



Welsh exports, 2017

5 April 2018
SB 21/2018

Key points

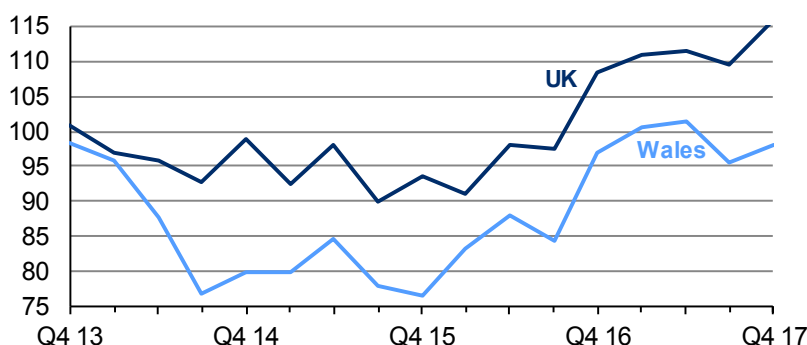
- The value of Welsh exports was £16.4 billion in 2017, an increase of £1.80 billion (12.3 per cent) from 2016. Exports to EU countries increased by £1.06 billion (11.9 per cent) and to non-EU countries by £743 million (12.9 per cent). Exports to the EU accounted for 60.3 per cent of Welsh exports compared to 49.6 per cent of UK exports.
- 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 19.6 per cent of exports, a decrease from 20.5 per cent for the previous year.
- Exports from Wales are dominated by the *Other Transport Equipment* sector which made up 26.8 per cent of total exports.

Value of exports by country of origin, Wales and UK

		Amounts (£ billions)		Percentage Change
	Destination	2016	2017	
Wales:	EU	8.9	9.9	11.9%
	Non-EU	5.8	6.5	12.9%
	Total	14.6	16.4	12.3%
UK:	EU	143.1	163.5	14.2%
	Non-EU	147.9	166.3	12.4%
	Total	291.0	329.8	13.3%

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 60.9 per cent under the new methodology. Data are 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 in 2017, 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 in 2017 increased by £1.80 billion (12.3 per cent) to £16.4 billion when compared to 2016. Exports to EU countries were up £1.06 billion (11.9 per cent) and exports to non-EU countries up by £743 million (12.9 per cent). The value of exports for the UK also increased over this period, up 13.3 per cent, with exports to EU countries up by 14.2 per cent and exports to non-EU countries up by 12.4 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	2,507	1,638	4,145	38,143	34,274	72,416
	Qtr 2	2,478	1,818	4,296	37,836	37,682	75,518
	Qtr 3	2,441	1,649	4,090	37,402	34,800	72,202
	Qtr 4	2,410	1,669	4,079	36,815	37,499	74,314
	Total	9,836	6,774	16,610	150,195	144,255	294,450
2014	Qtr 1	2,431	1,547	3,978	38,045	33,423	71,468
	Qtr 2	2,172	1,474	3,647	37,571	32,904	70,475
	Qtr 3	1,888	1,301	3,190	34,858	33,493	68,351
	Qtr 4	1,822	1,499	3,321	35,961	36,806	72,767
	Total	8,314	5,822	14,135	146,435	136,625	283,060
2015	Qtr 1	2,030	1,291	3,321	33,718	34,437	68,155
	Qtr 2	2,138	1,373	3,511	34,124	38,031	72,154
	Qtr 3	1,902	1,339	3,241	32,236	33,967	66,203
	Qtr 4	1,927	1,253	3,181	33,323	35,580	68,903
	Total	7,997	5,256	13,253	133,401	142,014	275,414
2016	Qtr 1	2,125	1,328	3,453	33,848	33,195	67,044
	Qtr 2	2,287	1,367	3,654	35,148	37,150	72,298
	Qtr 3	2,083	1,417	3,500	35,848	36,012	71,861
	Qtr 4	2,357	1,664	4,022	38,249	41,548	79,797
	Total	8,852	5,777	14,630	143,093	147,906	290,999
2017	Qtr 1 (p)	2,585	1,592	4,177	40,739	40,922	81,660
	Qtr 2 (p)	2,495	1,718	4,213	40,449	41,613	82,063
	Qtr 3 (p)	2,374	1,594	3,968	40,627	39,991	80,618
	Qtr 4 (p)	2,455	1,615	4,071	41,651	43,792	85,443
	Total	9,910	6,520	16,429	163,466	166,318	329,784
Change latest 4 quarters to previous 4 quarters:							
Change (£m)		1,057	743	1,800	20,373	18,412	38,785
Change (%)		11.9	12.9	12.3	14.2	12.4	13.3

Source: WG analysis of Regional Trade Statistics, HMRC

In 2017, Germany was the largest export market for Welsh products followed by France, USA (including Puerto Rico), Ireland and the Netherlands. Compared to 2016, exports to all top five countries increased. Exports to France showed the largest absolute increase, up £398 million or 17.0 per cent. The increase in exports to France was driven by exports of *Other Transport Equipment*.

