

Statistical bulletin

# UK Trade in Goods by Classification of Product by Activity CPA(08): Quarter 2 (April to June) 2015

The value of UK exports and imports of goods grouped by industry. Goods are attributed to the industry of which they are the principal products.

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## Table of contents

1. [Introduction](#)
2. [UK trade in goods, Quarter 2 \(April to June\) 2015](#)
3. [Change in value by industry, Quarter 2 \(April to June\) 2015](#)
4. [Background notes](#)

# 1. Introduction

- This publication presents a quarterly analysis of UK exports and imports of goods grouped according to the activity of which those goods are principal products. Data are presented according to the classes of the 2008 Classification of Product by Activity (CPA(08))
- All data are shown on a seasonally adjusted, balance of payments basis at current prices, which provides a comprehensive set of CPA (08) trade in goods figures fully compatible with our balance of payments and national accounts outputs
- The Quarter 2 April to June 2015 issue of UK trade in goods by CPA is consistent with the figures published in the UK trade, July 2015 release of 9 September 2015

## 2. UK trade in goods, Quarter 2 (April to June) 2015

In Quarter 2 April to June 2015, the deficit on trade in goods narrowed by £5.1 billion to £26.3 billion, compared with a deficit of £31.4 billion in Quarter 1 January to March 2015.

**Table 1: UK trade in goods, Quarter 1 (January to March) 2014 to Quarter 2 (April to June) 2015**

Seasonally adjusted: £ billion

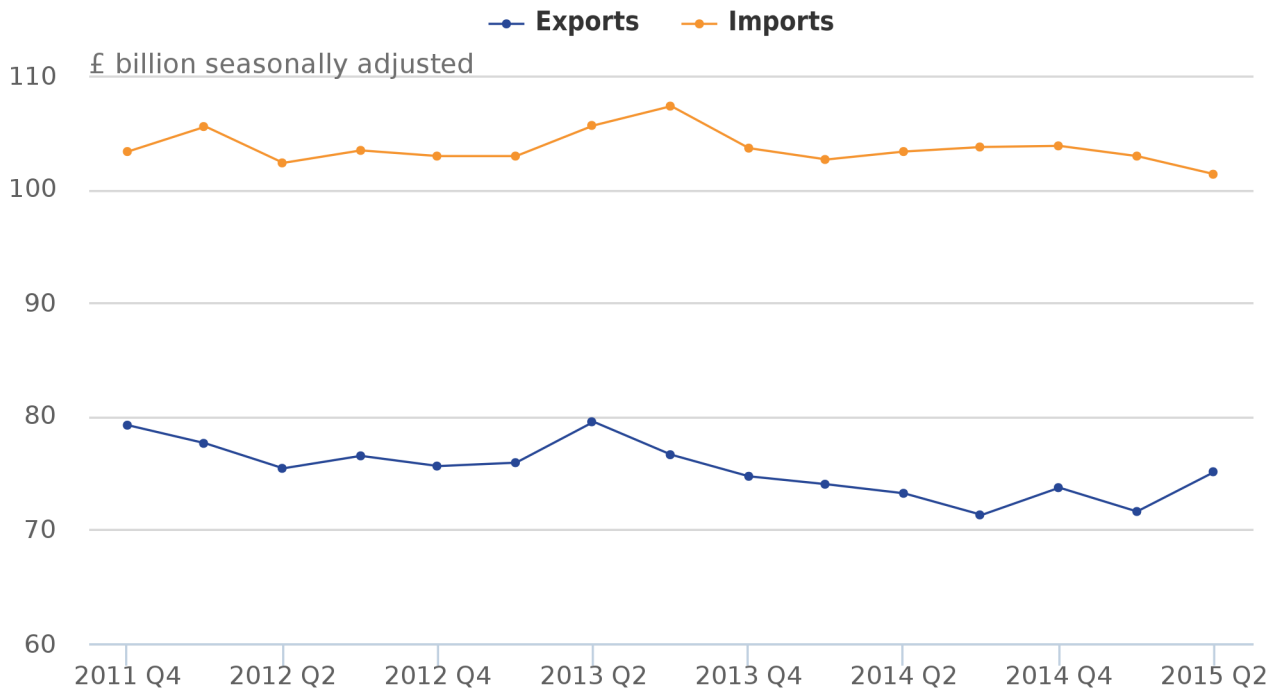
		Exports	Imports	Balance
2014	Q1	74.0	102.6	-28.6
	Q2	73.2	103.3	-30.1
	Q3	71.3	103.7	-32.4
	Q4	73.7	103.8	-30.1
2015	Q1	71.6	102.9	-31.4
	Q2	75.1	101.3	-26.3

