



BRIEFING PAPER

Number 7379, 5 November 2019

Statistics on UK trade with China

By Matthew Ward

Inside:

1. Key statistics, 2018
2. International context
3. Trade in goods
4. Trade in services
5. Regional trade
6. Appendix – UK trade with China, 1999 - 2018



Contents

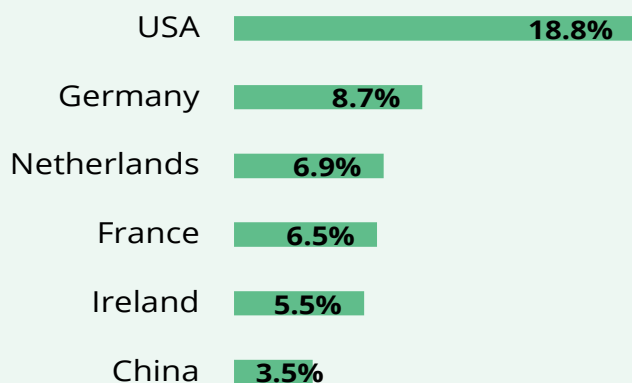
Summary	3
1. Key statistics, 2018	4
2. International context	6
3. Trade in goods	8
3.1 Exports	8
3.2 Imports	8
4. Trade in services	9
4.1 Exports	9
4.2 Imports	9
5. Regional trade	11
6. Appendix – UK trade with China, 1999 - 2018	13

UK trade with China: a summary

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

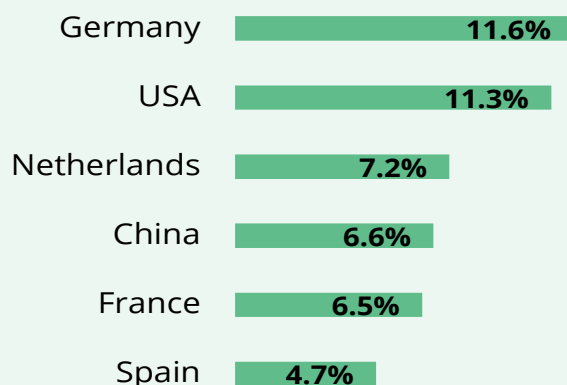
UK exports to China £22.6 billion

China was the UK's sixth largest export market in 2018, accounting for 4% of all UK exports of goods and services



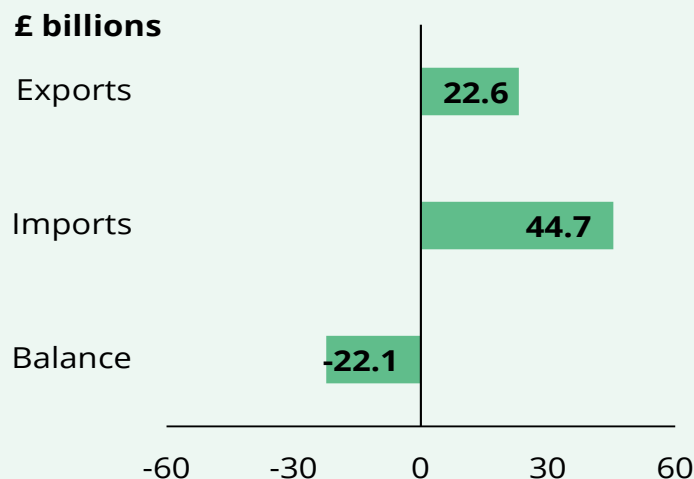
UK imports from China £44.7 billion

China was the UK's fourth largest source of imports in 2018, accounting for 7% of UK imported goods and services

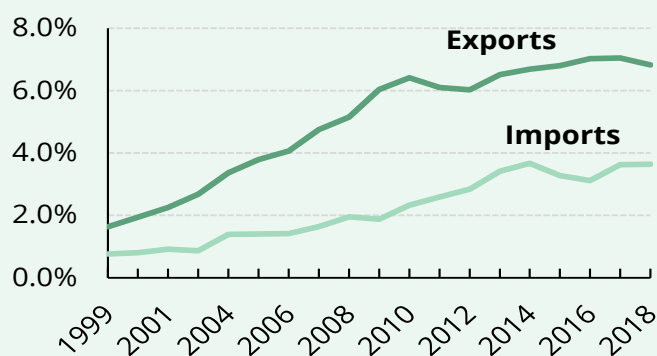


Trade balance with China -£22.1 billion

The UK recorded a trade deficit with China of -£22.1 billion in 2018; a small surplus in services was outweighed by a deficit in goods



UK trade with China, 1999-2018 (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 0.8% of UK exports and 1.6% of imports.