Outside the top five destinations (but inside the top 30), exports to Saudi Arabia had the largest fall, down £31 million (19.1 per cent) followed by exports to Qatar, down £20 million (11.6 per cent). Exports to Spain increased by £74 million (18.8 per cent) and the United Arab Emirates by £69 million (14.2 per cent). (*Table 1.2*)

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

Country	2016	2017	Change	
			Level	Percentage
Germany	3,002	3,219	217	7.2%
France	2,335	2,732	398	17.0%
USA (including Puerto Rico)	2,095	2,291	196	9.4%
Ireland	902	1,040	138	15.3%
Netherlands	580	689	109	18.7%
United Arab Emirates	488	558	69	14.2%
Spain	394	469	74	18.8%
Belgium	465	456	-9	-1.9%
Canada	332	359	27	8.1%
Turkey	300	348	48	16.1%
China	277	313	36	12.8%
Italy	278	288	10	3.5%
Sweden	244	272	28	11.4%
South Korea	202	245	43	21.3%
Japan	158	200	42	26.7%
Singapore	160	183	23	14.0%
Poland	141	167	26	18.5%
Switzerland	110	159	49	44.3%
Hong Kong	124	158	34	27.3%
Qatar	176	155	-20	-11.6%
Australia	106	155	48	45.5%
Saudi Arabia	161	131	-31	-19.1%
Russia	82	101	19	23.6%
India	98	100	2	1.7%
Czech Republic	69	79	10	15.2%
Norway	51	79	28	54.9%
Taiwan	85	79	-6	-7.4%
Brazil	68	70	2	2.8%
Greece	47	67	20	41.5%
Denmark	56	66	11	19.0%

Source: WG analysis of Regional Trade Statistics, HMRC

2. Welsh exports by product

Other Transport Equipment was the Welsh export category with the highest value in 2017, followed by *Power Generating Machinery & Equipment*. Three of the top 30 sectors declined in 2017 compared with 2016. The overall increase in exports from Wales was mainly due to increases in *Other Transport Equipment* (up £388 million, 9.7 per cent), *Petroleum, Petroleum Products & Related Materials* (up £352 million, 27.5 per cent), and *Power Generating Machinery & Equipment* (up £226 million, 12.4 per cent).

The *Office Machines & ADP Machines* sector had the largest absolute decrease in the top 30 sectors, down £5 million (2.5 per cent). ([Table 2.1](#))

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

Product sector	2016	2017	Change	
			Level	Percentage
Other Transport Equipment	4,012	4,400	388	9.7%
Power Generating Machinery & Equipment	1,826	2,051	226	12.4%
Petroleum, Petroleum Products & Related Materials	1,279	1,631	352	27.5%
Electric Machinery, Apparatus & Appliances & Electric Parts Thereof N.E.S	706	785	80	11.3%
Medicinal & Pharmaceutical Products	590	733	144	24.4%
Iron & Steel	707	724	16	2.3%
Road Vehicles, incl. Air Cushion Vehicles	497	572	75	15.1%
Miscellaneous Manufactured Articles N.E.S.	412	438	27	6.5%
Professional, Scientific & Controlling Ins & Apparatus N.E.S.	377	393	15	4.1%
Non-Ferrous Metals	308	360	52	16.9%
Manufactures Of Metal N.E.S	321	338	17	5.2%
Machinery Specialized For Particular Industries	315	314	-1	-0.2%
General Industrial Machinery & Equipment & Machine Parts N.E.S	248	278	30	12.1%
Chemical Materials & Products N.E.S	240	264	24	10.1%
Organic Chemicals	249	255	6	2.5%
Plastics In Primary Forms	219	223	4	1.7%
Furniture & Parts Thereof, Bedding & Mattresses etc.	194	222	28	14.6%
Metalliferous Ores & Metal Scrap	153	186	32	20.9%
Plastics In Non-Primary Forms	153	177	24	15.4%
Office Machines & ADP Machines	178	173	-5	-2.5%
Essential Oils & Perfume Materials, Toilet Preparations etc.	141	162	20	14.4%
Non-Metallic Mineral Manufactures N.E.S	129	154	25	19.1%
Rubber Manufactures N.E.S	125	141	17	13.3%
Telecomms & Sound Recording & Reproducing Apparatus & Equipment	106	132	26	24.4%
Paper, Paperboard & Manufactures Thereof	133	129	-4	-3.1%
Dairy Products & Birds' Eggs	89	121	32	35.4%
Articles Of Apparel & Clothing Accessories	104	118	14	13.1%
Meat & Meat Preparations	102	107	6	5.5%
Dyeing, Tanning & Colouring Materials	69	87	18	26.0%
Miscellaneous Edible Products & Preparations	61	73	12	20.1%
Total	14,630	16,429	1,800	12.3%

