



## BRIEFING PAPER

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# Statistics on UK trade with China

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Inside:

1. Key statistics
2. Trade in goods and services
3. China's share of UK trade



# Contents

<b>Summary</b>	<b>3</b>
<b>1. Key statistics</b>	<b>4</b>
<b>2. Trade in goods and services</b>	<b>5</b>
2.1 Goods	5
2.2 Trade in goods by region	5
2.3 Services	6
<b>3. China's share of UK trade</b>	<b>7</b>

## Summary

This note provides some key statistics on the UK's trade with China. They are taken from the Office for National Statistics [Pink Book 2017](#) (see tables in Chapter 9).

- In 2016, UK exports to China were worth £16.8 billion; imports from China were £42.3 billion, resulting in a trade deficit of £25.4 billion with China.
- The UK had a surplus with China on trade in services, outweighed by a deficit on trade in goods.
- China accounted for 3.1% of UK exports and 7.2% of all UK imports.
- China was the UK's 8<sup>th</sup> largest export market and the 4<sup>th</sup> largest source of imports.

# 1. Key statistics

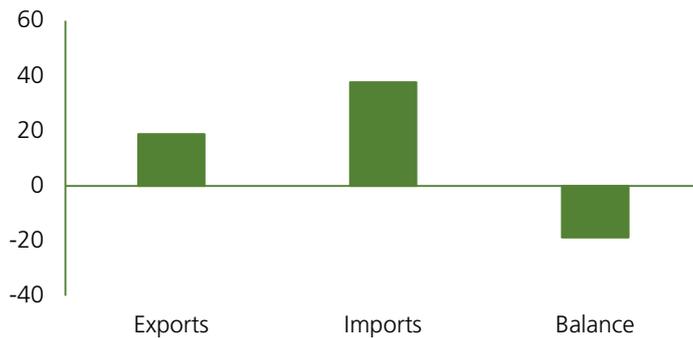
In 2016, UK exports to China were worth £16.8 billion, up slightly from £16.4 billion in 2015, but down from a record high of £18.9 billion in 2015. Imports from China in 2016 were £42.3 billion, a record high. The UK's trade deficit with China was £25.4 billion in 2016, the highest on record. This was the UK's second highest trade deficit with an individual country – the UK's deficit with Germany was slightly higher at £26.0 billion.

Looking at trade in goods only, the UK exported £13.5 billion to China in 2016, up from £12.7 billion in 2015, but down from a record high of £15.5 billion in 2014. UK imports of goods from China were £40.5 billion, resulting in a trade deficit of £27.1 billion in trade in goods.

The UK had a surplus of £1.6 billion on trade in services with China in 2016, exporting £3.3 billion of services to China and importing £1.7 billion.

## UK trade with China

Goods & services, £bn, 2016

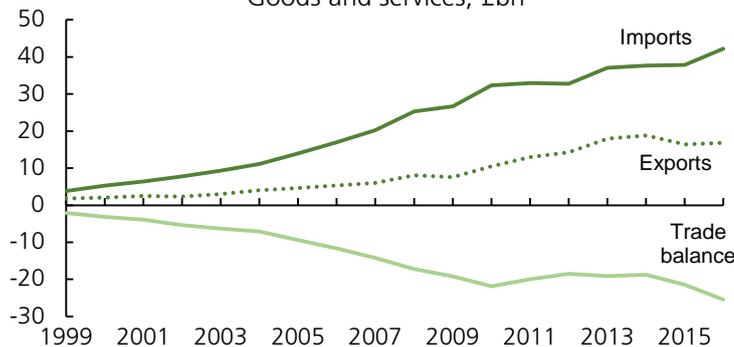


Source: ONS

In cash terms, UK exports to China have increased from £2.0 billion in 2000 and imports from China have increased from £5.2 billion.

## UK trade with China

Goods and services, £bn



Source: ONS

## 2. Trade in goods and services

### 2.1 Goods

In 2016, the UK's single largest export to China was road vehicles, valued at £3.7 billion; this represented 28% of all UK goods exports to China. Other British goods exports to China included petroleum and petroleum products, valued at £1.6 billion (12% of goods exports), medicinal and pharmaceutical products, valued at £0.9 billion (6% of goods exports) and power generating machinery, valued at £0.7 billion (5% of goods exports).

Combined, these four products groups comprised 51% of all the UK's goods exports to China.

In 2016, the UK's single largest import from China was miscellaneous manufactured articles, valued at £4.9 billion, representing 13% of all UK goods imports from China. Other imports from China included telecoms equipment, valued at £4.9 billion (12% of goods exports), clothing, valued at £4.1 billion (10% of goods exports) and electrical machinery and equipment, valued at £3.6 billion (9% of all goods exports).

Combined, these four products groups comprised 59% of all UK goods imports from China.<sup>1</sup>

### 2.2 Trade in goods by region

The West Midlands accounted for 26% of the UK's goods exports to China in 2016, valued at £3.3 billion. 77% of these exports were road vehicles, worth £2.5 billion. In total, the West Midlands accounted for 68% of all the UK's exports of road vehicles to China.

The North West accounted for 13% of the UK's goods exports to China (valued at £1.7 billion), followed by Scotland at 12% (valued at £1.6 billion) and the South East at 10% (valued at £1.3 billion).

