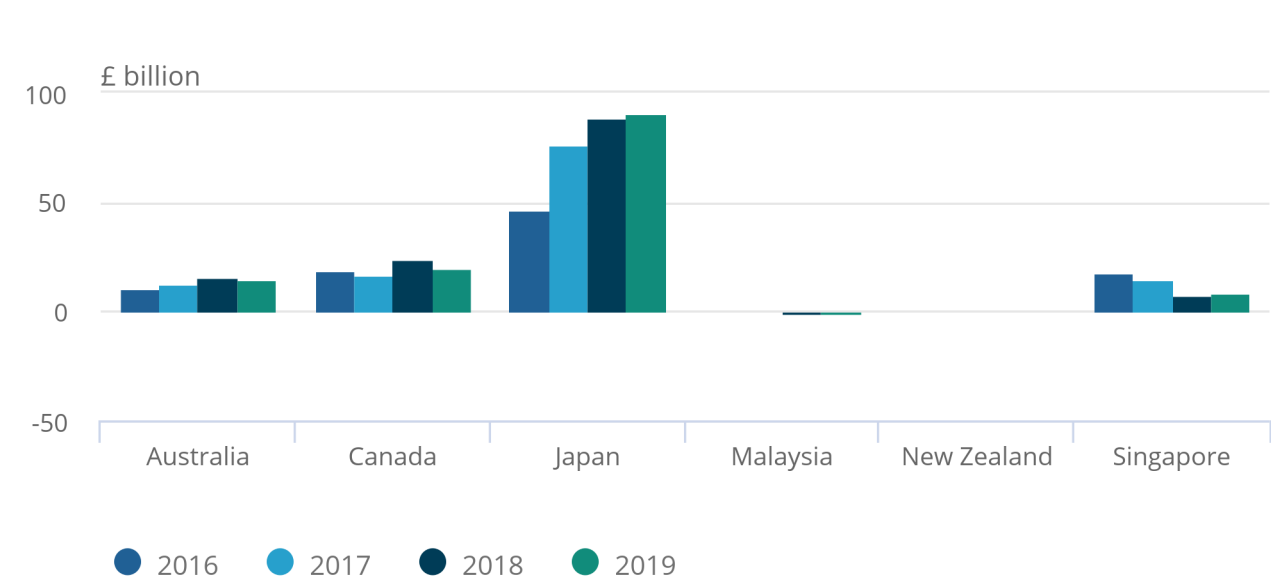
The UK inward foreign direct investment (FDI) position with Japan was by far the highest value among Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries. In 2019, Japan controlled £90.5 billion inward FDI position compared with £20.0 billion with Canada, and £14.4 billion with Australia. This made the inward FDI position with Japan more than four times higher than the inward position with Canada. The UK's inward FDI position with Japan has followed a distinct upward trend between 2016 and 2019. Those for Canada and Australia have been more stable by comparison.

Figure 14: The value of the inward foreign direct investment position with Japan was much higher than with any other CPTPP country

Inward foreign direct investment positions with CPTPP countries, UK, £ billion, 2016 to 2019

Figure 14: The value of the inward foreign direct investment position with Japan was much higher than with any other CPTPP country

Inward foreign direct investment positions with CPTPP countries, UK, £ billion, 2016 to 2019



Source: Office for National Statistics - Foreign Direct Investment Survey

Notes:

1. Data are rounded to one decimal place.
2. Statistics for Brunei Darussalam, Chile, Mexico, Peru, and Vietnam were suppressed for the majority of years between 2016 and 2019 and have not been included in this figure.
3. "." denotes value suppressed to mitigate disclosure.
4. "-" denotes a value of zero or below £0.5 million.
5. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The increase in Japanese inward investment position between 2016 and 2019 mainly reflects a large increase in the equity value of Japanese-controlled companies in the UK. Our separate mergers and acquisitions (M&A) statistics recorded a few notable inward deals where [Japanese companies completed the acquisition of UK-based target companies in 2017](#). These deals included Sumitomo Rubber Industries acquiring both Micheldever Group Limited and Dunlop International 1902 Limited, and Park24 Co Limited acquiring MEIF II CP Holdings 2 Limited.

Using available statistics shows that financial services accounted for £13.4 billion (or 14.8%) of the UK's inward FDI position with Japan in 2019. Retail and wholesale trade, repair of motor vehicles and motorcycles also accounted for a further £8.2 billion (9.1%) of the inward FDI position.

The inward FDI position in financial services also accounted for a higher proportion with Canada (18.0%) compared with Japan (14.8%). For Australia in 2019, financial services accounted for a lower proportion (6.9%) of the respective inward position in the UK. Available statistics show that professional, scientific and technical services accounted for a relatively high proportion (19.4%) with Australia.

