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Geographical pattern of UK trade

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Summary

This note looks at the UK's main trading partners over the last 10-15 years.

The EU as a bloc is the UK's largest trading partner. In 2017, it accounted for 44% of UK exports of goods and services and 53% of the UK's imports. The EU's share of UK exports has been falling in recent years: in 1999, the EU's share was nearly 55%.

Looking at individual countries, the US is the UK's largest trading partner. The UK exported £112 billion of goods and services to the US in 2016, 18% of the total. This was slightly less than double the value of exports to Germany, the UK's second largest export market (£57 billion). 10 of the UK's top 25 export markets in 2017 were EU member states, as were 13 of the top 25 countries from which the UK imports.

Trade with China has expanded rapidly in recent years. China now accounts for over 7% of UK imports compared with 1.5% in 1999 and is the UK's fourth largest source of imports. The UK exported £22 billion of goods and services to China in 2017 making it the sixth largest export market for the UK. Trade with India has also increased - India's share of UK imports has increased from 0.9% to 1.7% since 1999.

The Commonwealth accounts for around 10% of UK trade. This proportion has remained reasonably stable over the last decade. The UK's largest trading partners among the Commonwealth countries are India, Australia, Canada, Singapore and South Africa.

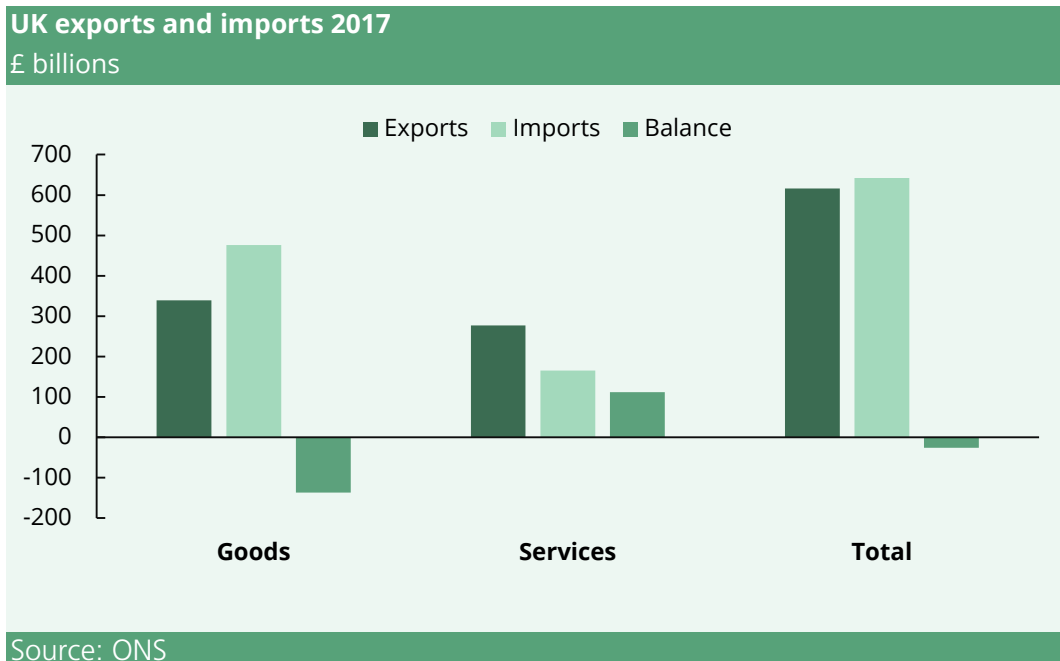
1. Introduction

In 2017, total UK exports were £616 billion and total imports were £642 billion. The UK had a trade deficit of £26 billion.

