



Welsh exports 2016

20 April 2017
SB 23/2017

Key points

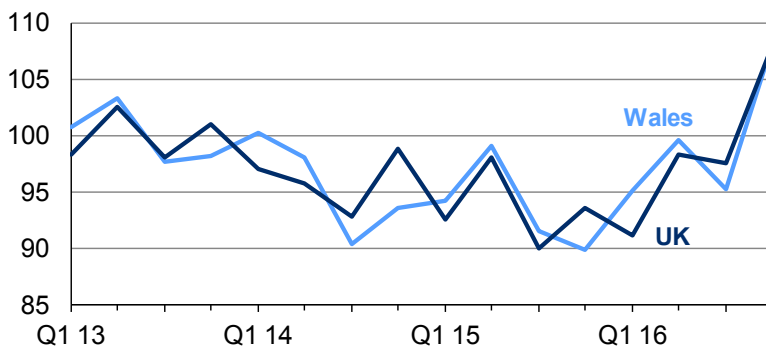
- The value of Welsh exports was £12.3 billion in 2016, an increase of £725 million from 2015. Exports increased to EU countries by £514 million (6.6 per cent) and to non-EU countries by £211 million (5.5 per cent). Exports to the EU accounted for 66.9 per cent of Welsh exports compared to 49.1 per cent for the UK.
- The methodology to allocate trade to UK countries and regions is now based on the proportion of employees rather than the head office location. This has had a significant impact on Welsh export figures.¹
- Germany was the top export destination accounting for 23.7 per cent of exports, a decrease from 24.8 per cent for the previous year.
- Exports from Wales are dominated by *Machinery & transport equipment* which made up 45.1 per cent of exports.

Value of exports, Wales and UK

		Amounts (£ billions)		Percentage
		2015	2016 (p)	Change
Wales:	EU	7.7	8.3	6.6%
	Non-EU	3.9	4.1	5.5%
	Total	11.6	12.3	6.2%
UK:	EU	133.4	142.9	7.1%
	Non-EU	142.0	147.9	4.2%
	Total	275.4	290.8	5.6%

Source: WG analysis of Regional Trade Statistics, HMRC

Index of exports by quarter, Wales and UK (2013 = 100)



Source: WG analysis of Regional Trade Statistics, HMRC

¹ Under the old methodology Welsh EU exports accounted for 39.2 per cent of exports for the year ending June 2016, compared with 67.4 per cent under the new methodology. Data is available under the new methodology from 2013 quarter 1 and it is inappropriate to compare current data with data prior to 2013.

About this bulletin

This bulletin summarises HM Revenue and Customs estimates of goods exports from Wales for 2016, providing comparisons with the UK.

This bulletin uses revised HMRC methodology to allocate trade to UK countries and regions.

Figures relate to goods exported to destinations outside the UK.

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1. Welsh Exports by Destination

The value of exports from Wales for 2016 increased by £725 million (6.2 per cent) to £12.3 billion. Exports to EU countries were up £514 million (6.6 per cent) and exports to non-EU countries up by £211 million (5.5 per cent). The value of exports for the UK also increased over this period, up 5.6 per cent, with exports to EU countries up by 7.1 per cent and exports to non-EU countries up by 4.2 per cent. (Table 1.1)

Table 1.1: Exports by quarter and destination, Wales and UK (£millions)

