



## BRIEFING PAPER

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# Statistics on UK trade with China

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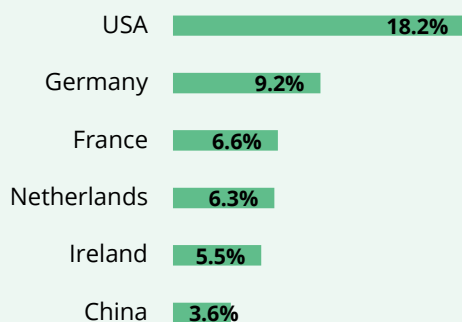
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# UK trade with China: a summary

## This short note provides some key statistics on UK trade with China

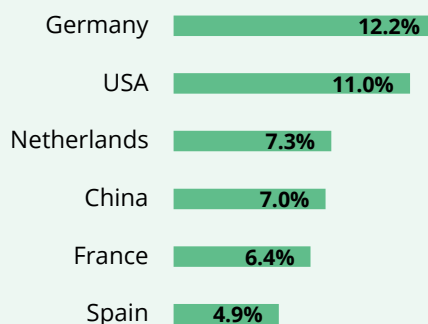
### UK exports to China £22.3 billion

China was the UK's sixth largest export market in 2017, accounting for 4% of all UK exports of goods and services



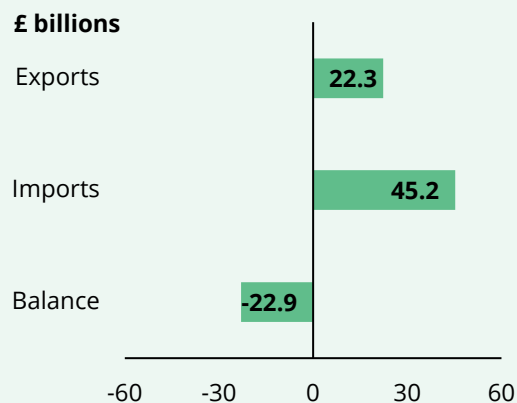
### UK imports from China £45.2 billion

China was the UK's fourth largest source of imports in 2017, accounting for 7% of UK imported goods and services



### Trade balance with China -£22.9 billion

The UK recorded a trade deficit with China of -£22.9 billion in 2017; a small surplus in services was outweighed by a deficit in goods



### UK trade with China, 1999-2017 (goods and services, % total)



UK trade with China has increased dramatically in recent years - in 1999, China was the UK's 26th largest export market and 15th largest source of imports, accounting for 0.7% of UK exports and 1.5% of imports.

# 1. Key statistics

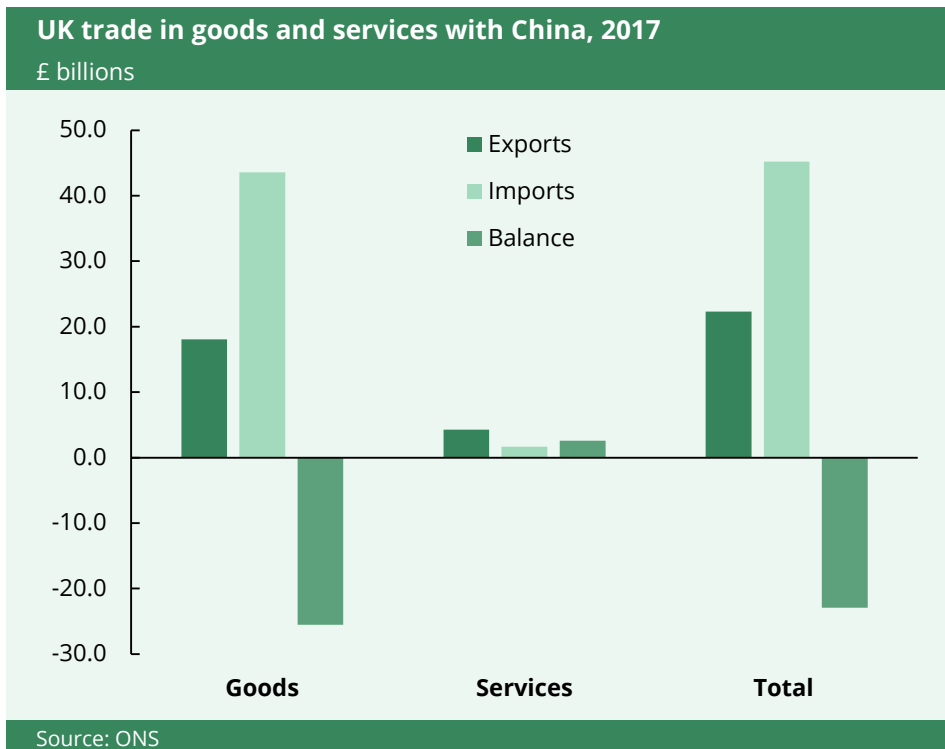
## 1.1 2017

In 2017, UK exports to China were worth £22.3 billion, up from £17.4 billion in 2016, and their highest level on record, surpassing the previous high of £19.1 billion set in 2014.

