



BRIEFING PAPER

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Statistics on UK-EU trade

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Summary

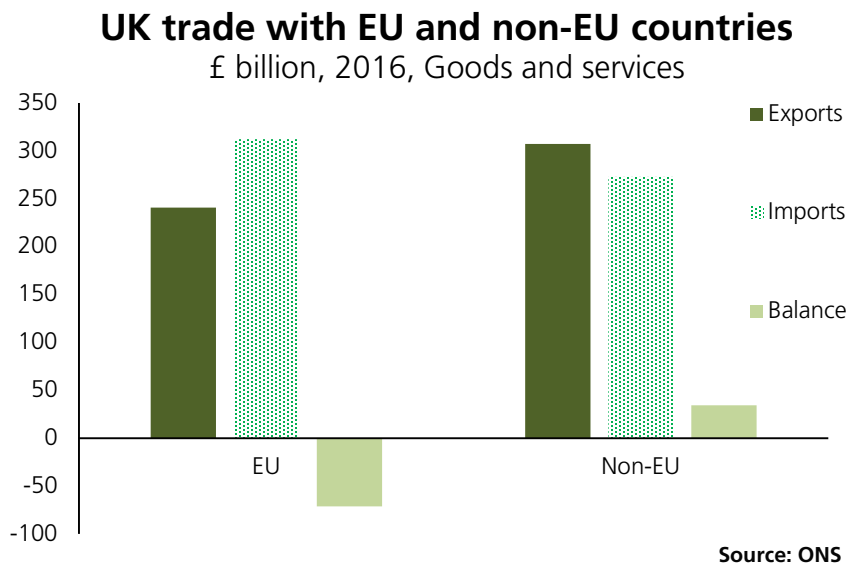
This note provides basic figures on UK trade with the EU.

Main points:

- The EU, taken as a whole is the UK's largest trading partner. In 2016, UK exports to the EU were £241 billion (44% of all UK exports). UK imports from the EU were £312 billion (53% of all UK imports).
- The share of UK exports accounted for by the EU has fallen over time from 54% in 2006 to 44% in 2016. The share of UK imports accounted for by the EU fell from 58% in 2002 to 50% in 2011 before increasing to 53% in 2016.
- The UK had an overall trade deficit of £71 billion with the EU in 2016. A surplus of £24 billion on trade in services was outweighed by a deficit of £96 billion on trade in goods.
- The UK had a trade surplus of £34 billion with non-EU countries. A surplus of £73 billion on trade in services outweighed a deficit of £38 billion on trade in goods.
- Services accounted for 40% of the UK's exports to the EU in 2016. Financial services and other business services are important categories of services exports to the EU.
- Wales had the highest percentage of goods exports going to the EU of all the countries and regions in the UK in 2016. Northern Ireland had the highest proportion of goods imports from the EU.
- EU tariffs are generally low but are high on some goods, especially agricultural products.

1. Overview

In 2016, the UK exported £241 billion of goods and services to other EU member states. This is equivalent to 43.9% of total UK exports. Goods and services imports from the EU were worth £312 billion (53.4% of the total) in 2016. The UK had a trade deficit of £71 billion with the EU in 2016 but a surplus of £34 billion with non-EU countries.¹



UK trade with EU and non-EU countries 2016 Goods and services

| | Exports | | Imports | | Balance |
|--------|-----------|--------|-----------|--------|-----------|
| | £ billion | % | £ billion | % | £ billion |
| EU | 241 | 43.9% | 312 | 53.4% | -71 |
| Non-EU | 307 | 56.1% | 273 | 46.6% | +34 |
| Total | 548 | 100.0% | 585 | 100.0% | -37 |