Total trade can be broken down into goods and services. The UK has a trade deficit in goods but a surplus on trade in services. UK exports of goods were £339 billion and goods imports were £476 billion in 2017. The UK's deficit on trade in goods was £137 billion. UK exports of services were £277 billion in 2017. Imports of services were £166 billion giving a surplus of £112 billion.¹

| UK trade, 2017 | | | |
|----------------|---------|---------|---------|
| £ billion | | | |
| | Exports | Imports | Balance |
| Goods | 338.9 | 476.3 | -137.4 |
| Services | 277.0 | 165.5 | 111.6 |
| Total | 615.9 | 641.8 | -25.9 |

Source: ONS, Pink Book 2018



¹ ONS, [Pink Book 2018](#), section 9, Geographical breakdown of the current account, July 2018

2. Overview

The chart below shows the overall pattern of UK trade in 2017. The EU is the largest trading partner accounting for 44% of UK exports of goods and services and 53% of imports. The rest of Europe accounts for around 9% exports and 9% of imports. Asia accounts for around 20% of both UK imports and exports. The Americas accounted for 22% of UK exports in 2017 and 14% of imports.



The table below shows more detail on trade with individual trading partners. Trade with the EU, US, China, India and the Commonwealth is discussed in more depth in the following sections.

| UK trade in goods and services by trading partner, 2017 | | | | | |
|---|--------------|--------------------|--------------|--------------------|----------------------|
| | Exports | | Imports | | Balance £ billion |
| | £ billion | % of total exports | £ billion | % of total imports | |
| Europe | | | | | |
| EU | 274.0 | 44.5% | 341.0 | 53.1% | -67.0 |
| EFTA | | | | | |
| Iceland | 0.7 | 0.1% | 1.2 | 0.2% | -0.5 |
| Liechtenstein | 0.1 | 0.0% | 0.1 | 0.0% | 0.0 |
| Norway | 6.1 | 1.0% | 21.3 | 3.3% | -15.3 |
| Switzerland | 19.0 | 3.1% | 11.7 | 1.8% | 7.4 |
| Total EFTA | 25.9 | 4.2% | 34.3 | 5.3% | -8.4 |
| Other Europe | 32.5 | 5.3% | 26.2 | 4.1% | 6.4 |
| Total Europe | 332.2 | 53.9% | 401.2 | 62.5% | -68.9 |
| Americas | | | | | |
| Canada | 10.0 | 1.6% | 7.2 | 1.1% | 2.8 |
| United States of America | 112.2 | 18.2% | 70.4 | 11.0% | 41.9 |
| Total Americas | 135.7 | 22.0% | 89.3 | 13.9% | 46.4 |
| Asia | | | | | |
| China | 22.3 | 3.6% | 45.2 | 7.0% | -22.9 |
| Hong Kong | 11.4 | 1.9% | 9.4 | 1.5% | 2.0 |
| India | 6.9 | 1.1% | 10.9 | 1.7% | -4.0 |
| Japan | 13.5 | 2.2% | 14.2 | 2.2% | -0.6 |
| Singapore | 9.6 | 1.6% | 5.2 | 0.8% | 4.4 |
| South Korea | 8.2 | 1.3% | 5.1 | 0.8% | 3.1 |
| Total Asia | 117.2 | 19.0% | 130.5 | 20.3% | -13.3 |
| Australasia & Oceania | | | | | |
| Australia | 10.8 | 1.8% | 5.3 | 0.8% | 5.5 |
| Total Australasia & Oceania | 13.2 | 2.1% | 6.7 | 1.0% | 6.5 |
| Total Africa | 17.6 | 2.9% | 14.1 | 2.2% | 3.4 |
| World total | 615.9 | 100.0% | 641.8 | 100.0% | -25.9 |

Source: ONS Pink Book 2018, Table 9.3

3. UK trade with particular trading partners

3.1 Top 25 trading partners

The UK's top 25 trading partners in 2017 are shown in the two tables below. The US is by some way the UK's largest export market if attention is limited to individual countries, rather than trading blocs like the EU. Exports to the US were £112.2 billion in 2017, 18% of the total. Germany was the second largest export market in 2017 at £57 billion. 10 of the UK's top 25 export markets are in the EU.

