



BRIEFING PAPER

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Statistics on UK-EU trade

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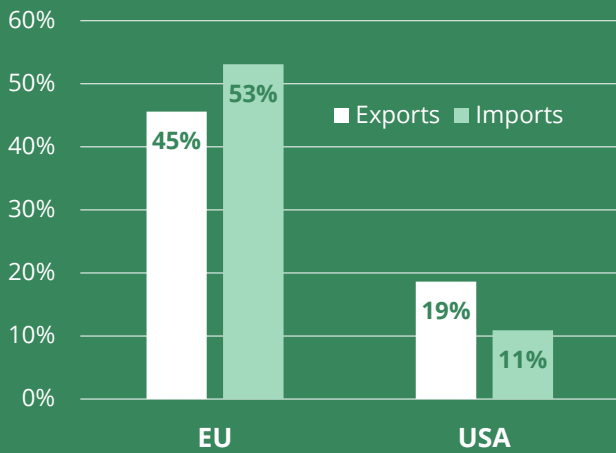


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UK trade with the European Union: a summary

UK trade in goods and services with EU and USA compared, 2018 (%)



In 2018, the UK recorded an overall trade deficit with the EU of -£66 billion.

A surplus of £28 billion on trade in services was outweighed by a deficit of -£94 billion on trade in goods.

The UK recorded an overall trade surplus with non-EU countries - a surplus in trade in services outweighed a deficit in trade in goods.

Taken as a bloc, the EU is the UK's largest trading partner.

In 2018 the EU accounted for 45% of UK exports and 53% imports.

Looking at individual countries, the USA is the UK largest trading partner, accounting for just under a fifth of UK exports and just over 10% of imports in 2018.

UK trade with the EU, 2018 (£ billions)



The share of UK exports accounted for by the EU has generally fallen over time.

In 2006, UK exports to the EU accounted for 55% of all exports; this had fallen to 43% in 2016.

The share of all UK imports accounted for by the EU fell from a high of 58% in 2002 to a low of 51% in 2010.

Share of UK trade with the EU, 1999-2018 (% total trade)



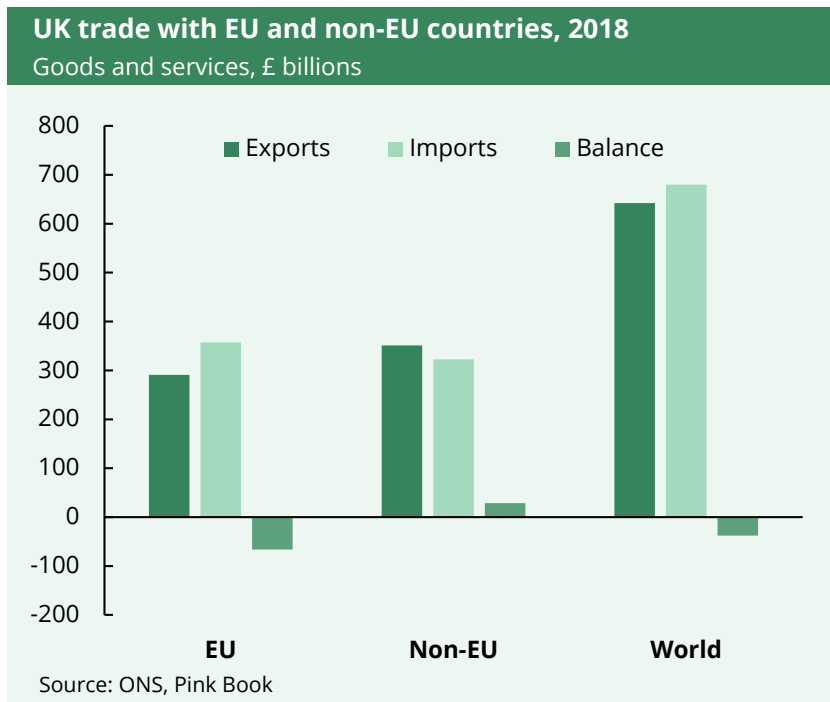
1. Trade in 2018 - overview

In 2018:

- The UK exported £291 billion of goods and services to other EU member states. This was equivalent to 45% of all UK exports.
- Goods and services imports from the EU were worth £357 billion, 53% of all UK imports.
- The UK had a trade deficit of -£66 billion with the EU but a surplus of £29 billion with non-EU countries.
- The UK recorded a deficit in goods with both the EU and non-EU countries, but a trade surplus in services with both the EU and non-EU countries.
- The EU accounted for 50% of UK goods exports and 40% of services exports; 54% of imported goods and 48% of imported services were imported from the EU.¹

UK trade with EU and non-EU countries 2018					
Goods and services					
	Exports		Imports		Balance
	£ billion	%	£ billion	%	£ billion
EU	291.0	45.3%	357.4	52.6%	-66.4
Non-EU	351.2	54.7%	322.6	47.4%	28.7
Total	642.2	100.0%	680.0	100.0%	-37.7

Source: ONS, Pink Book



¹ All data calculated from the ONS, [Pink Book 2019](#), section 9, Geographical breakdown of the current account

2. Trade with individual EU countries

The graph below shows UK trade with each of the other 27 EU member states.

In 2018:

- The UK had a trade deficit with 15 of these countries, a surplus with 5 and was broadly in balance with 7.
- The UK's largest EU trade surplus was with Ireland (£14 billion) while its largest deficit was with Germany (-£23 billion).

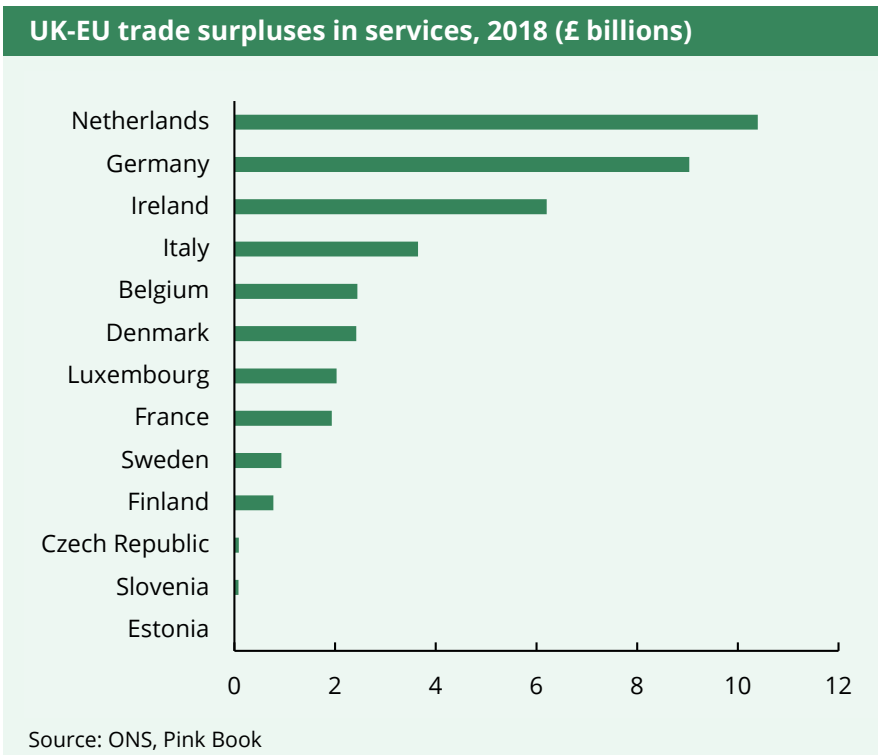


When examining trade in goods and services separately, the picture is more mixed.

The UK recorded a trade surplus in goods with 6 EU countries, a deficit with 16 and was broadly in balance with the remaining 5. The largest goods surplus was with Ireland (£7 billion); the largest goods deficit was with Germany (-£32 billion).



The UK recorded a trade surplus in services with 13 EU countries, a deficit with 3 and was broadly in balance with the remaining 11. The largest services surplus was with the Netherlands (£10 billion); the largest services deficit was with Spain (-£8 billion).



The [Appendix](#) at the end of this note shows detailed data on UK trade with individual EU member states in 2018.

3. Trade in goods

In 2018, petroleum and petroleum products were the UK's single largest export to the EU, valued at £21 billion, 12% of all UK goods exports to the EU and 64% of all UK exports of petroleum and petroleum products.