Imports from China in 2017 were £45.2 billion, a record high. The UK's trade deficit with China was -£22.9 billion in 2017, down slightly from -£23.9 billion in 2016.

Looking at trade in goods only, the UK exported £18.0 billion to China in 2017, a record high, surpassing the previous high of £15.7 billion in 2014. UK imports of goods from China were £43.6 billion, resulting in a trade deficit of -£25.5 billion in trade in goods.

The UK had a surplus of £2.6 billion on trade in services with China in 2017, exporting £4.3 billion of services to China and importing £1.7 billion.



## 1.2 International context

In 2017, China was the UK's 6<sup>th</sup> largest export market and 4<sup>th</sup> largest source of imports, accounting for 3.6% of UK exports and 7.0% of UK imports.

## 5 Statistics on UK trade with China

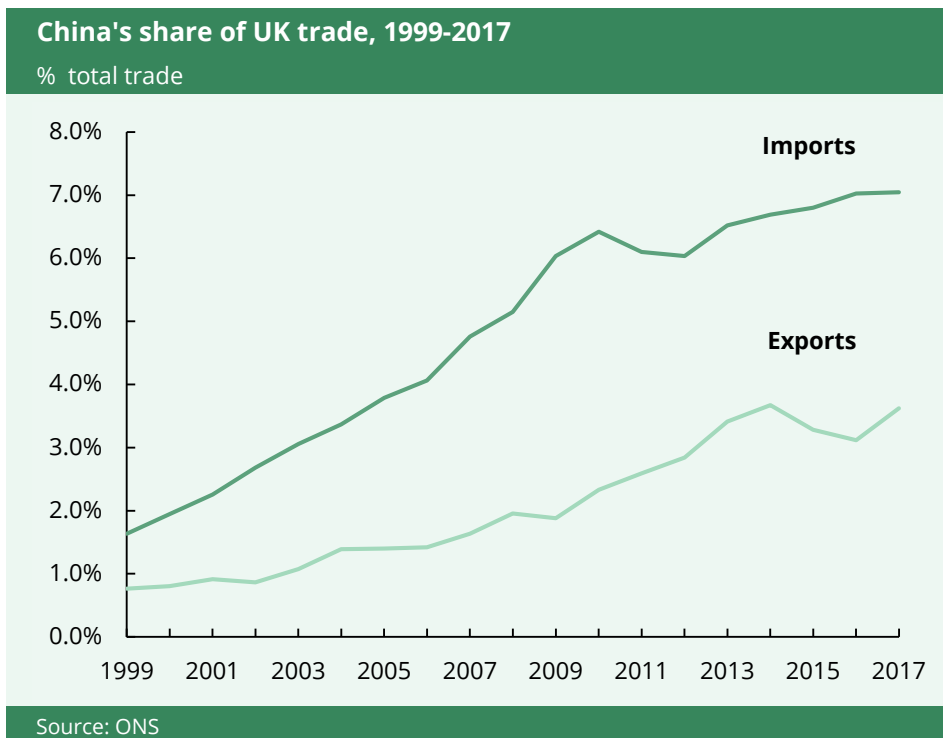
UK's 10 largest trading partners, 2017					
	Exports			Imports	
	£ billions	% of total		£ billions	% of total
USA	112.2	18.2%	Germany	78.1	12.2%
Germany	56.8	9.2%	USA	70.4	11.0%
France	40.4	6.6%	Netherlands	46.9	7.3%
Netherlands	39.0	6.3%	<b>China</b>	<b>45.2</b>	<b>7.0%</b>
Ireland	34.0	5.5%	France	40.8	6.4%
<b>China</b>	<b>22.3</b>	<b>3.6%</b>	Spain	31.3	4.9%
Switzerland	19.0	3.1%	Belgium	28.2	4.4%
Italy	18.9	3.1%	Italy	24.0	3.7%
Belgium	18.7	3.0%	Ireland	21.8	3.4%
Spain	16.1	2.6%	Norway	21.3	3.3%
<b>World</b>	<b>615.9</b>	<b>100.0%</b>	<b>World</b>	<b>641.8</b>	<b>100.0%</b>

Source: ONS, Pink Book

### 1.3 Recent trends

China's share of UK trade has increased rapidly in recent years - in 1999, China was the UK's 26<sup>th</sup> largest export market and 15<sup>th</sup> largest source of imports, accounting for 0.7% of UK exports and 1.5% of imports.