Source: ONS Balance of Payments Stat Bulletin, 30 Jun 2017, Tables B & C

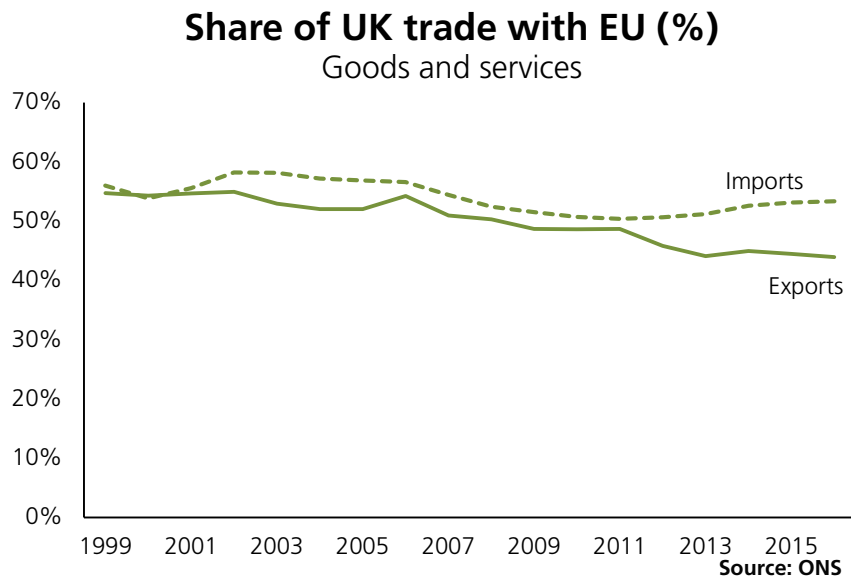
The share of UK exports going to the EU has declined gradually over recent years. In 2006, the EU accounted for 54% of UK exports. By 2016, this had fallen to 44%. The picture on imports is slightly less clear. In 2002, 58% of UK imports were from the EU. By 2011, this had fallen to 50% but has increased slightly to 53% in 2016. The Appendix at the end of this note shows a time series of data on UK trade with the EU.²

These figures take no account of the Rotterdam effect – the argument that trade with the EU is overstated as some trade recorded with the Netherlands may ultimately be with non-EU countries. The scale of this effect is not known. Even assuming a high proportion of recorded UK

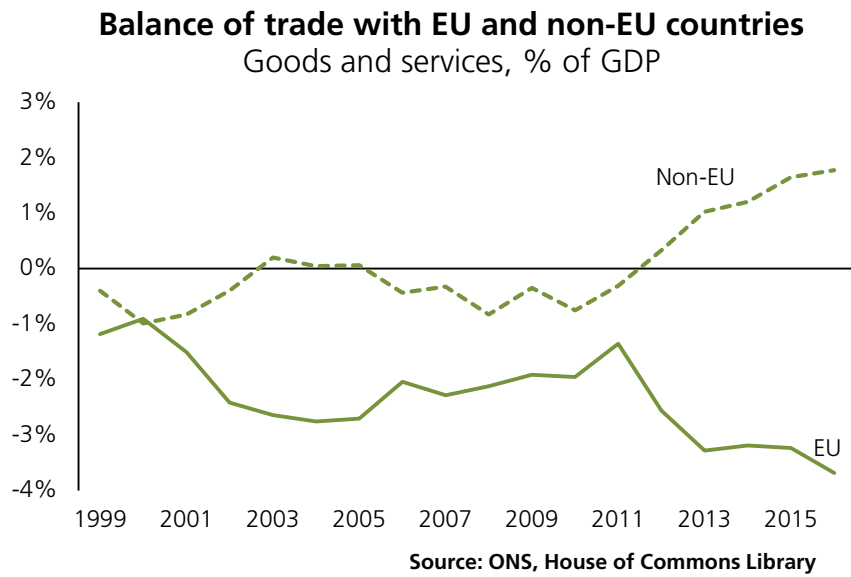
¹ ONS Statistical Bulletin, [Balance of payments: Jan to Mar 2017](#), 30 June 2017, Tables B and C

² The figures are for trade with the EU as it is now (ie 27 countries, plus the UK) for all years from 1999.

trade with the Netherlands is with non-EU countries, the EU remains the UK's largest trading partner by a considerable margin.



The UK has had a trade deficit with the EU in every year since 1999. By contrast, the UK has had a surplus with non-EU countries since 2012.