Other British goods exports to the EU included road vehicles, valued at £17 billion (10% of goods exports to the EU) and medicinal and pharmaceutical products valued at £11 billion (6% of all goods exports to the EU).

Top 10 UK goods exports to the EU, 2018		
	£ billions	% of total
Road vehicles	18.3	11.2%
Petroleum, petroleum products	15.0	9.2%
Medicinal & pharmaceutical products	12.8	7.8%
Other transport equipment	8.8	5.4%
Miscellaneous manufactured articles	8.3	5.1%
Electrical machinery & appliances	6.4	3.9%
General industrial machinery	6.4	3.9%
Power generating machinery	6.2	3.8%
Articles of apparel & clothing accessories	5.3	3.2%
Organic chemicals	4.6	2.8%

Source: HMRC, UK Trade Info

In 2018, road vehicles were the UK's single largest import from the EU, valued at £47 billion, 17% of all UK goods imports from the EU and 43% of all UK imports of road vehicles.

Other British goods imports from the EU included medicinal and pharmaceutical products, valued at £18 billion (7% of goods imports from the EU) and electrical machinery and appliances valued at £11 billion (4% of all goods exports from the EU).

Top 10 UK goods imports from the EU, 2018		
	£ billions	% of total
Road vehicles	46.5	17.4%
Medicinal & pharmaceutical products	17.7	6.7%
Electrical machinery & appliances	11.4	4.3%
Miscellaneous manufactured articles	10.5	4.1%
General industrial machinery and equipment	10.1	3.8%
Telecomms & sound recording equipment	9.9	3.7%
Office machines & adp machines	8.2	3.1%
Petroleum, petroleum products	8.0	3.0%
Power generating machinery and equipment	7.8	2.9%
Manufactures of metal n.e.s.	7.6	2.8%

Source: HMRC, UK Trade Info

The UK has now recorded a trade deficit in goods with the EU every year since 1999.

4. Trade in services

In 2018, the UK's single largest service export to the EU was "other business services", valued at £35 billion; this represented 29% of all UK service exports to the EU.

This category includes legal, accounting, advertising, research and development, architectural, engineering and other professional and technical services.

Ireland was the UK's largest EU export market for other business services in 2018, accounting for 23% of the total, followed by Germany on 16%.

Taken as a bloc, the EU accounted for 36% of UK exports of other business services, making it the UK's largest export market for other business services. Looking at individual countries, the USA was the UK's largest export market for other business services, accounting for 28% of total exports, followed by Ireland on 8%.

Other British service exports to the EU included financial services, valued at £26 billion (22% of service exports to the EU). Combined with other business services, these two categories made up just over half of all UK service exports to the EU.

UK service exports to the EU, 2018		
	£ billions	% of total
Other Business Services	34.8	28.9%
Financial	26.1	21.7%
Travel	17.0	14.1%
Transportation	13.7	11.4%
Telecommunications, computer and information services	10.2	8.5%
Insurance and Pension	6.5	5.4%
Intellectual property	5.7	4.8%
Personal, Cultural and Recreational	1.8	1.5%
Maintenance and Repair	1.5	1.3%
Manufacturing	1.5	1.3%
Construction	0.9	0.7%
Government	0.6	0.5%

Source: ONS, Pink Book

In 2018, the UK's single largest service import from the EU was travel services, which made up 35% of UK service imports from the EU.

Travel services include services provided by hotels and restaurants, travel agencies and tour operators and will include services consumed by a resident of one country in another – a British tourist staying in a hotel in an EU member state will count as a British service import; a tourist from the EU staying in a British hotel would count as a UK service import.

Spain was the UK's largest source of travel service imports, accounting for just under a third of UK imports from the EU, followed by France which accounted for 16%.

Taken as a bloc, the EU accounted for 61% of UK travel service imports, making it the UK's largest source of imported travel services. Looking at individual countries, Spain was the UK's source of imported travel services, accounting for a fifth of the UK's total, followed by the USA, which accounted for 10%.

Imports of travel services and other business services combined made up just under 60% of UK service imports from the EU.