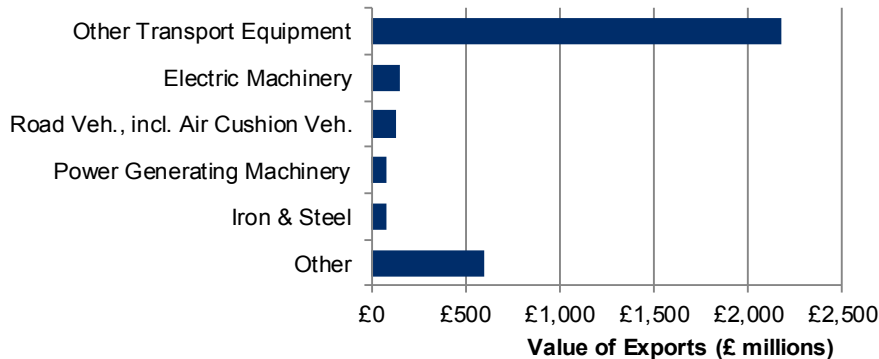
WG analysis of Regional Trade Statistics, HMRC

Other Transport Equipment had the largest absolute increase over this period, up £388 million (9.7 per cent) with the largest increases being to France, Germany and Australia. The second largest increase was in *Petroleum, Petroleum Products & Related Materials*, up £352 million (27.5 per cent) with the largest increases being to Ireland, the USA (including Puerto Rico) and Jordan.

3. Welsh exports by destination and product¹

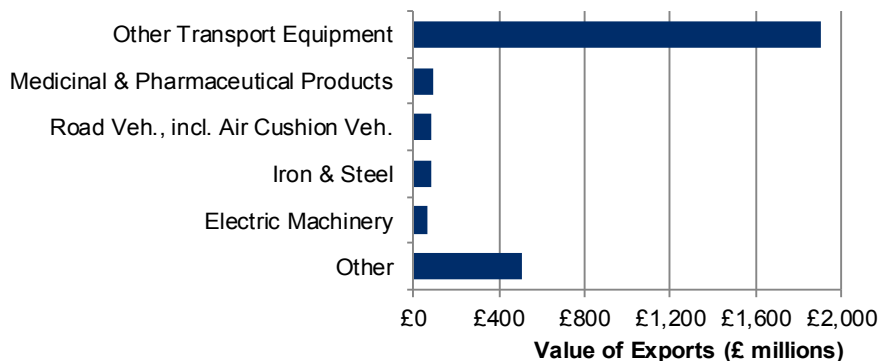
The three largest export countries for Wales are Germany, France and USA (including Puerto Rico). The largest export sector to Germany and France is *Other Transport Equipment* and the largest sector to the USA is *Petroleum, Petroleum Products & Related Materials*. (Charts 3.1 - 3.3)

Chart 3.1: Welsh exports to Germany by sector



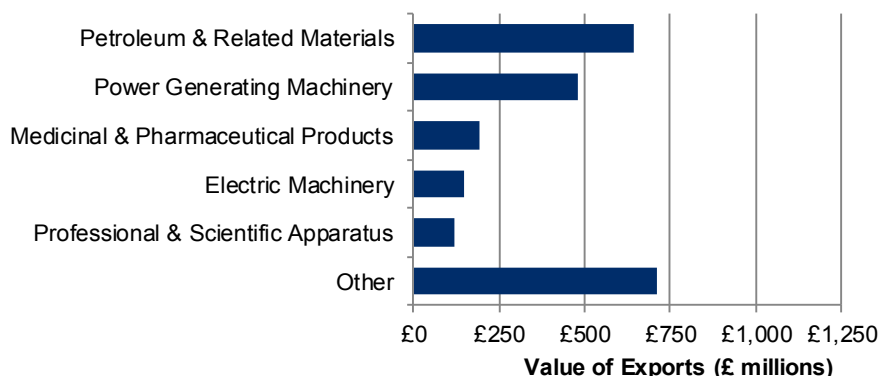
Source: WG analysis of Regional Trade Statistics, HMRC