| Top 25 UK export markets | | |
|---------------------------------|------------------|---------------------|
| Goods and services 2017 | | |
| | £ billion | % of exports |
| United States of America | 112.2 | 18.2% |
| Germany | 56.8 | 9.2% |
| France | 40.4 | 6.6% |
| Netherlands | 39.0 | 6.3% |
| Ireland | 34.0 | 5.5% |
| China | 22.3 | 3.6% |
| Switzerland | 19.0 | 3.1% |
| Italy | 18.9 | 3.1% |
| Belgium | 18.7 | 3.0% |
| Spain | 16.1 | 2.6% |
| Japan | 13.5 | 2.2% |
| Hong Kong | 11.4 | 1.9% |
| Sweden | 11.1 | 1.8% |
| Australia | 10.8 | 1.8% |
| Canada | 10.0 | 1.6% |
| Singapore | 9.6 | 1.6% |
| South Korea | 8.2 | 1.3% |
| Turkey | 7.8 | 1.3% |
| India | 6.9 | 1.1% |
| Poland | 6.9 | 1.1% |
| Denmark | 6.6 | 1.1% |
| Saudi Arabia | 6.2 | 1.0% |
| Norway | 6.1 | 1.0% |
| Russia | 5.9 | 1.0% |
| South Africa | 4.7 | 0.8% |

Source: ONS

Germany was the largest source of UK imports in 2017. The UK imported £78 billion from Germany, 12% of all UK imports. The US was the second largest source of imports at £70 billion and the Netherlands third at £47 billion. 12 of the top 25 import markets were in the EU in 2017.

| Top 25 UK imports markets | | |
|----------------------------------|------------------|---------------------|
| Goods and services 2017 | | |
| | £ billion | % of imports |
| Germany | 78.1 | 12.2% |
| United States of America | 70.4 | 11.0% |
| Netherlands | 46.9 | 7.3% |
| China | 45.2 | 7.0% |
| France | 40.8 | 6.4% |
| Spain | 31.3 | 4.9% |
| Belgium | 28.2 | 4.4% |
| Italy | 24.0 | 3.7% |
| Ireland | 21.8 | 3.4% |
| Norway | 21.3 | 3.3% |
| Japan | 14.2 | 2.2% |
| Poland | 12.8 | 2.0% |
| Switzerland | 11.7 | 1.8% |
| India | 10.9 | 1.7% |
| Turkey | 10.4 | 1.6% |
| Hong Kong | 9.4 | 1.5% |
| Sweden | 9.1 | 1.4% |
| Canada | 7.2 | 1.1% |
| Russia | 6.5 | 1.0% |
| Denmark | 6.4 | 1.0% |
| Czech Republic | 6.3 | 1.0% |
| Portugal | 5.9 | 0.9% |
| Australia | 5.3 | 0.8% |
| Singapore | 5.2 | 0.8% |
| South Korea | 5.1 | 0.8% |

Source: ONS

3.2 EU

In 2017, the UK exported £274 billion of goods and services to other EU member states. This is equivalent to 44.5% of total UK exports. Goods and services imports from the EU were worth £342 billion (55.5% of the total) in 2017. The UK had a trade deficit of -£67 billion with the EU in 2017 but a surplus of £41 billion with non-EU countries.

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UK trade with EU and non-EU countries, 2017