	Wales			UK		
	EU	Non-EU	Total	EU	Non-EU	Total
2013 Qtr 1	2,008 (r)	1,116 (r)	3,123 (r)	38,171 (r)	34,245 (r)	72,416 (r)
Qtr 2	1,941 (r)	1,262 (r)	3,204 (r)	37,879 (r)	37,639 (r)	75,518 (r)
Qtr 3	1,898 (r)	1,129 (r)	3,028 (r)	37,402 (r)	34,800 (r)	72,202 (r)
Qtr 4	1,937 (r)	1,107 (r)	3,044 (r)	36,815 (r)	37,499 (r)	74,314 (r)
Total	7,784 (r)	4,614 (r)	12,398 (r)	150,267 (r)	144,183 (r)	294,450 (r)
2014 Qtr 1	2,058 (r)	1,047 (r)	3,106 (r)	38,045 (r)	33,423 (r)	71,468 (r)
Qtr 2	1,960 (r)	1,079 (r)	3,039 (r)	37,571 (r)	32,904 (r)	70,475 (r)
Qtr 3	1,811 (r)	989 (r)	2,800 (r)	34,858 (r)	33,493 (r)	68,351 (r)
Qtr 4	1,789 (r)	1,109 (r)	2,898 (r)	35,961 (r)	36,806 (r)	72,767 (r)
Total	7,619 (r)	4,224 (r)	11,843 (r)	146,435 (r)	136,625 (r)	283,060 (r)
2015 Qtr 1	1,964 (r)	957 (r)	2,921 (r)	33,718 (r)	34,437 (r)	68,155 (r)
Qtr 2	2,060 (r)	1,010 (r)	3,070 (r)	34,124 (r)	38,031 (r)	72,154 (r)
Qtr 3	1,853 (r)	985 (r)	2,838 (r)	32,236 (r)	33,967 (r)	66,203 (r)
Qtr 4	1,867 (r)	916 (r)	2,783 (r)	33,323 (r)	35,580 (r)	68,903 (r)
Total	7,744 (r)	3,868 (r)	11,612 (r)	133,401 (r)	142,014 (r)	275,414 (r)
2016 Qtr 1 (p)	1,992 (r)	955 (r)	2,947 (r)	33,922 (r)	33,195 (r)	67,118 (r)
Qtr 2 (p)	2,146 (r)	940 (r)	3,086 (r)	35,226 (r)	37,150 (r)	72,376 (r)
Qtr 3 (p)	1,953 (r)	1,000 (r)	2,954 (r)	35,839 (r)	36,014 (r)	71,853 (r)
Qtr 4 (p)	2,166 (r)	1,184 (r)	3,350 (r)	37,873 (r)	41,549 (r)	79,422 (r)
Total	8,257	4,080	12,337	142,860	147,908	290,768
Change 2015 to 2016:						
Change (£m)	514	211	725	9,459	5,895	15,354
Change (%)	6.6	5.5	6.2	7.1	4.2	5.6

Source: WG analysis of Regional Trade Statistics, HMRC

(p) provisional

(r) revised since previously published

In 2016, Germany was the largest export market for Welsh products followed by France, USA (including Puerto Rico), Ireland and the Netherlands.¹ Compared to 2015, two of the top five countries had falls: USA fell £60 million (3.6 per cent) and Ireland fell £43 million (4.9 per cent). Exports to France showed the largest absolute increase, up £381 million or 23.9 per cent. The fall in exports to the USA was driven by exports of *Iron and Steel* whilst the increase in exports to France was largely driven by exports of *Other Transport Equipment*.

Outside the top five destinations (but inside the top 30), exports to Belgium had the largest fall, down £12 million (2.7 per cent) followed by exports to Singapore, down £11 million (12.6 per cent). Exports to Canada increased by £115 million (55.8 per cent) and Turkey by £50 million (38.5 per cent). (Table 1.2)

¹ Under the previous HMRC methodology to allocate trade to UK countries and regions, the top three export destinations for Wales in 2015 were the USA (£2,791m), United Arab Emirates (£1,049m) and Germany (£1,044m).

Table 1.2: Top 30 destinations for Welsh exports (£m)

Country	2015	2016	Change (2015 to 2016)	
			Level	Percentage
Germany	2,885	2,925	40	1.4%
France	1,594	1,974	381	23.9%
USA (including Puerto Rico)	1,691	1,631	-60	-3.6%
Ireland	887	843	-43	-4.9%
Netherlands	602	613	11	1.8%
Belgium	441	429	-12	-2.7%
Spain	315	362	46	14.7%
Canada	206	320	115	55.8%
China	209	255	46	22.0%
Italy	250	247	-2	-0.8%
Sweden	208	211	3	1.6%
Turkey	130	180	50	38.5%
Switzerland	144	172	28	19.3%
South Korea	134	158	25	18.4%
Poland	137	156	19	14.2%
Australia	85	101	16	18.8%
Japan	93	93	0	0.3%
India	94	89	-5	-4.9%
Hong Kong	74	80	7	8.9%
United Arab Emirates	83	76	-7	-8.5%
Saudi Arabia	84	75	-8	-10.1%
Singapore	85	74	-11	-12.6%
Czech Republic	65	70	4	6.9%
Russia	50	64	13	26.7%
Taiwan	55	62	7	11.9%
Austria	51	58	7	14.2%
Denmark	54	55	1	1.2%
Norway	56	54	-3	-4.6%
South Africa	58	51	-7	-12.2%
Greece	41	48	7	16.7%