Chart 3.2: Welsh exports to France by sector



Source: WG analysis of Regional Trade Statistics, HMRC

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

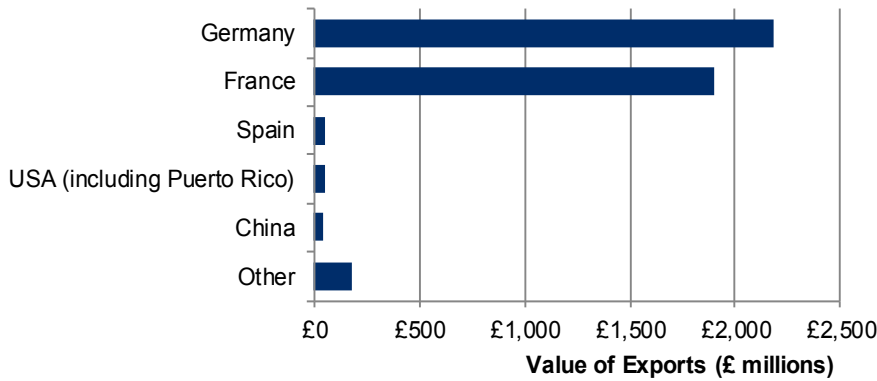


Source: WG analysis of Regional Trade Statistics, HMRC

¹ 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*.

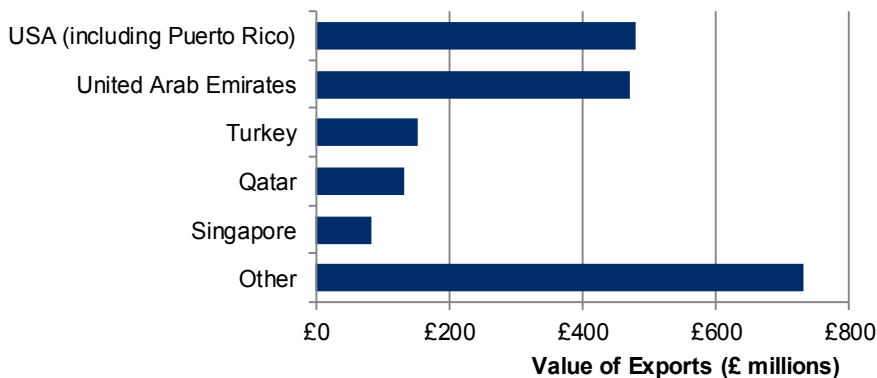
The three largest export sectors for Wales are *Other Transport Equipment*, *Power Generating Machinery & Equipment* and *Petroleum, Petroleum Products & Related Materials*. Germany receives 50 per cent of Welsh exports of *Other Transport Equipment* and the USA receives 23 per cent of Welsh exports in *Power Generating Machinery & Equipment*. The USA receives 40 per cent of Welsh exports of *Petroleum, Petroleum Products & Related Materials*. (Charts 3.4 - 3.6)

Chart 3.4: Destinations for Welsh exports in other transport equipment



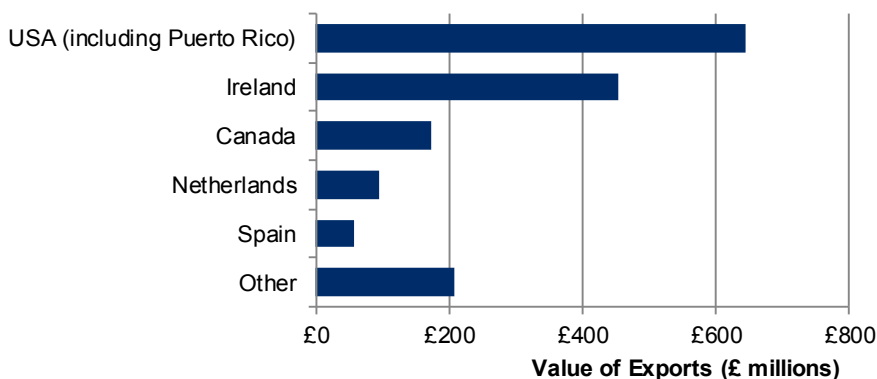
Source: WG analysis of Regional Trade Statistics, HMRC

Chart 3.5: Destinations for Welsh exports in power generating machinery & equipment



Source: WG analysis of Regional Trade Statistics, HMRC

Chart 3.6: Destinations for Welsh exports in petroleum, petroleum products & related materials



Source: WG analysis of Regional Trade Statistics, HMRC

Key quality information

Relevance

This bulletin contains analysis of [HMRC](#) Regional Trade Statistics (RTS) data for 2017. 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 does 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 are published on [StatsWales](#). The Headline Statistics and Statistical Bulletin are available on the [Welsh Government](#) website. The latest HMRC quarterly Regional Trade Statistics (RTS) release is available from the [HM Revenue & Customs website](#).

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 has 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 60.9 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](#).

Following the identification of an error in the calculation of these statistics, HMRC revised its data for 2013 quarter 1 to 2017 quarter 1 on the 12 October.

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 the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

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/?lang=en>

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@gov.wales

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