UK service imports from the EU, 2018		
	£ billions	% of total
Travel	31.9	34.5%
Other Business Services	23.8	25.7%
Transportation	15.3	16.6%
Telecommunications, computer and information services	6.7	7.2%
Financial	6.1	6.5%
Intellectual property	3.5	3.8%
Government	1.4	1.5%
Construction	1.4	1.5%
Insurance and Pension	1.0	1.1%
Personal, Cultural and Recreational	0.6	0.6%
Maintenance and Repair	0.5	0.6%
Manufacturing	0.4	0.4%

Source: ONS, Pink Book

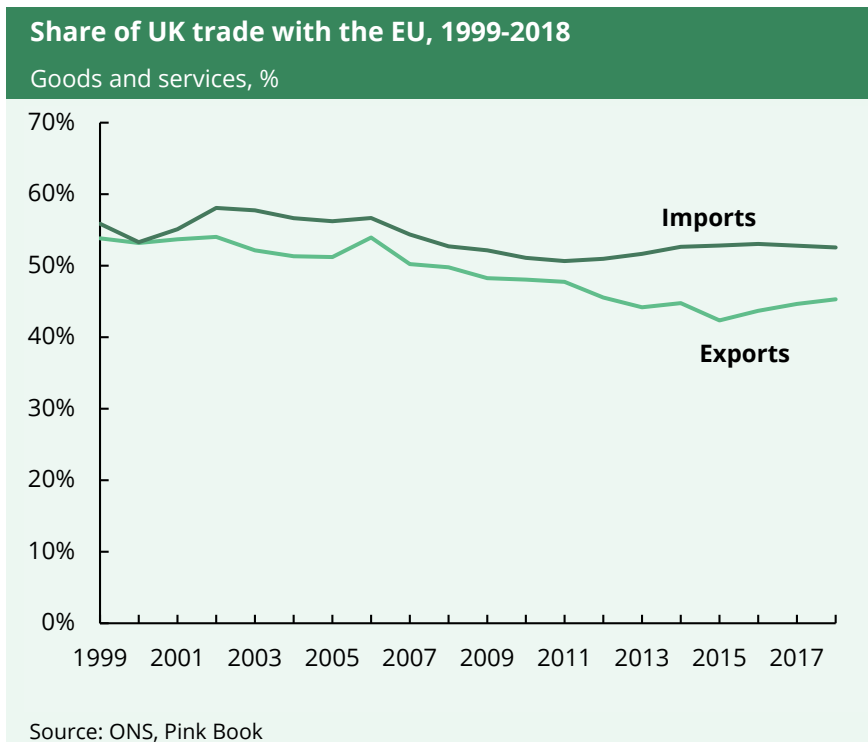
The UK has now recorded a trade surplus in services with the EU every year since 2005.

For more information on UK trade in services, see the Library briefing [Trade in services and Brexit](#).

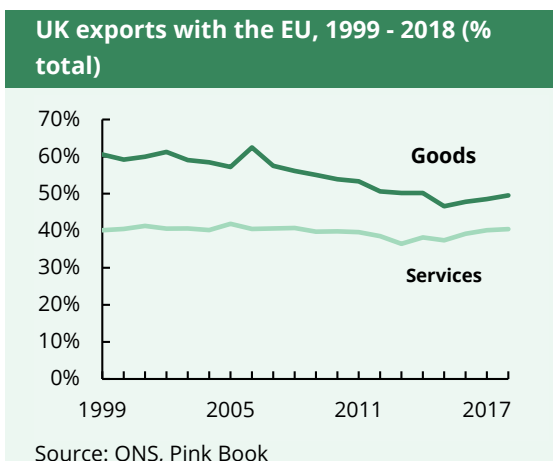
5. Recent trends

The share of UK exports going to the EU has declined gradually in recent years:

- In 2006, the EU accounted for 55% of all UK exports. By 2016, this had fallen to 43%, before rising to 46% in 2018.
- The picture on imports is slightly less clear. In 2002, 58% of UK imports were from the EU. By 2010, this had fallen to 51% but has now been around 53% since 2010.



The overall fall in the UK's share of exports to the EU is more pronounced in goods than in services; trends in imports have been more mixed.