Source: WG analysis of Regional Trade Statistics, HMRC

2. Welsh Exports by Product

Other Transport Equipment was the highest value export category for Wales in 2016, followed by *Petroleum, Petroleum Products & Related Materials*. This was the only top five sector to decline in 2016 compared with 2015. The overall increase in exports from Wales was mainly due to increases in *Other Transport Equipment* (up £570 million, 20.2 per cent), *Road Vehicles, including Air Cushion Vehicles* (up £104 million, 23.8 per cent), and *Medicinal & Pharmaceutical Products* (up £70 million, 19.0 per cent).

The *Iron and Steel* sector had the largest absolute fall in the top 30 sectors, down £344 million (44.2 per cent). *Organic Chemicals* had the second largest fall, down £38 million (13.5 per cent), followed by *General Industrial Machinery and Equipment and Machine Parts* down £19 million (7.2 per cent). (Table 2.1)

Table 2.1: Top 30 sectors for Welsh exports (£m)

Product sector	2015	2016	Change	
			Level	Percentage
Other Transport Equipment	2,818	3,388	570	20.2%
Petroleum, Petroleum Products & Related Materials	1,448	1,440	-8	-0.5%
Non-Ferrous Metals	668	692	24	3.6%
Electric Machinery, Apparatus & Appliances & Electric Parts Thereof N.E.S	522	572	49	9.5%
Road Vehicles, incl. Air Cushion Vehicles	436	539	104	23.8%
Medicinal & Pharmaceutical Products	369	439	70	19.0%
Iron & Steel	780	435	-344	-44.2%
Miscellaneous Manufactured Articles N.E.S.	375	394	20	5.2%
Professional, Scientific & Controlling Ins & Apparatus N.E.S.	282	298	16	5.7%
Furniture & Parts Thereof, Bedding & Mattresses etc.	277	298	20	7.4%
Manufactures Of Metal N.E.S	247	272	25	10.3%
General Industrial Machinery & Equipment & Machine Parts N.E.S	265	245	-19	-7.2%
Organic Chemicals	280	242	-38	-13.5%
Machinery Specialized For Particular Industries	212	238	27	12.6%
Power Generating Machinery & Equipment	207	223	16	7.7%
Metalliferous Ores & Metal Scrap	193	217	24	12.4%
Plastics In Primary Forms	202	212	10	5.0%
Office Machines & ADP Machines	172	193	22	12.7%
Chemical Materials & Products N.E.S	161	188	27	16.8%
Paper, Paperboard & Manufactures Thereof	170	181	11	6.6%
Non-Metallic Mineral Manufactures N.E.S	169	157	-11	-6.8%
Plastics In Non-Primary Forms	142	151	8	5.9%
Essential Oils & Perfume Materials, Toilet Preparations etc.	112	127	15	13.1%
Rubber Manufactures N.E.S	102	119	17	16.6%
Telecomms & Sound Recording & Reproducing Apparatus & Equipment	112	115	4	3.2%
Articles Of Apparel & Clothing Accessories	90	99	10	10.9%
Dyeing, Tanning & Colouring Materials	67	91	24	35.4%
Meat & Meat Preparations	55	73	18	32.6%
Beverages	62	72	10	15.9%
Special transactions & commodities not classified according to kind	67	71	4	5.6%
Total	11,612	12,337	725	6.2%