£ billion, Goods and services



Source: ONS, Pink Book

UK trade with EU and non-EU countries 2017

Goods and services

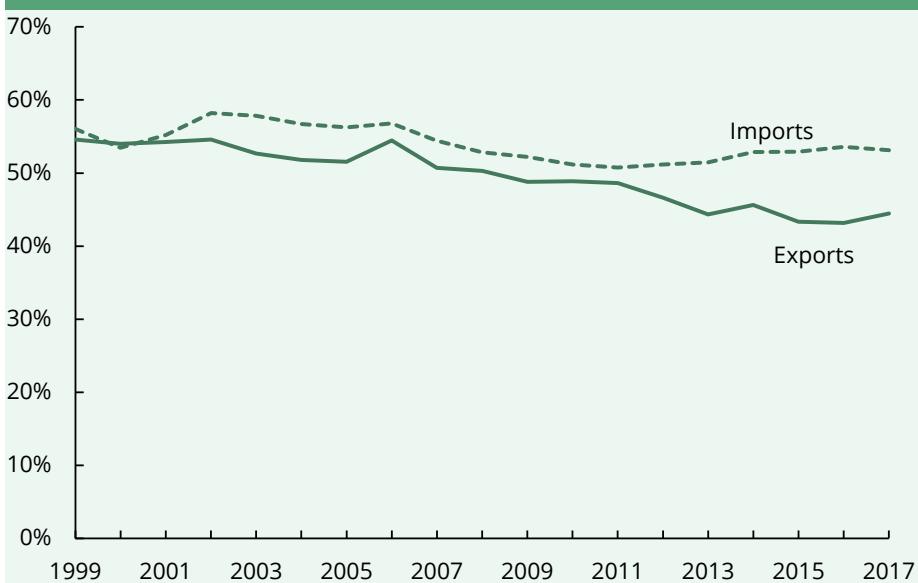
| | Exports | | Imports | | Balance |
|--------|-----------|--------|-----------|--------|-----------|
| | £ billion | % | £ billion | % | £ billion |
| EU | 274 | 44.5% | 341 | 53.1% | -67 |
| Non-EU | 342 | 55.5% | 301 | 46.9% | 41 |
| Total | 616 | 100.0% | 642 | 100.0% | -26 |

Source: ONS

The share of UK exports accounted for by the EU fell from 58% in 2002 to 44% in 2017. The EU accounted for 59% of UK imports in 2002. This fell to 50% in 2011 but increased again to 53% in 2017.

Share of UK trade with EU, 1999-2017

%, Goods and services



Source: ONS

The table below shows UK trade with each of the other 27 EU member states in 2017. The UK had a trade deficit with 17 of these countries, a surplus with 4 and was broadly in balance with 5.

| UK trade with EU Member States, Goods and services, 2017 | | | | | | |
|--|-----------|---------------------|-----------|---------------------|----------------------|--|
| | Exports | | Imports | | Balance £ billion | |
| | £ billion | % of all UK exports | £ billion | % of all UK exports | | |
| Austria | 3.1 | 0.6% | 4.7 | 0.8% | -1.6 | |
| Belgium | 18.7 | 3.4% | 28.2 | 4.8% | -9.5 | |
| Bulgaria | 0.6 | 0.1% | 0.9 | 0.2% | -0.3 | |
| Croatia | 0.2 | 0.0% | 0.6 | 0.1% | -0.4 | |
| Cyprus | 1.0 | 0.2% | 1.4 | 0.2% | -0.4 | |
| Czech Republic | 3.1 | 0.6% | 6.3 | 1.1% | -3.2 | |
| Denmark | 6.6 | 1.2% | 6.4 | 1.1% | 0.2 | |
| Estonia | 0.2 | 0.0% | 0.2 | 0.0% | -0.02 | |
| Finland | 2.6 | 0.5% | 3.0 | 0.5% | -0.4 | |
| France | 40.4 | 7.4% | 40.8 | 6.9% | -0.4 | |
| Germany | 56.8 | 10.4% | 78.1 | 13.2% | -21.3 | |
| Greece | 2.0 | 0.4% | 3.9 | 0.7% | -2.0 | |
| Hungary | 2.1 | 0.4% | 3.5 | 0.6% | -1.4 | |
| Ireland | 34.0 | 6.2% | 21.8 | 3.7% | 12.2 | |
| Italy | 18.9 | 3.4% | 24.0 | 4.1% | -5.1 | |
| Latvia | 0.4 | 0.1% | 0.7 | 0.1% | -0.3 | |
| Lithuania | 0.7 | 0.1% | 0.9 | 0.2% | -0.2 | |
| Luxembourg | 3.0 | 0.5% | 2.7 | 0.5% | 0.3 | |
| Malta | 0.8 | 0.1% | 1.0 | 0.2% | -0.2 | |
| Netherlands | 39.0 | 7.1% | 46.9 | 7.9% | -7.9 | |
| Poland | 6.9 | 1.3% | 12.8 | 2.2% | -5.9 | |
| Portugal | 2.4 | 0.4% | 5.9 | 1.0% | -3.5 | |
| Romania | 2.0 | 0.4% | 2.7 | 0.5% | -0.7 | |
| Slovak Republic | 0.8 | 0.2% | 2.7 | 0.5% | -1.8 | |
| Slovenia | 0.4 | 0.1% | 0.4 | 0.1% | -0.1 | |
| Spain | 16.1 | 2.9% | 31.3 | 5.3% | -15.2 | |
| Sweden | 11.1 | 2.0% | 9.1 | 1.5% | 2.0 | |
| Total EU28 | 274.0 | 50.0% | 341.0 | 57.7% | -67.0 | |