#### UK regional trade in goods with China, 2016

Exports		
	£ bn	% of total
West Midlands	3.3	26.0%
North West	1.7	13.1%
Scotland	1.6	12.5%
South East	1.3	10.2%
London	1.1	8.5%
East	1.0	7.8%
East Midlands	0.7	5.2%
South West	0.4	3.4%
Yorkshire and the Humber	0.4	3.4%
North East	0.3	2.7%
Wales	0.3	2.2%
Northern Ireland	0.1	1.0%
Unknown	0.5	4.0%
Grand Total	12.7	100.0%

Source: HMRC, UK Trade Info

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

London accounted for 21% of the UK's goods imports from China in 2016, valued at £8.3 billion. Machinery and transport equipment made up 70% of London's goods imports from China, worth £5.0 billion. Telecoms equipment imports made up 37% of London's goods imports from China, valued at £3.1 billion.

The South East accounted for 13% of UK goods imports from China (valued at £5.2 billion), followed by the North West at 11% (valued at £4.3 billion) and the West Midlands at 9% (valued at £3.5 billion).

### UK regional trade in goods with China, 2016

#### Imports

	£ bn	% of total
London	8.3	21.2%
South East	5.2	13.3%
North West	4.3	10.9%
West Midlands	3.5	8.8%
East	3.3	8.3%
Yorkshire and the Humber	3.0	7.7%
Scotland	2.5	6.4%
East Midlands	2.5	6.3%
South West	2.3	5.9%
Wales	1.1	2.8%
North East	1.0	2.6%
Northern Ireland	0.6	1.6%
Unknown	1.7	4.2%
<b>Grand Total</b>	<b>39.3</b>	<b>100.0%</b>

Source: HMRC, UK Trade Info

## 2.3 Services

Travel services were the UK's largest service exports to China in 2016, valued at £1.2 billion, comprising 35% of all UK service exports to China. Travel services include services provided by hotels and restaurants, travel agencies and tour operator services.

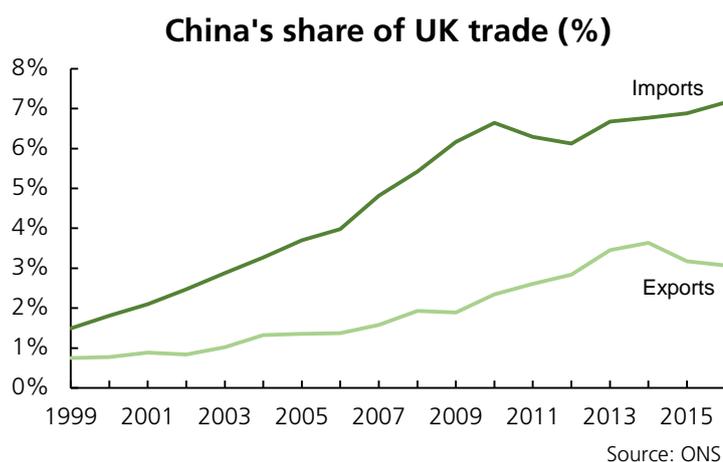
The UK's trade surplus in travel services with China is contrary to the national trend - overall, the UK has had a persistent deficit in travel services, indicating UK residents spend more on foreign travel services than non-UK residents spend on travel services in the UK.<sup>2</sup>

The UK's largest service import from China was other business services, worth £0.6 billion, accounting for 33% 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.

<sup>2</sup> ONS, [Pink Book 2017](#) – see chapter 11

### 3. China's share of UK trade

In 2016, China accounted for 3.1% of UK exports of goods and services (down from a high of 3.6% in 2014) and 7.2% of UK imports – the highest on record. China's share of UK trade has increased rapidly in recent years. In 2000, China accounted for 0.7% of UK exports and 1.5% of imports.



In 2016, China was the UK's 8<sup>th</sup> largest export market for the UK and the 3<sup>rd</sup> largest source of imports.

#### UK top 10 export markets

Goods and services, 2016

	£bn	% of total
US	99.6	18.2%
Germany	49.1	9.0%
France	33.8	6.2%
Netherlands	31.0	5.7%
Ireland	26.7	4.9%
Switzerland	21.0	3.8%
Italy	17.3	3.2%
<b>China</b>	<b>16.8</b>	<b>3.1%</b>
Belgium	15.9	2.9%
Spain	14.6	2.7%
EU	235.8	43.1%
<b>Total</b>	<b>547.5</b>	<b>100.0%</b>

Source: ONS Pink Book 2017  
Table 9.3

#### UK top 10 sources of imports

Goods and services, 2016

	£bn	% of total
Germany	75.1	12.7%
USA	66.3	11.2%
Netherlands	42.4	7.2%
<b>China</b>	<b>42.3</b>	<b>7.2%</b>
France	37.6	6.4%
Spain	28.0	4.7%
Belgium	26.2	4.4%
Italy	22.6	3.8%
Ireland	20.8	3.5%
Norway	14.9	2.5%
EU	318.0	53.9%
<b>Total</b>	<b>590.5</b>	<b>100.0%</b>

Source: ONS Pink Book 2017  
Table 9.3

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