1. Key statistics, 2018

In 2018:

- UK exports of goods and services to China were worth £22.6 billion, a record high, up slightly from 2017. This is the third successive year on year increase in British exports to China.
- UK imports of goods and services from China in 2018 were £44.7 billion, also a record high. UK imports from China have now grown year on year every year since 1999.
- The UK's trade deficit with China was -£22.1 billion in 2018. This was the UK's second largest trade deficit with an individual country - the UK's trade deficit Germany -£22.6 billion. Taken as a bloc, the UK's trade deficit with the EU was -£66.4 billion.

UK trade with China, 2018 (£ billions)			
	Exports	Imports	Balance
Goods	18.0	43.0	-25.0
Services	4.6	1.7	2.9
Total	22.6	44.7	-22.1

Source: ONS

Overall, UK exports to China represented 3.5% of all UK exports; UK imports from China represented 6.6% of all UK imports.

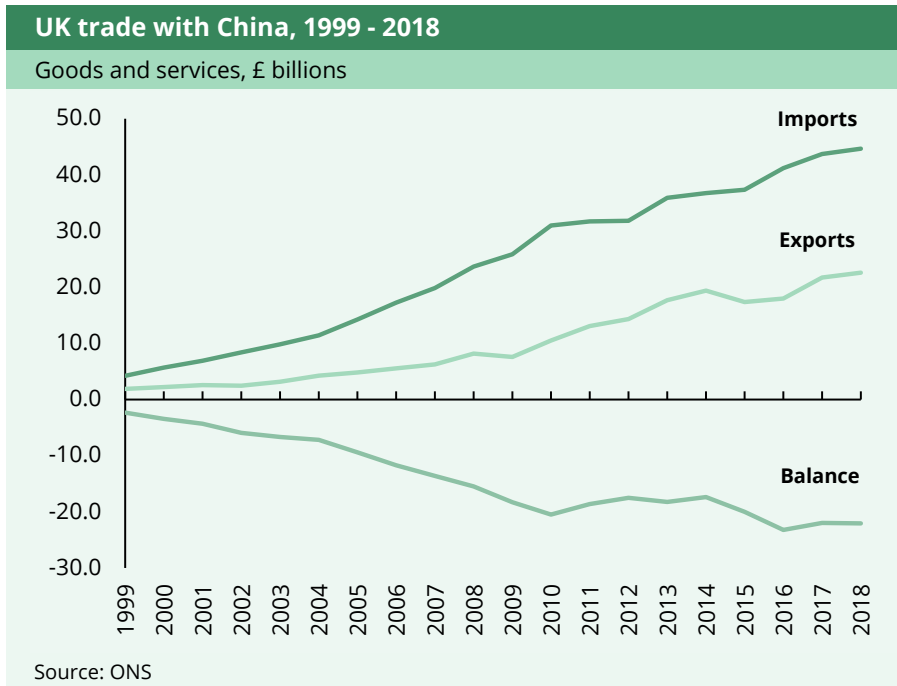
Looking at trade in goods only, the UK exported £18.0 billion to China in 2018, a record high, up from £17.4 billion in 2017. UK imports of goods from China were £43.0 billion, up slightly from 2017, resulting in a trade deficit of -£25.0 billion in trade in goods.

The UK had a surplus of £2.9 billion on trade in services with China in 2018, exporting a record high of £4.6 billion of services and importing £1.7 billion.

The UK has now recorded an overall trade deficit with China every year since 1999 – surpluses in services have been more than outweighed by deficits in goods.

In cash terms, UK exports from China have increased from £1.9 billion in 1999; imports from China have increased from £4.2 billion – details on UK trade with China since 1999 are available in the Appendix.

5 Statistics on UK trade with China



2. International context

In 2018, China was the UK’s 6th largest export market and 4th largest source of imports. China was the UK’s second largest source of imports outside of the EU.