Source: ONS Pink Book 2018, Table 9.3

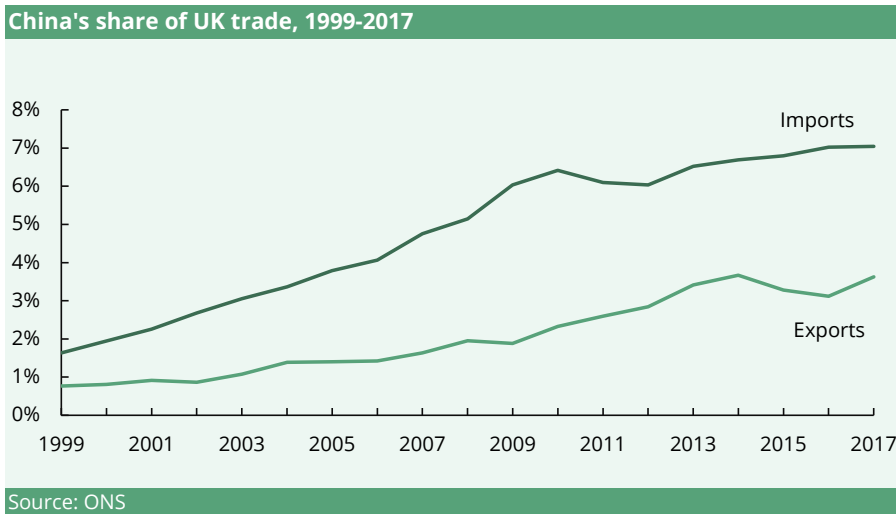
The figures in this note do not take the “Rotterdam effect” into account. This is the argument that estimates of trade with the EU may be inflated if trade recorded as being with the Netherlands is actually with non-EU countries. There are no official estimates of the size of the Rotterdam effect but even taking it into account, the EU remains the UK’s largest trading partner by some distance.²

² The Rotterdam effect is discussed in more detail in the House of Commons Library briefing [In brief: UK-EU economic relations](#) (page 7).

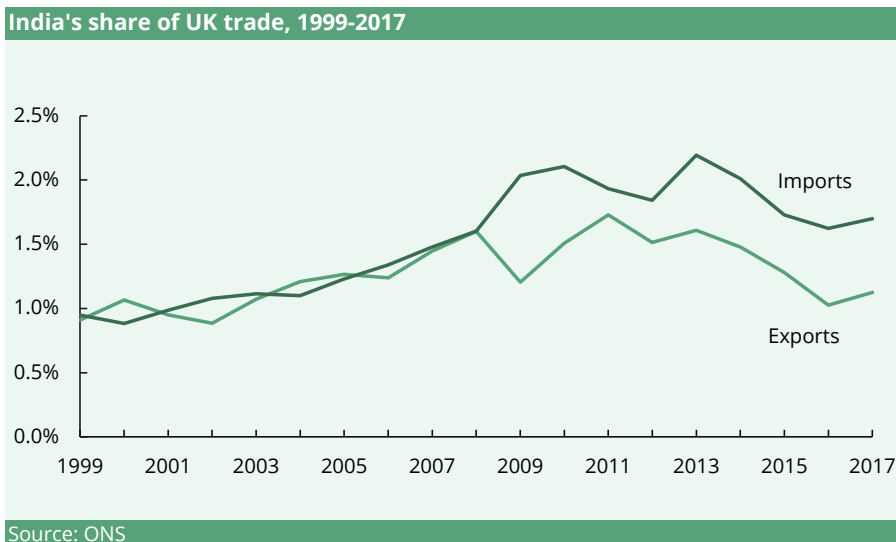
3.3 China, India and the US

Trade with China has expanded rapidly over recent years. UK exports to China were £22 billion in 2017 – this was an increase of 29% on 2016. In 2017, China accounted for 3.6% of UK exports, compared with less than 1% in 1999. In 2017, China was the UK’s sixth largest export market, up from the eighth largest in 2016.