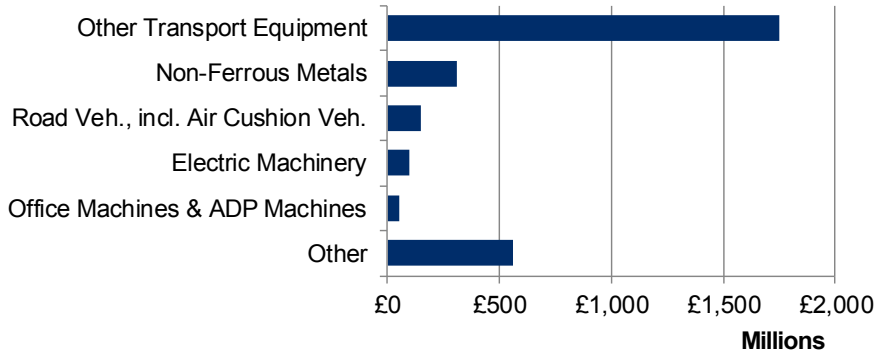
WG analysis of Regional Trade Statistics, HMRC

Other Transport Equipment had the largest absolute increase over this period, up £570 million (20.2 per cent) with the largest increases being to France, Germany and Spain. The second largest increase was in *Road Vehicles including Air Cushion Vehicles*, up £104 million (23.8 per cent) with the largest increases being to Poland, Germany and Sweden.

3. Welsh Exports by Destination and Product²

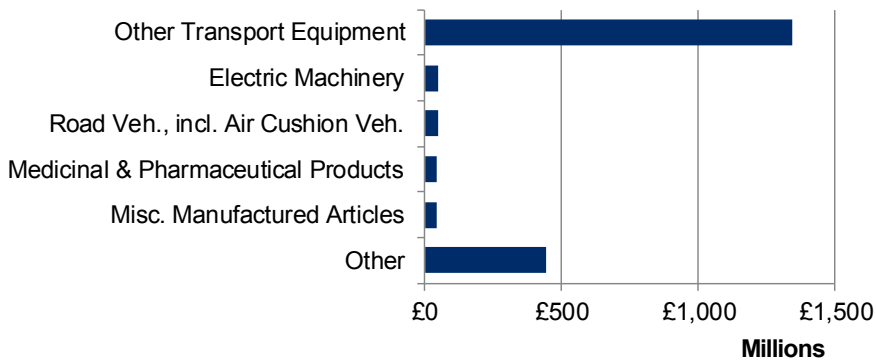
The three largest export countries for Wales are Germany, France and USA. The largest export sector to Germany and France is *Other Transport Equipment* and the largest sector to the USA is *Petroleum, Petroleum Products & Related Materials*. (Charts 3.1 - 3.3)

Chart 3.1: Welsh exports to Germany



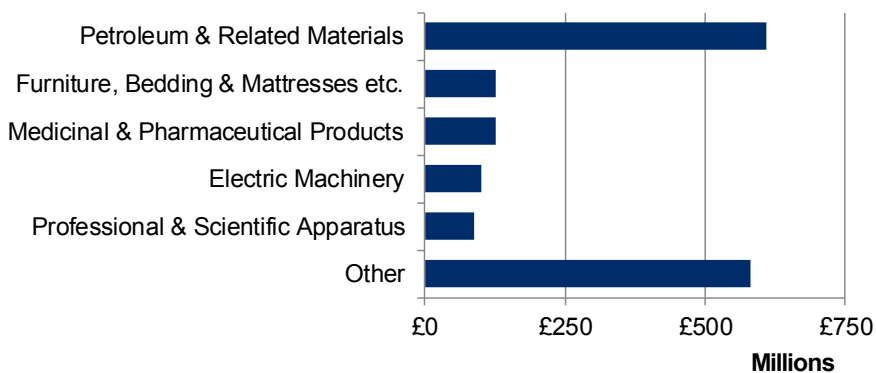
Source: WG analysis of Regional Trade Statistics, HMRC

Chart 3.2: Welsh exports to France



Source: WG analysis of Regional Trade Statistics, HMRC

Chart 3.3: Welsh exports to the USA (including Puerto Rico)