Outward FDI positions

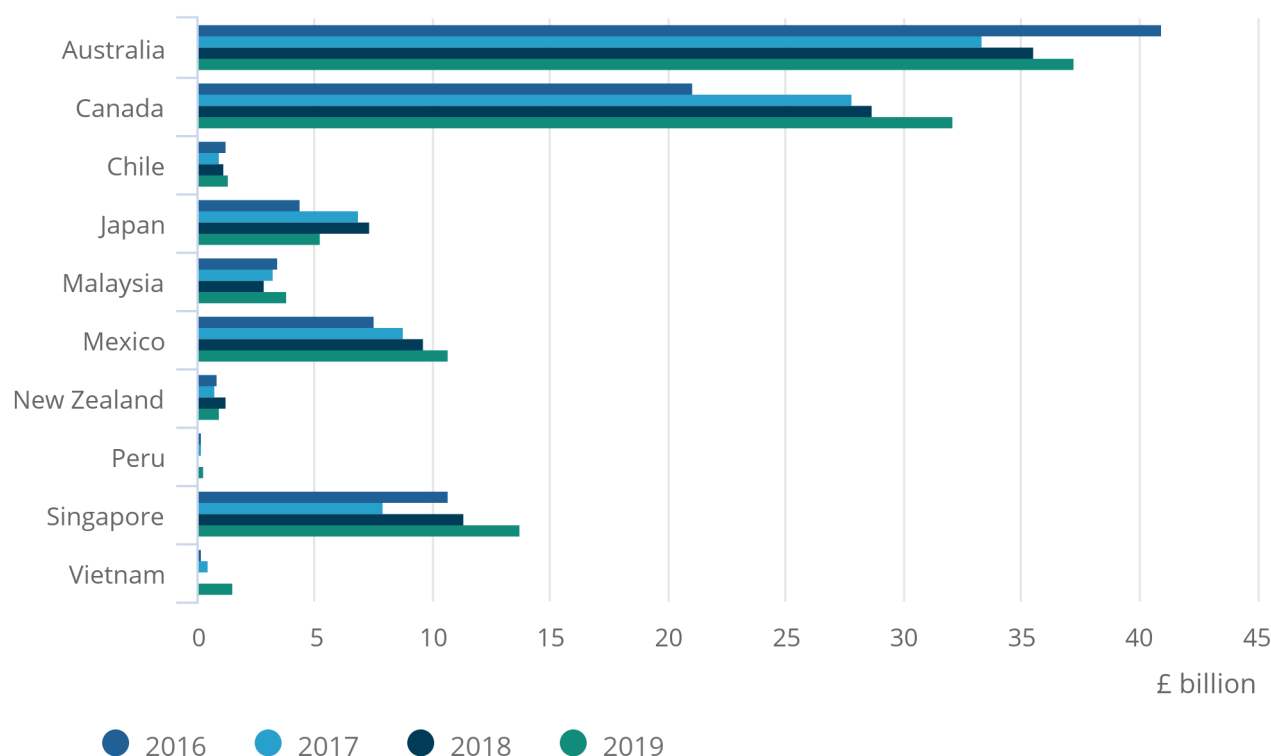
The outward FDI position for the UK was the highest with Australia and Canada among CPTPP countries. These two countries accounted for £37.3 billion and £32.1 billion respectively of the UK's outward FDI position in 2019.

Figure 15: Canada and Mexico followed upward trends in outward foreign direct investment positions between 2016 and 2019

Outward foreign direct investment positions with CPTPP countries, UK, £ billion, 2016 to 2019

Figure 15: Canada and Mexico followed upward trends in outward foreign direct investment positions between 2016 and 2019

Outward foreign direct investment positions with CPTPP countries, UK, £ billion, 2016 to 2019



Source: Office for National Statistics - Foreign Direct Investment Survey

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5. CPTPP - Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Financial services in Australia were £10.3 billion in 2016 (24.5% of the UK's outward FDI position with Australia) and £10.0 billion in 2017 (29.9%). However, the annual values decreased in 2018 and 2019 (to £7.0 billion). On the other hand, professional, scientific and technical services FDI positions steadily increased over the four-year period of 2016 to 2019. This upward trend in these professional services industries was also observed in four other CPTPP countries - Canada, Mexico, Singapore and Japan – for which information was available.

7 . UK trade and direct investment data

[Trade in goods: country-by-commodity imports](#)

Dataset | Released 11 November 2021

Monthly import country-by-commodity data on the UK's trade in goods, including trade by all countries and selected commodities, non-seasonally adjusted.

[Trade in goods: country-by-commodity exports](#)

Dataset | Released 11 November 2021

Monthly export country-by-commodity data on the UK's trade in goods, including trade by all countries and selected commodities, non-seasonally adjusted.

[Trade in services: service type by partner country, non-seasonally adjusted](#)

Dataset | Released 26 October 2021

Quarterly estimates of service type by partner country, non-seasonally adjusted.