Source: Office for National Statistics

Notes:

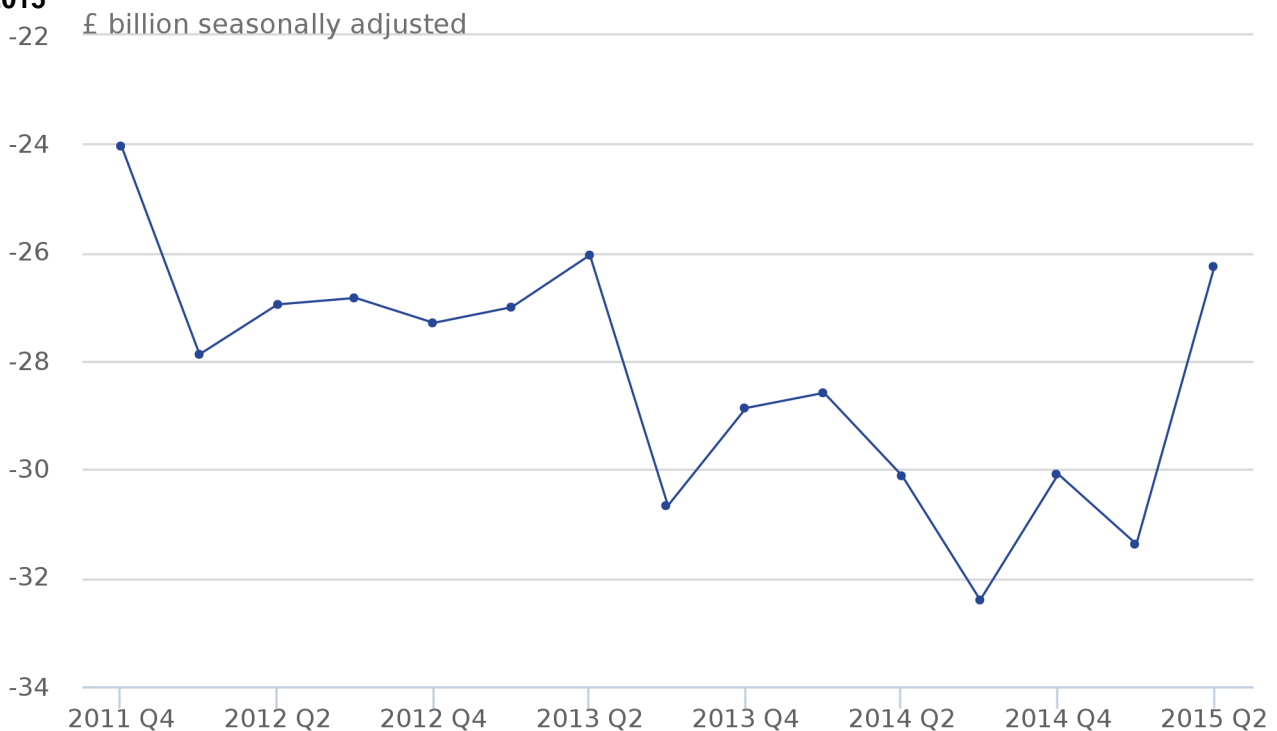
1. Q1 refers to Quarter 1 (January to March), Q2 refers to Quarter 2 (April to June), Q3 refers to Quarter 3 (July to September) and Q4 refers to Quarter 4 (October to December)

**Figure 1: Value of UK trade in goods, Quarter 4 (October to December) 2011 to Quarter 2 (April to June) 2015**



Source: Office for National Statistics

**Figure 2: Balance of UK trade in goods, Quarter 4 (October to December) 2011 to Quarter 2 (April to June) 2015**



Source: Office for National Statistics

### 3. Change in value by industry, Quarter 2 (April to June) 2015

In Quarter 2 April to June 2015, total exports increased by £3.5 billion (4.9%) to £75.1 billion and total imports decreased by £1.6 billion (1.6%) to £101.3 billion. At the industry level the data is shown in Tables 2 and 3.