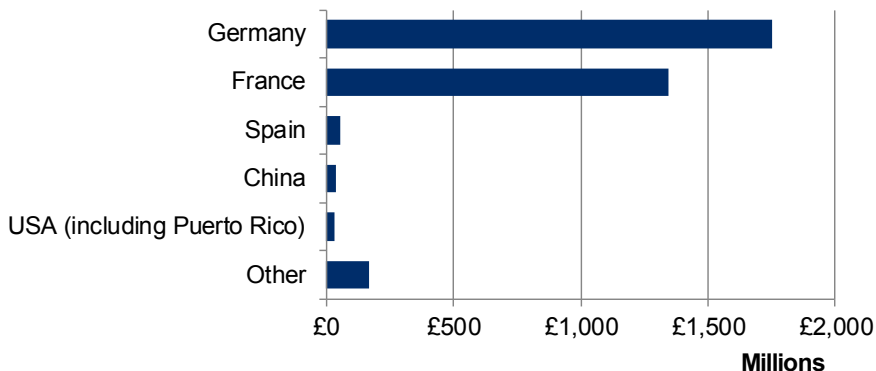


Source: WG analysis of Regional Trade Statistics, HMRC

² Category names have been shortened on charts. *Petroleum & Related Materials* is *Petroleum, Petroleum Products and Related Materials*; *Electric Machinery* is *Electric Machinery, Apparatus and Appliances and Electric Parts Thereof NES*; *Professional & Scientific Apparatus* is *Professional, Scientific and Controlling Ins and Apparatus NES*.

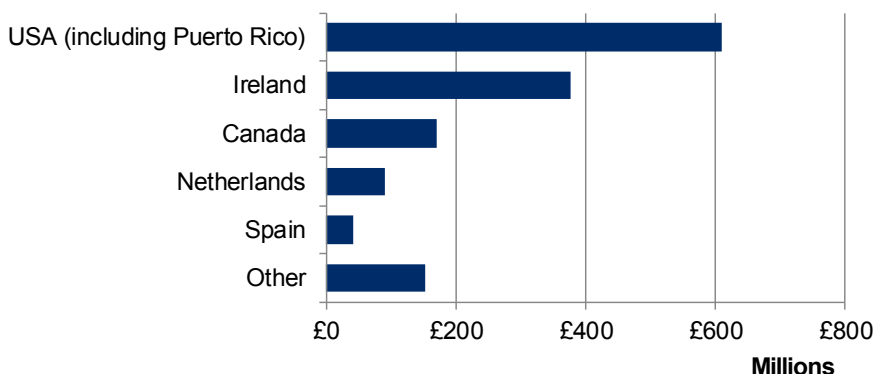
The three largest export sectors for Wales are *Other Transport Equipment*, *Petroleum*, *Petroleum Products & Related Materials* and *Non-Ferrous Metals*. Germany receives 52 per cent of Welsh exports of *Other Transport Equipment* and 42 per cent of Welsh exports in *Petroleum, Petroleum Products & Related Materials* are sent to the USA. Germany receives 45 per cent of Welsh exports of *Non-Ferrous Metals*. (Charts 3.4 - 3.6)

Chart 3.4: Welsh exports in *Other Transport Equipment*



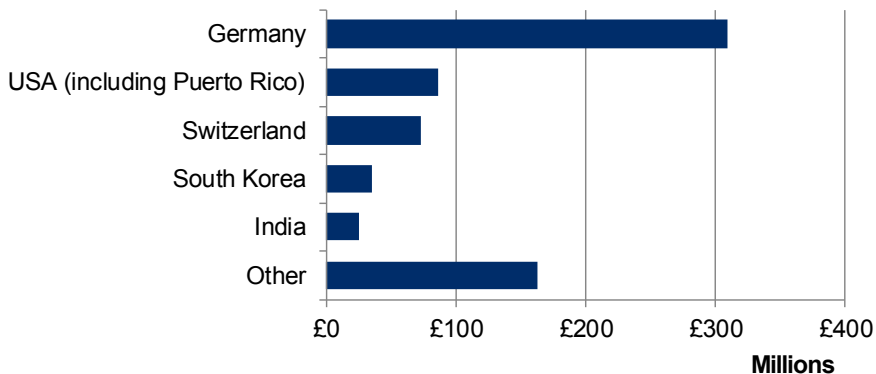
Source: WG analysis of Regional Trade Statistics, HMRC

Chart 3.5: Welsh exports in *Petroleum, Petroleum Products & Related Materials*



Source: WG analysis of Regional Trade Statistics, HMRC

Chart 3.6: Welsh exports in *Non-Ferrous Metals*



Source: WG analysis of Regional Trade Statistics, HMRC

Key quality information

Relevance

This bulletin contains analysis of [HMRC](#) Regional Trade Statistics (RTS) data for 2016. These statistics are used by the Welsh Government to monitor the performance statistics in goods exports for Wales as well as providing comparisons to the UK and other regions. This bulletin is also used by other public sector organisations, businesses, academia and private individuals.