2. Trade between EU & Scotland, Wales, Northern Ireland & English regions

HMRC publish data on trade with the EU for Scotland, Wales, Northern Ireland and the English regions. These figures are for trade in goods only – they do not include services.³

Two thirds of exports of goods from Wales go to the EU. This is the highest proportion of any country or region in the UK. The North East and Northern Ireland also have relatively high shares of exports to the EU.

UK goods exports by country and region

£ billion, 2016

| | EU | Total | % EU |
|--------------------------|-------|-------|------|
| North East | 6.6 | 10.7 | 62% |
| North West | 13.4 | 29.0 | 46% |
| Yorkshire and The Humber | 7.7 | 13.9 | 55% |
| East Midlands | 8.2 | 15.7 | 52% |
| West Midlands | 13.0 | 27.7 | 47% |
| East | 13.7 | 26.0 | 53% |
| London | 15.0 | 34.6 | 43% |
| South East | 20.7 | 42.4 | 49% |
| South West | 9.0 | 21.6 | 42% |
| England | 107.3 | 221.6 | 48% |
| Wales | 8.3 | 12.4 | 67% |
| Scotland | 11.6 | 25.4 | 46% |
| Northern Ireland | 4.3 | 7.8 | 55% |
| Unallocated - Known | 11.8 | 17.4 | 68% |
| Unallocated - Unknown | 0.0 | 6.7 | 0% |
| UK | 143.4 | 291.3 | 49% |

Source: HMRC uktradeinfo, provisional data

Northern Ireland has the highest share of goods imports coming from the EU (73%). The North East, South East, West Midlands and East regions also have relatively high levels of imports from the EU.

³ HMRC, [Regional Trade Statistics](#)

UK goods imports by country and region

£ billion, 2016

| | EU | Total | % EU |
|--------------------------|--------------|--------------|-------------|
| North East | 7.5 | 11.7 | 64% |
| North West | 19.3 | 33.9 | 57% |
| Yorkshire and The Humber | 13.7 | 26.6 | 51% |
| East Midlands | 12.0 | 21.6 | 56% |
| West Midlands | 20.9 | 33.7 | 62% |
| East | 27.5 | 42.4 | 65% |
| London | 30.0 | 64.7 | 46% |
| South East | 53.4 | 82.0 | 65% |
| South West | 10.8 | 24.9 | 43% |
| England | 195.1 | 341.6 | 57% |
| Wales | 6.1 | 12.5 | 49% |
| Scotland | 9.3 | 23.3 | 40% |
| Northern Ireland | 7.4 | 10.1 | 73% |
| Unallocated - Known | 17.7 | 31.4 | 57% |
| Unallocated - Unknown | 0.2 | 6.4 | 2% |
| UK | 235.8 | 425.3 | 55% |

Source: HMRC uktradeinfo, provisional data

3. Tariffs

While the UK is a member of the EU, there are no tariffs on trade with other EU member states. Goods imported into the EU from non-EU countries pay the EU's common external tariff, unless there is a free trade agreement or preferential trade agreement.

The tariff rate differs between different goods. While on average EU tariffs are low, they are high for some products, especially agricultural products. The trade-weighted average EU tariff for non-agricultural products was 2.3% in 2014 and 8.5% for agricultural products.⁴ The table below gives a breakdown by type of product.

| Average EU tariff by product type (%) | |
|--|------|
| Animal products | 15.0 |
| Dairy products | 33.5 |
| Fruit, vegetables and plants | 10.3 |
| Coffee, tea | 6.0 |
| Cereals and preparations | 12.4 |
| Oilseeds, fats and oils | 6.0 |
| Sugars and confectionery | 20.2 |
| Beverages and tobacco | 19.4 |
| Cotton | 0.0 |
| Other agricultural products | 3.2 |
| Fish and fish products | 12.0 |
| Minerals and metals | 2.0 |
| Petroleum | 2.5 |
| Chemicals | 4.5 |
| Wood, paper etc | 0.9 |
| Textiles | 6.5 |
| Clothing | 11.4 |
| Leather, footwear etc | 4.1 |
| Non-electrical machinery | 1.9 |
| Electrical machinery | 2.8 |
| Transport equipment | 4.3 |
| Other manufactures | 2.6 |