**Table 2: Exports: change in value by industry grouping, Quarter 2 (April to June) 2015 compared with Quarter 1 (January to March) 2015**

	Exports (£m)
Section A: Products of Agriculture, Forestry & Fishing	-60
Section B: Mining & Quarrying	+762
Section C: Manufactured Products	+2,245
Section D: Electricity, Gas, Steam & Air Conditioning	-3
Section E: Water supply, Sewerage & Waste Management	+46
Section J: Information & Communication Services	+23
Section M: Professional, Scientific & Technical Services	-25
Section R: Arts, Entertainment & Recreation Services	+531

Source: Office for National Statistics Notes: 1. Seasonally adjusted: £ billion

**Table 3: Imports: change in value by industry grouping, Quarter 2 (April to June) 2015 compared with Quarter 1 (January to March) 2015**

	Imports (£m)
Section A: Products of Agriculture, Forestry & Fishing	+22
Section B: Mining & Quarrying	-1,084
Section C: Manufactured Products	-695
Section D: Electricity, Gas, Steam & Air Conditioning	+7
Section E: Water supply, Sewerage & Waste Management	+2
Section J: Information & Communication Services	-15
Section M: Professional, Scientific & Technical Services	0
Section R: Arts, Entertainment & Recreation Services	+170

Source: Office for National Statistics Notes: 1. Seasonally adjusted: £ billion

### 4. Background notes

#### 1. What's new?

##### **UK Trade National Statistics suspension**

Due to a series of errors during 2014, the UK Statistics Authority [suspended the National Statistics designation of UK trade](#) on 14 November 2014. The Authority's reassessment of UK Trade against the Code of Practice for Official Statistics has been completed. We are committed to meeting the requirements

and regaining National Statistics status for UK Trade as soon as possible and will keep users informed of progress.

## **Termination of UK trade by CPA statistical bulletin**

As part of our programme of work to regain National Statistics status for UK trade we have considered the appropriateness of this separate UK trade by CPA publication. Following an internal review of our publications and a [wider survey of users](#) we have decided that this statistical bulletin will cease in the current format, but the tables will still be published on the 18 December 2015 onwards on the [main UK trade release page](#).

Evidence from the user survey and other sources suggests that the majority of users only use the data tables of the UK trade by CPA publication and we are confident that delivering data in table format only will continue to meet user's needs. This change will enable data to be linked between the CPA release and the main UK trade release which will increase the accessibility and increase the use of the CPA data tables, by providing them to a wider audience

It is likely that on an annual basis we will provide commentary alongside the data tables in a "short story" format - but we would welcome feedback on this suggestion. To provide feedback please contact us via email [trade.in.goods@ons.gsi.gov.uk](mailto:trade.in.goods@ons.gsi.gov.uk)

## **Revisions**

Trade in goods figures are revised to take in adjustments to the overseas trade statistics (OTS) data and changes in the seasonal adjustment factors. There is a need to revise the EU estimates over a longer period of time because of the Intrastat system. Most revisions are small in relation to the variability of the series.

In this release, periods from Quarter 1 January to March 2015 have been revised based on improved methodology. This is in line with the UK Trade and National Accounts revisions policy.

## **2. Special events**

An article outlining the [ONS policy on special events](#) can be found on the ONS website.

## **3. Code of Practice for Official Statistics**

National Statistics are produced to high professional standards set out in the [Code of Practice for Official Statistics](#). They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

## **4. Understanding the data**

The statistics of trade in goods compiled by the Office for National Statistics (ONS) are derived principally from data provided by Her Majesty's Revenue & Customs (HMRC).

## **5. Overseas trade statistics compiled by HMRC**

Since 1993 statistics of the UK's overseas trade in goods comprise:

- statistics of UK imports from and exports to countries outside the EU, which have been compiled from declarations made to HM Revenue & Customs (HMRC), previously Customs & Excise
- statistics of UK arrivals (imports) from and dispatches (exports) to other member states of the EU, compiled from Intrastat returns sent to HMRC.

The Intrastat system is linked to Value Added Tax (VAT) and has applied since 1993 in all EU member states. Prior to 1993, statistics of UK trade with all countries were compiled from declarations made to HM Revenue & Customs.