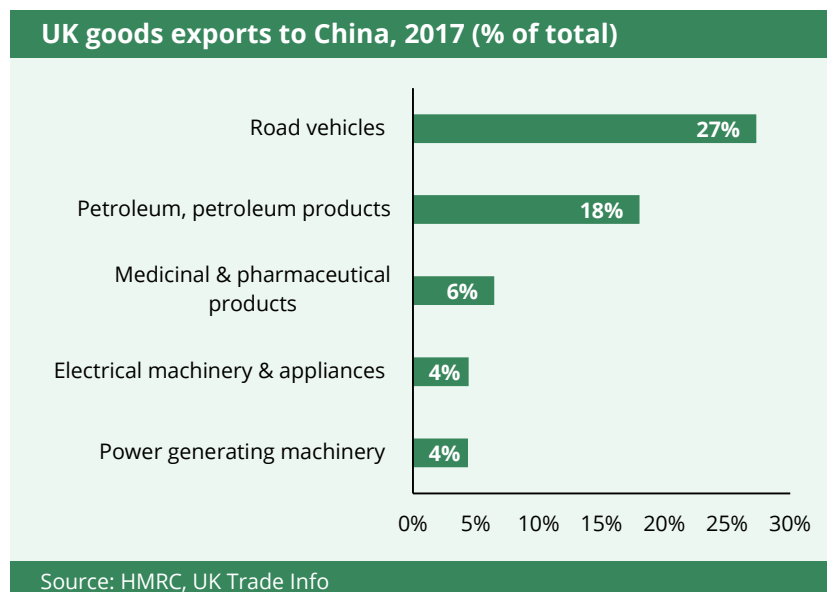
In cash terms, UK exports to China have increased from £1.9 billion in 1999 and imports from China have increased from £4.2 billion.



## 2. Trade in goods

In 2017, the UK's single largest export to China was road vehicles, valued at £4.5 billion; this represented 27% of all UK goods exports to China. Other British goods exports to China included petroleum and petroleum products, valued at £3.0 billion (18% of goods exports), medicinal and pharmaceutical products, valued at £1.1 billion (6% of goods exports) and electrical machinery and equipment, valued at £0.7 billion (4% of goods exports).

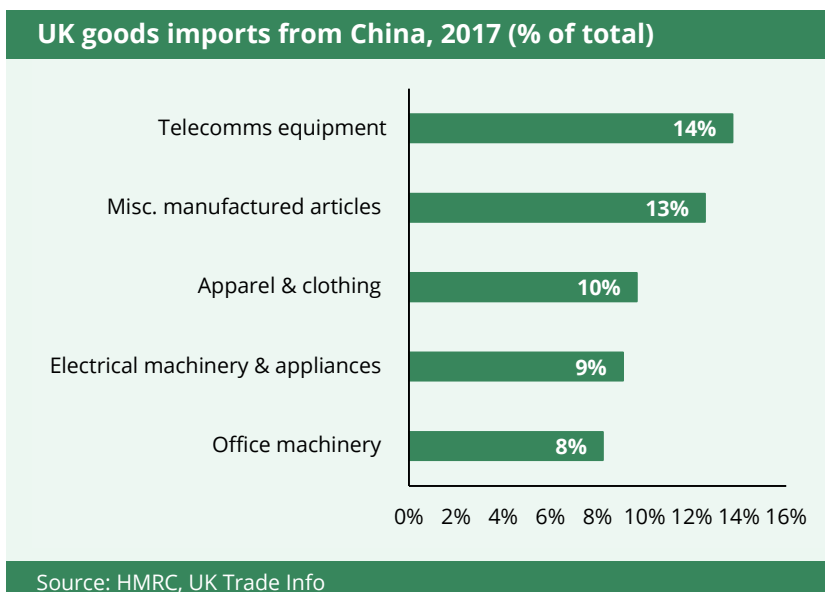
Combined, these four products groups comprised 56% of all the UK's goods exports to China.