Accuracy

The data in this bulletin are the Regional Trade in Goods Statistics (RTS) published by HMRC. These statistics refer to goods that have crossed the UK frontier. This means that exports from Wales to other parts of the UK are not included and there is no element included for components produced in Wales when the final product is completed in and then exported from another part of the UK. HMRC do not receive information in respect of goods that move wholly within the UK. Further, these figures do not contain any information on the export of services such as banking or tourism.

Timeliness and punctuality

Regional Trade Statistics are published quarterly by HMRC in March, June, September and December. Headline exports statistics are published by the Welsh Government at the same time.

Accessibility and clarity

Exports data is published on [StatsWales](#). The Headline Statistics and Statistical Bulletin are available on the [Welsh Government](#) Internet site. The latest HMRC quarterly Regional Trade Statistics (RTS) release is available [here](#).

Comparability and coherence

1. Comparable measures for other UK countries are published on StatsWales.
2. Data shown for the European Union (EU) are based on the 28 member states which comprised the EU (that is the 28 states less the UK, as only exports to destinations outside the UK are covered). This includes Croatia which joined the EU on 1 July 2013.
3. The quarterly totals of the value for RTS do not equate to the totals already published as the UK-wide Overseas Trade Statistics. Certain goods, such as North Sea crude oil, ships and aircraft stores, and those not in free circulation, that are shipped to EU countries using traditional Customs declarations, are not allocated to a UK region. Exports relating to overseas companies, registered for VAT in the UK, but with no place of business in the UK, have been excluded. Channel Islands and Isle of Man trade is also excluded. In addition, some exports to countries outside the EU cannot be allocated to a region because the VAT registration numbers have not been properly declared. These exclusions mean that it is not possible to reconcile total figures for regional trade against figures for UK trade.
4. Data are collated using the Standard International Trade Classification ([SITC](#)) system.

Revisions

From 1 May 2016, there was a methodological change to the way the Non-EU trade-in-goods statistics are compiled. Following a change in legislation, the Non-EU trade-in-goods statistics have changed from the 'General Trade' system of compilation to the 'Special Trade' system. For further information on the differences between General and Special Trade, please see the HMRC [Methodology Paper for Overseas Trade Statistics](#). Special Trade data is only available for 2012 Q1 onwards. All data in this bulletin is Special Trade.

HMRC have revised the methodology used to calculate Regional Trade Statistics. Business trade is now allocated to a region based on the proportion of employees in that region rather than where the location of the Head Office of the business is. Under the old methodology Welsh EU exports accounted for 39.2 per cent reported for the four quarters ending in June 2016. The new methodology stands at 67.4 per cent for the four quarters ending in June 2016. Data are available under the new methodology from 2013Q1. It is inappropriate to compare current data with data prior to 2013 and it has been excluded from this bulletin. Further information on the quality, revisions and methodology of the data can be found on the [HMRC](#) website.

Data for previous quarters have been revised in accordance with the HMRC revision policy where data on exports for the current calendar year may be validated and revised at any time, while data on exports for the previous calendar may be validated and revised until just after the second quarter figures for the current calendar year are published.

Any figures which are currently provisional are marked with '(p)' and are subject to revision. Revisions to the data arise as a result of including trade amendments and late submissions received by HM Revenue and Customs. Figures are provisional for up to 18 months.

For data from our own outputs, we follow Welsh Government [revisions policy](#).

National Statistics status

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the UK Statistics Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is Welsh Government's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before the National Assembly. The 46 national indicators were laid in March 2016.

Information on indicators and associated technical information - [How do you measure a nation's progress? - National Indicators](#)

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

Further details

The document is available at: <http://gov.wales/statistics-and-research/welsh-exports>

A comprehensive data sources guide which provides a summary of the main official data sources used by the Economic and Labour Market Statistics branch as well as useful links has been published [online](#).

Next update

We are reviewing our outputs on exports and imports and will continue to ensure this data is available in future.

We want your feedback

We welcome any feedback on any aspect of these statistics which can be provided by email to economic.stats@wales.gsi.gov.uk.

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