[Foreign Direct Investment involving UK companies \(directional\): inward](#)

Dataset | Released 21 December 2020

Annual statistics on the investment of foreign companies into the UK, including for investment flows, positions and earnings.

[Foreign Direct Investment involving UK companies \(directional\): outward](#)

Dataset | Released 21 December 2020

Annual statistics on the investment of UK companies abroad, including for investment flows, positions and earnings.

8 . Glossary

Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP)

The [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) (CPTPP) is a free trade agreement between 11 countries around the Pacific Rim signed in 2018. These 11 countries are:

- Australia
- Brunei Darussalam
- Canada
- Chile
- Japan
- Malaysia
- Mexico
- New Zealand
- Peru
- Singapore
- Vietnam

Foreign direct investment

Foreign direct investment (FDI) is cross-border investment made with the objective of establishing a lasting interest in the host country. FDI is also defined by control relationships, where the direct investor (parent company) controls at least 10% of the voting power (ordinary shares) of the direct investment enterprise. These relationships can be measured in two directions:

- outward: the direct investments of UK-resident companies in other countries
- inward: the direct investments in the UK from non-resident companies

FDI position

The FDI position is the value of the stock of investment held at a point in time. These statistics are presented as the stock of FDI controlled by UK-resident companies abroad (outward) or the stock of FDI in the UK controlled by foreign companies (inward). FDI positions are net values for the investments held by the direct investor (parent company) minus reverse investment by direct investment enterprises.

Free trade agreement

An agreement between two or more countries that seeks to reduce barriers to trade and investment by reducing or removing tariffs, quotas, and restrictions. Free trade agreements usually have the objective of promoting trade and investment among participating countries as well as setting agreed rules and standards.

Total trade

The value of total trade between two trading partners (exports plus imports).

Trade balance

The trade balance is the difference between exports and imports, or exports minus imports. When the value of exports is greater than the value of imports, the trade balance is in surplus. When the value of imports is greater than the value of exports, the trade balance is in deficit. The balance is sometimes referred to as "net exports".

UK exports

Goods or services sold to other countries - the opposite of imports.

UK imports

Purchases of foreign goods and services by the UK - the opposite of exports.

9 . Data sources and quality

Total trade in services data presented in this article include data for all 11 Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries. Trade in services data by service type are available for 8 of the 11 CPTPP countries; data by service type for Brunei Darussalam, Peru and Vietnam are not presented separately. Therefore, analysis by service type use data for the eight CPTPP countries for which data by service type are available.

UK trade data

UK trade data used in this article, unless stated, are non-seasonally adjusted, in current prices, meaning that they have not been adjusted to remove the effects of inflation and seasonality.

Further information on UK trade data is available in the [UK trade quality and methodology \(QMI\) document](#).

Trade asymmetries

UK trade data used in this publication are our best estimates of bilateral UK trade flows, compiled following internationally agreed standards and using a wide range of robust data sources. Differences between estimates are known as trade asymmetries and are a known aspect of international trade statistics, affecting bilateral estimates across the globe, not just in the UK.

Asymmetries can be caused by a range of conceptual and measurement variations between the estimation practices of different countries. Statistical agencies are likely to have different source data, estimation methods, and methodological, geographical and definitional differences. More information on trade in goods asymmetries is published by [HM Revenue and Customs \(HMRC\)](#). Analysis on trade in services asymmetries is published by the [Office for National Statistics \(ONS\)](#).

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [UK trade QMI](#).

Foreign direct investment

The main source of information for UK foreign direct investment (FDI) statistics is the Annual FDI Survey. Separate surveys are used to collect data on inward and outward FDI. This is combined with data from the Bank of England for all monetary financial institutions - such as banks - and other sources for property and public corporations in FDI. Survey responses are used to estimate or impute FDI values for every company in the UK's inward and outward FDI populations.

10 . Related links

[The impacts of EU exit and coronavirus \(COVID-19\) on UK trade in services: November 2021](#)

Article | Released 22 November 2021

An analysis of UK trade in services in the context of the ongoing coronavirus (COVID-19) pandemic and the end of the EU transition period on 31 December 2020.

[UK Balance of Payments, The Pink Book: 2021](#)

Bulletin | Released 29 October 2021

Balances between inward and outward transactions, providing a net flow of transactions between UK residents and the rest of the world and reports on how that flow is funded.

[The impacts of EU exit and the coronavirus on UK trade in goods](#)

Article | Released 25 May 2021

An analysis of UK trade in goods in the context of the ongoing coronavirus (COVID-19) pandemic and the end of the EU transition period on 31 December 2020.

[UK trade in services by partner country: July to September 2019](#)

Bulletin | Released 22 January 2020

Trade in services data Experimental Statistics, including breakdown of exports and imports by country and geographical region, EU and non-EU.