6. For statistical purposes, the UK adopts the valuation bases recommended in the International Merchandise Trade Statistics Concepts and Definitions published by the United Nations. This means the valuation of exports (dispatches) is on a free on board (FOB) basis, that is the cost of goods to the purchaser abroad,

and the valuation of imports (arrivals) is on a cost, insurance and freight (CIF) basis. This includes all expenses incurred moving the goods to the point of entry into the UK, but excludes any duty or tax chargeable in the UK.

## 7. Our balance of payments statistics

To conform to the International Monetary Fund (IMF) Balance of Payments (BoP) definition, the value of imports required is the value of goods at the point of export (that is, the Customs border of the exporting country) rather than the value of goods as they arrive in the UK. The freight and insurance costs of transporting the goods to the UK needs to be deducted from the values recorded by HMRC.

8. In addition, we have had to make various other adjustments to include transactions which are not reported to HMRC and to exclude transactions reported to HMRC but where there is no change of ownership. Table 2.4 in our annual publication United Kingdom Balance of Payments summarises the transition from trade in goods statistics on an overseas trade statistics (OTS) basis (compiled by HMRC) to a BoP basis (compiled by us) for each of the last 11 years.
9. Following a change in the pattern of trading associated with Missing Trader Intra-Community (MTIC) fraud, identified by HMRC, interpretation of the breakdown between EU and non-EU trade is more difficult. Some VAT MTIC fraud has affected non-EU exports from 2004 onwards. However, the MTIC trade adjustments are added to the EU import estimates derived from Intrastat returns as it is this part of the chain that is generally not recorded. Changes to the pattern of MTIC can therefore make it difficult to analyse trade by commodity group and by country as increases inflate both imports and exports. In particular, adjustments affect trade in capital goods and intermediate goods – these categories include mobile phones and computer components.
10. The CPA is the classification of products at the level of the European Union. Product classifications are designed to categorise products that have common characteristics. They provide the basis for collecting and calculating statistics on the production, distributive trade, consumption, foreign trade and transport of such products. A major revision of the CPA was adopted in April 2008. New concepts, such as originals and intellectual property products, have been introduced, and further detail has been added to reflect new products. A correspondence table between the [CPA02 and CPA08 classifications](#) can be found on the Eurostat website.
11. Not all exports allocated to an industry were necessarily produced in establishments classified to that industry. However, the exports attributed to an industry are broadly comparable with sales figures for principal products of that industry. Imports refer to the industry by which the commodity was produced, rather than by the importing industry.

## 12. Seasonal adjustment

Our quarterly trade in goods figures are published on a seasonally adjusted basis. The seasonally adjusted series for total trade in goods are derived by summing or weighting together major commodity components. In common with our other outputs, the seasonal adjustment package used is X12ARIMA, developed by Stats Canada.

## 13. Rounding

Figures on a balance of payments basis are adjusted to ensure arithmetical consistency, in line with conventions used in the national accounts.

## 14. Related data

Equivalent information at constant prices is available from the ONS Customer Contact Centre (see the reverse title page of this publication). We can also supply comparable information for UK trade with the EU and non-EU countries. As a result of the methodological changes which could not be carried through to world totals, a few EU and non-EU series may have negative values.

## 15. Further information

[Statistics on Trade in Goods \(GSS Methodological Series No. 36\) \(384.4 Kb Pdf\)](#) gives comprehensive explanations of the bases on which trade in goods statistics are compiled and is available on our website.

## 16. Publication policy

Details of the policy governing the release of new data are available from our [Media Relations Office](#).

## 17. Accessing data

The complete run of data in the tables of this statistical bulletin are also available to view and download in other electronic formats free of charge, using the [UK Trade in Goods by CPA\(08\), Quarter 2 April to June 2015 Dataset](#) website service. Users can download the complete statistical bulletin in a choice of zipped formats, or view and download their own selections of individual series.

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform your work. To provide feedback on the bulletin please or to request further information, please contact us via email on [trade.in.goods@ons.gsi.gov.uk](mailto:trade.in.goods@ons.gsi.gov.uk)

18. Follow us on [Twitter](#) and receive up to date information about our statistical releases.

19. Like us on [Facebook](#) to receive our updates in your newsfeed and to post comments on our page.

20. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)