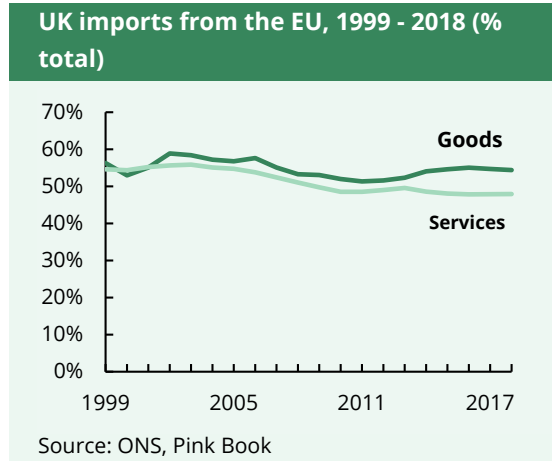


In 1999, 61% of all UK goods exports were to the EU; in 2015 this had fallen to 47%, rising to 50% in 2018.

By contrast, the EU has accounted for a consistent share of UK service exports – this has remained at around 40% since 1999.

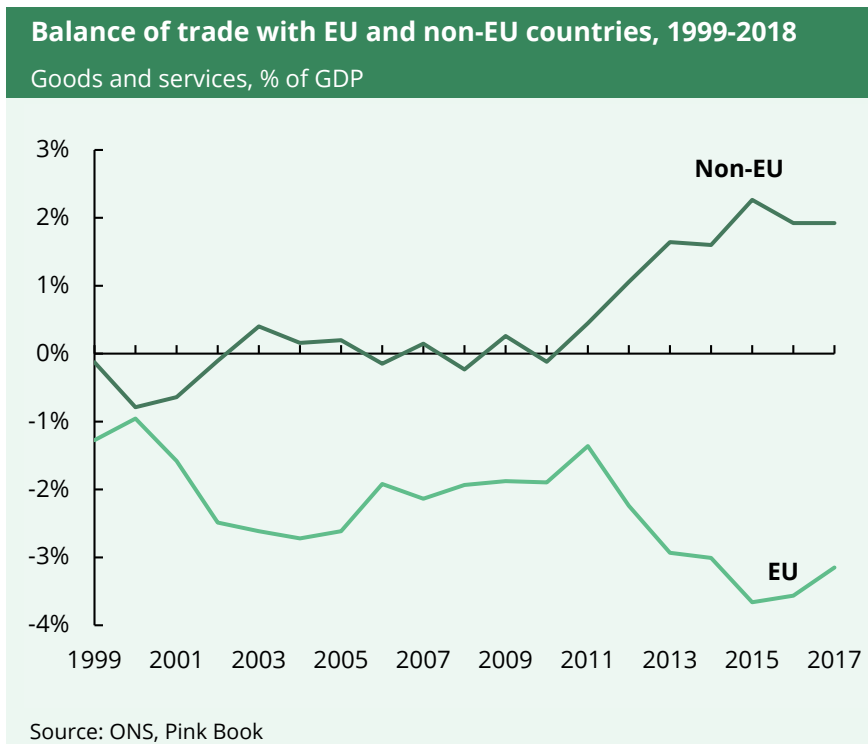
The proportion of UK goods imports being sourced from the EU has remained fairly consistent since 1999, spiking between 2002-05.

In general, the proportion of service imports being sourced from the EU has fallen since 1999, from a high of 56% in 2003 to 48% in 2018.



Overall, the UK has had a trade deficit with the EU in every year since 1999. The UK's trade deficit with the EU peaked at -3.7% of UK GDP in 2015, though this has recovered slightly, reaching -3.1% in 2018.

By contrast, the UK has had a surplus with non-EU countries since 2011. This surplus peaked at 2.3% of UK GDP in 2015, though has fallen in subsequent years, reaching 1.4% in 2018.



The [Appendix](#) at the end of this note shows a time series of data on UK trade with the EU.

5.1 The Rotterdam effect

All of these figures do not account for what is known as the Rotterdam effect – this is the theory that the UK's trade with the Netherlands is artificially inflated owing to goods being dispatched to or arriving from

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the port of Rotterdam, even if the original source or eventual destination country is elsewhere.

This will also have a potential knock-on effect, as some trade recorded with the Netherlands, and thus the EU, may ultimately be with non-EU countries.

The scale of this effect is not known - a 2015 ONS article on the subject states:

There are legitimate, proven reasons as to why trade with the Netherlands is high, even relative to its population. It is also reasonable to assume that trade with the Netherlands suffers from an element of distortion. However, it is not possible to estimate, with any certainty, the impact that the Rotterdam effect has on UK Trade with the Netherlands and its subsequent impact on UK Trade with EU and non-EU countries.²

Even if a high proportion of recorded UK trade with the Netherlands is with non-EU countries, the EU remains the UK's largest trading partner by a considerable margin.