Imports from China have increased even more rapidly, reaching £45 billion in 2016, up from £41 billion in 2015. China now accounts for 7% of UK imports, compared with 1.5% in 1999. China was the fourth largest source of UK imports in 2017.

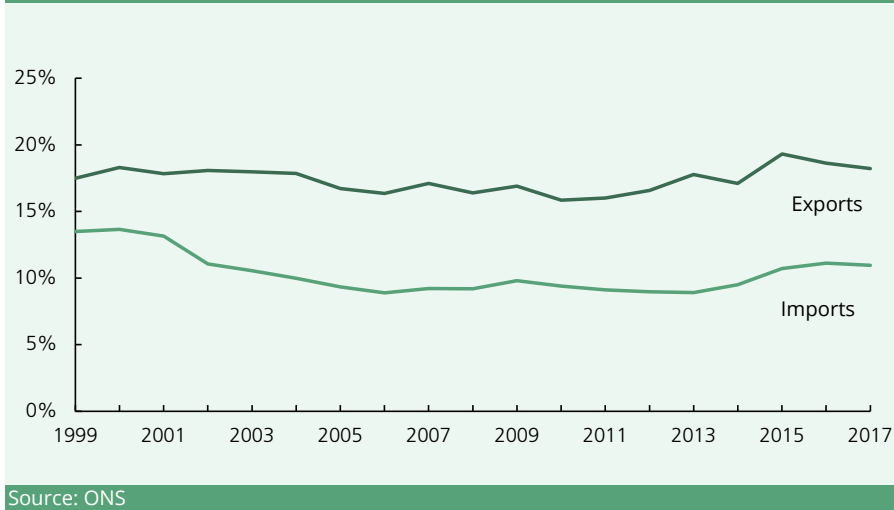


Trade with India has also increased, although less rapidly than with China. The UK exported £6.7 billion to India in 2017, up from £5.7 billion in 2016 - this is first year on year increase in UK exports to India since 2013. UK imports from India were worth £10.9 billion, up from 2016, but down from a high of £12.1 billion in 2013. India accounted for 1.1% of UK exports in 2017 up from 0.9% in 1999, though down from a high of 1.7% in 2011. India accounted for 1.7% of UK imports in 2017 up from 0.9% in 1999. India was the 19th largest UK export market in 2016 and the 14th largest source of UK imports.



The US is the UK's largest single trading partner. In 2017 the UK exported £112 billion to the US accounting for 18% of UK exports. The US is also the second largest source of UK imports, behind Germany. In 2017, UK imports from the US were £70 billion, 11% of the total. The US's share of UK's exports has been relatively stable over the last 15 years fluctuating between 16% and 19%. The US accounted for 9% to 11% of UK imports over the last decade, down from 14% in 1999.

US's share of UK trade, 1999-2017



3.4 Trade with the Commonwealth

There are 52 members of the Commonwealth besides the UK. These vary greatly in size from G20 economies such as Australia, Canada, India and South Africa to very small economies such as Tuvalu, Vanuatu and Nauru.³