Source: WTO World Tariff Profiles 2016, p81

⁴ WTO, World Tariff Profiles 2016, p81

4. Appendix 1: UK trade with EU and non-EU countries 1999-2016

Trade with the EU

Goods and services

| | Exports | | Imports | | Balance |
|------|-----------|------------|-----------|------------|-----------|
| | £ billion | % of total | £ billion | % of total | £ billion |
| 1999 | 132.7 | 54.7% | 144.8 | 56.0% | -12.1 |
| 2000 | 146.6 | 54.3% | 156.3 | 53.9% | -9.8 |
| 2001 | 152.1 | 54.7% | 168.9 | 55.5% | -16.9 |
| 2002 | 153.9 | 54.9% | 182.2 | 58.2% | -28.3 |
| 2003 | 155.3 | 53.0% | 188.1 | 58.1% | -32.8 |
| 2004 | 159.4 | 52.0% | 195.3 | 57.2% | -36.0 |
| 2005 | 177.6 | 52.0% | 214.9 | 56.9% | -37.3 |
| 2006 | 211.3 | 54.2% | 241.1 | 56.6% | -29.7 |
| 2007 | 193.8 | 50.9% | 228.8 | 54.4% | -35.0 |
| 2008 | 211.7 | 50.3% | 244.9 | 52.4% | -33.2 |
| 2009 | 194.0 | 48.7% | 223.1 | 51.5% | -29.1 |
| 2010 | 216.1 | 48.6% | 246.9 | 50.7% | -30.7 |
| 2011 | 241.8 | 48.7% | 263.9 | 50.4% | -22.1 |
| 2012 | 228.8 | 45.8% | 271.7 | 50.6% | -42.9 |
| 2013 | 228.2 | 44.1% | 285.2 | 51.2% | -57.0 |
| 2014 | 229.9 | 44.9% | 288.1 | 52.6% | -58.1 |
| 2015 | 230.0 | 44.5% | 290.6 | 53.1% | -60.6 |
| 2016 | 240.6 | 43.9% | 312.0 | 53.4% | -71.4 |

Source: ONS series L84Y, L864, IKBH, IKBI, L86I

Trade with non-EU countries

Goods and services

| | Exports | | Imports | | Balance |
|------|-----------|------------|-----------|------------|-----------|
| | £ billion | % of total | £ billion | % of total | £ billion |
| 1999 | 109.8 | 45.3% | 113.9 | 44.0% | -4.1 |
| 2000 | 123.3 | 45.7% | 134.0 | 46.1% | -10.7 |
| 2001 | 126.0 | 45.3% | 135.2 | 44.5% | -9.2 |
| 2002 | 126.2 | 45.1% | 130.8 | 41.8% | -4.6 |
| 2003 | 137.9 | 47.0% | 135.4 | 41.9% | 2.5 |
| 2004 | 146.9 | 48.0% | 146.4 | 42.8% | 0.6 |
| 2005 | 163.8 | 48.0% | 162.9 | 43.1% | 0.8 |
| 2006 | 178.5 | 45.8% | 184.8 | 43.4% | -6.4 |
| 2007 | 186.8 | 49.1% | 191.8 | 45.6% | -5.0 |
| 2008 | 209.1 | 49.7% | 222.1 | 47.6% | -13.0 |
| 2009 | 204.6 | 51.3% | 209.9 | 48.5% | -5.3 |
| 2010 | 228.2 | 51.4% | 240.1 | 49.3% | -11.9 |
| 2011 | 255.2 | 51.3% | 260.1 | 49.6% | -5.0 |
| 2012 | 270.4 | 54.2% | 264.8 | 49.4% | 5.6 |
| 2013 | 289.5 | 55.9% | 271.7 | 48.8% | 17.8 |
| 2014 | 281.7 | 55.1% | 259.8 | 47.4% | 21.9 |
| 2015 | 287.4 | 55.5% | 256.6 | 46.9% | 30.8 |
| 2016 | 307.0 | 56.1% | 272.6 | 46.6% | 34.4 |

Source: ONS series L84Z, L865, IKBH, IKBI, L86J

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