In 2017, the UK's single largest import from China was telecoms equipment, valued at £5.7 billion, representing 14% of all UK goods imports from China, followed by miscellaneous manufactured articles (a category that includes plastic articles, toys, games and sporting goods) valued at £5.2 billion, representing 13% of all UK goods imports from China. Other imports from China included clothing and apparel, valued at £4.0 billion (10% of goods imports), electrical machinery and equipment, valued at £3.8 billion (9% of goods imports) and office machinery, valued at £3.4 billion (8% of all goods exports).

Combined, these five products groups comprised 54% of all UK goods imports from China.<sup>1</sup>

<sup>1</sup> Data from HMRC, [UK Trade Info](#)



## 2.1 Trade in goods by region

The West Midlands accounted for 25% of the UK's goods exports to China in 2017, valued at £4.0 billion. 77% of goods exports to China from the West Midlands were road vehicles, worth £3.1 billion. In total, the West Midlands accounted for 69% of all the UK's exports of road vehicles to China.

Scotland accounted for 14% of the UK's goods exports to China (valued at £2.2 billion), followed by London at 12% (valued at £1.9 billion) and the South East at 11% (valued at £1.8 billion).

**UK regional trade in goods with China, 2017**

Exports	£ billions	% of total
West Midlands	4.0	24.5%
Scotland	2.2	13.6%
London	1.9	11.5%
South East	1.8	11.0%
North West	1.8	10.9%
East	1.2	7.6%
East Midlands	0.7	4.5%
South West	0.7	4.0%
Yorkshire and the Humber	0.5	3.0%
North East	0.4	2.5%
Wales	0.3	1.9%
Northern Ireland	0.2	1.0%
Unknown	0.6	3.9%
<b>UK</b>	<b>16.3</b>	<b>100.0%</b>

Source: HMRC, UK Trade Info

London accounted for 21% of the UK's goods imports from China in 2016, valued at £8.9 billion. Telecoms equipment made up 41% of London's goods imports from China, worth £3.6 billion. London accounted for 64% of the UK's total imports of telecoms equipment from China.

The South East accounted for 13% of UK goods imports from China (valued at £5.3 billion), followed by the North West at 11% (valued at £4.4 billion) and the West Midlands at 9% (valued at £3.8 billion).

UK regional trade in goods with China, 2017		
Imports	£ billions	% of total
London	8.9	21.4%
South East	5.3	12.6%
North West	4.4	10.6%
West Midlands	3.8	9.2%
East	3.2	7.8%
Yorkshire and the Humber	3.2	7.7%
Scotland	2.7	6.6%
East Midlands	2.6	6.3%
South West	2.4	5.9%
Wales	1.2	2.8%
North East	1.1	2.7%
Northern Ireland	0.7	1.6%
Unknown	2.0	4.7%
<b>UK</b>	<b>41.6</b>	<b>100.0%</b>

Source: HMRC, UK Trade Info



### 3. Trade in services

Travel services were the UK's largest service exports to China in 2017, valued at £1.4 billion, comprising 36% of all UK service exports to China. The UK's trade surplus in travel services with China is contrary to the national trend - overall, the UK has had a persistent deficit in travel services, indicating UK residents spend more on foreign travel services than non-UK residents spend on travel services in the UK.<sup>2</sup>

UK trade in services with China, 2017		
Exports	£ millions	% of total
Travel	1,513	35.4%
Other business services	872	20.4%
Transportation	838	19.6%
Financial	312	7.3%
Intellectual Property	241	5.6%
Telecommunications, computer and information services	225	5.3%
Government	104	2.4%
Personal, cultural and recreational	89	2.1%
Construction	34	0.8%
Insurance & Pension	28	0.7%
<b>Total services</b>	<b>4,274</b>	<b>100.0%</b>

Source: ONS, Pink Book

The UK's largest service import from China was travel services, followed by other business services, worth £0.4 billion, accounting for 23% of all China's service exports to the UK. This category includes a broad range of services such as operational leasing and consultancy services, including advertising, engineering and legal services.

UK trade in services with China, 2017		
Imports	£ millions	% of total
Travel	505	30.2%
Other business services	376	22.5%
Transportation	333	19.9%
Telecommunications, computer and information services	57	3.4%
Financial	55	3.3%
Government	52	3.1%
Construction	15	0.9%
Intellectual Property	12	0.7%
<b>Total services</b>	<b>1,674</b>	<b>100.0%</b>

Source: ONS, Pink Book

<sup>2</sup> ONS, [Pink Book 2018](#) – see chapter 11

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