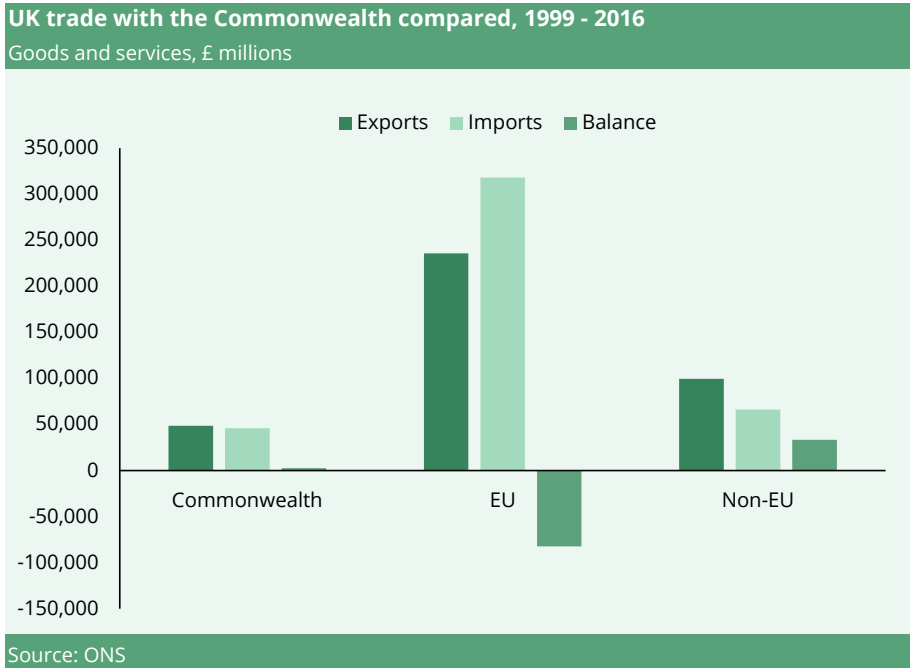
The UK's trade with the Commonwealth is heavily focussed on a small number of countries. Five countries (Australia, Canada, India, Singapore and South Africa) accounted for 70% of UK exports to Commonwealth countries and 65% of UK imports from the Commonwealth in 2015.

In 2016, UK exports of goods and services to the Commonwealth were £48.5 billion (8.9% of all UK exports). UK imports from the Commonwealth were £45.9 billion (7.8% of all UK imports).

As the chart below shows, trade with the Commonwealth is much lower than trade with the EU and also lower than trade with the US.

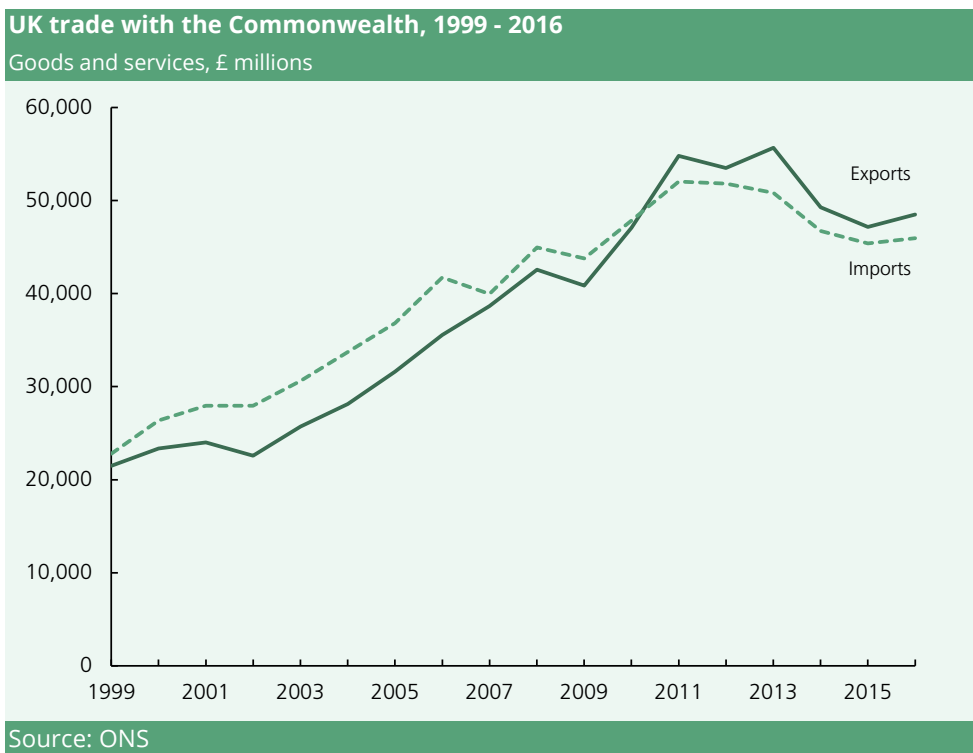
³ For more information on UK-Commonwealth trade see the House of Commons Library briefing [Statistics on UK trade with the Commonwealth](#)

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The chart below shows UK trade with Commonwealth since 1999.⁴

UK exports peaked at £55.6 billion in 2013; UK imports from the Commonwealth peaked at £52.0 billion in 2011.