² ONS, [UK Trade in Goods estimates and the 'Rotterdam Effect'](#), 6 February 2015

6. 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

6.1 Exports

61% of exports of goods from Wales and Northern Ireland go to the EU - this is the highest proportion of any country or region in the UK, followed by the North East and Yorkshire and the Humber at 60%.

Scotland and the East of England also have relatively high shares of exports to the EU.

UK goods exports by country and region, 2018			
£ billion			
	EU	Total	% EU
North East	7.9	13.2	60%
North West	14.3	27.9	51%
Yorkshire and The Humber	10.9	18.2	60%
East Midlands	11.4	22.2	51%
West Midlands	15.0	33.4	45%
East	14.8	28.3	53%
London	16.1	37.5	43%
South East	22.7	47.0	48%
South West	9.7	21.5	45%
England	122.9	249.0	49%
Wales	10.5	17.2	61%
Scotland	17.2	31.8	54%
Northern Ireland	5.4	8.9	61%
Unallocated - Known	13.8	22.2	62%
Unallocated - Unknown	0.1	9.9	1.1%
UK	169.9	339.0	50%

Source: HMRC, UK Trade Info

³ HMRC, [Regional Trade Statistics](#)

6.2 Imports

66% of the East of England's goods imports are from the EU as are 65% of Northern Ireland's goods imports. The South East, West Midlands and North East also have relatively high levels of imports from the EU.

UK goods imports by country and region, 2018			
£ billion			
	EU	Total	% EU
North East	8.1	14.0	58%
North West	21.6	38.8	56%
Yorkshire and The Humber	16.9	33.7	50%
East Midlands	15.7	27.8	57%
West Midlands	23.6	37.8	63%
East	30.8	47.0	66%
London	31.9	65.7	49%
South East	59.6	95.4	62%
South West	10.8	24.2	45%
England	219.1	384.4	57%
Wales	7.2	18.3	39%
Scotland	10.2	25.4	40%
Northern Ireland	5.1	7.8	65%
Unallocated - Known	20.9	32.2	65%
Unallocated - Unknown	0.6	13.7	4%
UK	263.0	481.8	55%

Source: HMRC, UK Trade Info

7. 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 2.7% in 2018 and 8.1% for agricultural products.⁴

The table below gives a breakdown by type of product.

Average EU tariff by product type (%)	
Animal products	17.9
Dairy products	43.7
Fruit, vegetables and plants	10.7
Coffee, tea	5.9
Cereals and preparations	14.9
Oilseeds, fats and oils	5.5
Sugars and confectionery	27.5
Beverages and tobacco	19.8
Cotton	0.0
Other agricultural products	3.3
Fish and fish products	11.6
Minerals and metals	2.0
Petroleum	2.5
Chemicals	4.6
Wood, paper etc	0.9
Textiles	6.5
Clothing	11.5
Leather, footwear etc	4.1
Non-electrical machinery	1.8
Electrical machinery	2.4
Transport equipment	4.7
Other manufactures	2.2