⁴ Unadjusted for inflation.

| UK trade with the Commonwealth | | | | |
|---------------------------------------|----------------|------------|----------------|------------|
| Goods and services | | | | |
| | Exports | | Imports | |
| | £ billion | % of total | £ billion | % of total |
| 1999 | 21,487 | 8.8% | 22,800 | 8.8% |
| 2000 | 23,354 | 8.6% | 26,371 | 9.1% |
| 2001 | 24,027 | 8.6% | 27,957 | 9.2% |
| 2002 | 22,595 | 8.1% | 27,961 | 8.9% |
| 2003 | 25,723 | 8.8% | 30,635 | 9.5% |
| 2004 | 28,152 | 9.2% | 33,735 | 9.9% |
| 2005 | 31,628 | 9.2% | 36,814 | 9.7% |
| 2006 | 35,540 | 9.1% | 41,722 | 9.8% |
| 2007 | 38,659 | 10.1% | 39,958 | 9.5% |
| 2008 | 42,554 | 10.1% | 44,948 | 9.6% |
| 2009 | 40,859 | 10.2% | 43,764 | 10.1% |
| 2010 | 47,070 | 10.6% | 47,849 | 9.8% |
| 2011 | 54,794 | 11.0% | 52,037 | 9.9% |
| 2012 | 53,476 | 10.7% | 51,809 | 9.7% |
| 2013 | 55,647 | 10.7% | 50,817 | 9.2% |
| 2014 | 49,257 | 9.5% | 46,737 | 8.4% |
| 2015 | 47,157 | 9.1% | 45,397 | 8.3% |
| 2016 | 48,503 | 8.9% | 45,938 | 7.8% |

Source: ONS

The table below shows the 10 largest Commonwealth export markets for the UK in 2016. Australia was the largest single market. UK exports to Australia were £8.6 billion in 2015, 17.7% of all UK exports to the Commonwealth and 1.6% of all UK exports. Canada was the second largest market followed by Singapore.

| UK's largest Commonwealth exports markets, 2016 | | | |
|--|------------|------------------------------|--------------------|
| | £ millions | % of exports to Commonwealth | % of total exports |
| Australia | 8,607 | 17.7% | 1.6% |
| Canada | 8,317 | 17.1% | 1.5% |
| Singapore | 7,214 | 14.9% | 1.3% |
| India | 5,741 | 11.8% | 1.0% |
| South Africa | 4,332 | 8.9% | 0.8% |
| Nigeria | 2,146 | 4.4% | 0.4% |
| Malaysia | 2,096 | 4.3% | 0.4% |
| New Zealand | 1,294 | 2.7% | 0.2% |
| Malta | 1,092 | 2.3% | 0.2% |
| Cyprus | 1,055 | 2.2% | 0.2% |

Source: ONS

The equivalent data for imports are shown in the table below. The UK imported more from India than any other Commonwealth country in 2016. UK imports from India were £9.7 billion, 21% of all UK imports from the Commonwealth and 1.6% of all UK imports.

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| UK's largest source of Commonwealth imports, 2016 | | | |
|---|------------|------------------------------|--------------------|
| | £ millions | % of exports to Commonwealth | % of total exports |
| India | 9,650 | 21.0% | 1.6% |
| Canada | 7,120 | 15.5% | 1.2% |
| Singapore | 4,490 | 9.8% | 0.8% |
| Australia | 4,471 | 9.7% | 0.8% |
| South Africa | 4,446 | 9.7% | 0.8% |
| Malaysia | 2,580 | 5.6% | 0.4% |
| Bangladesh | 2,438 | 5.3% | 0.4% |
| Pakistan | 1,698 | 3.7% | 0.3% |
| Sri Lanka | 1,390 | 3.0% | 0.2% |
| Cyprus | 1,288 | 2.8% | 0.2% |

Source: ONS

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