Source: WTO World Tariff Profiles 2019, p88

⁴ WTO, [World Tariff Profiles 2019](#), pg. 88

8. Appendix, trade with individual EU countries, 2018

UK trade with EU Member States, 2018					
Goods and services					
	Exports		Imports		Balance £ billion
	£ billion	% all UK exports	£ billion	% all UK exports	
Austria	3.2	0.5%	5.1	0.7%	-1.9
Belgium	19.1	3.0%	29.0	4.3%	-9.9
Bulgaria	1.0	0.2%	1.2	0.2%	-0.2
Croatia	0.5	0.1%	0.8	0.1%	-0.3
Cyprus	1.3	0.2%	1.2	0.2%	0.1
Czech Republic	3.2	0.5%	6.7	1.0%	-3.5
Denmark	6.8	1.1%	8.3	1.2%	-1.5
Estonia	0.3	0.0%	0.3	0.0%	0.1
Finland	2.8	0.4%	3.1	0.5%	-0.3
France	41.7	6.5%	44.4	6.5%	-2.7
Germany	56.0	8.7%	78.6	11.6%	-22.6
Greece	2.7	0.4%	3.9	0.6%	-1.2
Hungary	2.2	0.3%	3.6	0.5%	-1.4
Ireland	35.1	5.5%	21.6	3.2%	13.5
Italy	20.7	3.2%	25.6	3.8%	-4.9
Latvia	0.6	0.1%	1.0	0.1%	-0.4
Lithuania	0.7	0.1%	1.2	0.2%	-0.5
Luxembourg	4.9	0.8%	3.0	0.4%	1.9
Malta	1.1	0.2%	0.7	0.1%	0.4
Netherlands	44.3	6.9%	49.3	7.2%	-5.0
Poland	7.9	1.2%	13.5	2.0%	-5.6
Portugal	3.0	0.5%	5.9	0.9%	-2.9
Romania	2.3	0.4%	3.5	0.5%	-1.2
Slovakia	0.9	0.1%	2.7	0.4%	-1.8
Slovenia	0.4	0.1%	0.5	0.1%	0.0
Spain	18.0	2.8%	31.9	4.7%	-13.9
Sweden	10.3	1.6%	11.1	1.6%	-0.7
Total EU28	291.0	45.3%	357.4	52.6%	-66.4

Source: ONS

9. Appendix: Trade with EU and non-EU countries, 1999-2018

UK trade with the EU, 1999 - 2018					
Goods and services					
	Exports		Imports		Balance
	£ billion	% of total	£ billion	% of total	£ billion
1999	133.9	53.8%	147.0	55.9%	-13.1
2000	146.8	53.2%	157.3	53.3%	-10.4
2001	153.2	53.7%	171.1	55.1%	-17.9
2002	155.1	54.0%	184.5	58.1%	-29.4
2003	156.5	52.2%	189.2	57.7%	-32.7
2004	160.7	51.3%	196.4	56.6%	-35.7
2005	178.6	51.2%	214.9	56.2%	-36.3
2006	215.6	53.9%	243.7	56.7%	-28.1
2007	196.5	50.2%	229.4	54.4%	-32.9
2008	213.6	49.8%	244.2	52.7%	-30.5
2009	196.9	48.3%	225.8	52.1%	-28.9
2010	217.7	48.1%	247.8	51.1%	-30.1
2011	243.3	47.7%	265.7	50.6%	-22.4
2012	233.8	45.6%	271.8	51.0%	-37.9
2013	235.8	44.2%	287.5	51.7%	-51.7
2014	237.6	44.8%	293.0	52.6%	-55.5
2015	224.5	42.4%	294.0	52.8%	-69.4
2016	248.0	43.7%	318.2	53.0%	-70.2
2017	280.9	44.7%	345.4	52.8%	-64.5
2018	291.0	45.3%	357.4	52.6%	-66.4

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

UK trade with non-EU countries, 1999 - 2018					
Goods and services					
	Exports		Imports		Balance
	£ billion	% of total	£ billion	% of total	£ billion
1999	114.9	46.2%	116.2	44.1%	-1.3
2000	129.2	46.8%	137.8	46.7%	-8.6
2001	132.1	46.3%	139.3	44.9%	-7.2
2002	131.9	46.0%	133.2	41.9%	-1.3
2003	143.5	47.8%	138.5	42.3%	5.0
2004	152.4	48.7%	150.3	43.4%	2.1
2005	170.1	48.8%	167.3	43.8%	2.8
2006	184.1	46.1%	186.3	43.3%	-2.2
2007	194.7	49.8%	192.5	45.6%	2.2
2008	215.5	50.2%	219.1	47.3%	-3.7
2009	211.2	51.7%	207.2	47.9%	4.0
2010	235.2	51.9%	237.2	48.9%	-1.9
2011	266.3	52.3%	258.9	49.4%	7.4
2012	279.5	54.4%	261.6	49.0%	17.9
2013	298.0	55.8%	269.0	48.3%	28.9
2014	293.1	55.2%	263.6	47.4%	29.5
2015	305.5	57.6%	262.6	47.2%	42.9
2016	319.5	56.3%	281.6	47.0%	37.9
2017	348.2	55.3%	308.8	47.2%	39.4
2018	351.2	54.7%	322.6	47.4%	28.7

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

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