UK top 10 trading partners 2018, goods and services					
Exports	£ billions	% of total	Imports	£ billions	% of total
USA	120.9	18.8%	Germany	78.6	11.6%
Germany	56.0	8.7%	USA	76.6	11.3%
Netherlands	44.3	6.9%	Netherlands	49.3	7.2%
France	41.7	6.5%	China	44.7	6.6%
Ireland	35.1	5.5%	France	44.4	6.5%
China	22.6	3.5%	Spain	31.9	4.7%
Italy	20.7	3.2%	Belgium	29.0	4.3%
Switzerland	20.2	3.1%	Italy	25.6	3.8%
Belgium	19.1	3.0%	Norway	22.0	3.2%
Spain	18.0	2.8%	Ireland	21.6	3.2%
EU	291.0	45.3%	EU	357.4	52.6%
World	642.2	100.0%	World	680.0	100.0%

Source: ONS Pink Book

China’s share of UK trade has increased rapidly in recent years - in 1999, China was the UK’s 26th largest export market and 15th largest source of imports, accounting for 0.8% of UK exports and 1.6% of imports.



7 Statistics on UK trade with China

In 2018:

- The UK was China's 9th largest export market for goods, accounting for 2.3% of all China's goods exports.
- The UK was China's 21st largest source of imported goods, accounting for 1.2% of all China's goods imports.

China's largest trading partners, 2018 (trade in goods)

Exports	% total	Imports	% total
USA	19.2%	South Korea	10.2%
Hong Kong	12.1%	Japan	9.1%
Japan	5.9%	Taiwan	9.0%
South Korea	4.4%	USA	7.9%
Vietnam	3.4%	Germany	5.3%
Germany	3.1%	Australia	5.3%
India	3.1%	Brazil	3.9%
Netherlands	2.9%	Vietnam	3.2%
UK	2.3%	Malaysia	3.2%
Taiwan	2.2%	Russia	2.9%

Source: UNCTAD

3. Trade in goods

3.1 Exports

In 2018, the UK's single largest export to China was non-monetary gold, valued at £4 billion; this represented 21% of all UK goods exports to China.

Other British goods exports to China included road vehicles, valued at £4 billion (19% of goods exports), petroleum, valued at £4 billion (19% of goods exports) and medicinal and pharmaceutical products, valued at £1 billion (5% of goods exports).

Combined, these four products groups comprised 64% of all the UK's goods exports to China.

UK goods exports to China by type, 2018		
	£ billions	% of total
Gold, non-monetary	4.3	20.9%
Road vehicles	3.9	18.8%
Petroleum, petroleum products	3.9	18.7%
Medicinal & pharmaceutical products	1.1	5.3%
Power generating machinery & equipment	0.8	3.9%
Electrical machinery & appliances	0.7	3.5%
Professional, scientific & controlling instruments, n.e.s.	0.6	3.0%
General industrial machinery & equipment	0.6	2.8%
Metalliferous ores & metal scrap	0.5	2.4%
Non-ferrous metals	0.4	1.8%

Source: HMRC, UK Trade Info

3.2 Imports

In 2018, the UK's single largest import from China was telecoms equipment, valued at £6 billion, representing 15% of all UK goods imports from China

Other imports from China included miscellaneous manufactured articles (a category that includes plastic articles, toys, games and sporting goods) valued at £5 billion (11% of all goods imports), office machinery, valued at £4 billion (10% of all goods imports) and electrical machinery and equipment, valued at £4 billion (9% of all goods imports).

UK goods imports from China by type, 2018		
	£ billions	% of total
Telecomms & sound recording equipment	6.4	14.9%
Miscellaneous manufactured articles n.e.s.	4.9	11.4%
Office machines & adp machines	4.0	9.5%
Electrical machinery & appliances	3.9	9.2%
Articles of apparel & clothing accessories	3.8	8.8%
Manufactures of metal n.e.s.	2.2	5.2%
Furniture & parts thereof; bedding, mattresses	2.1	4.9%
General industrial machinery & equipment	1.7	3.9%
Footwear	1.2	2.7%
Road vehicles	1.1	2.7%

Source: HMRC, UK Trade Info

4. Trade in services

4.1 Exports

In 2018, the UK's single largest service export to China was "other business services", valued at £1 billion, making up just over a fifth of UK service exports to China. This category includes legal, accounting, advertising, research and development, architectural, engineering and other professional and technical services.

Other service exports to China included travel services – this category includes services provided by hotels and restaurants, travel agencies and tour operators and will include services consumed by a resident of one country in another – for example a Chinese tourist staying in a hotel in the UK will count as a British service export; a British tourist staying in a Chinese hotel would count as a service import.

The UK's trade surplus in travel services with China (worth £0.7 billion in 2018) was the UK's third largest surplus in travel services, after Australia and Canada.

UK service exports to China by type of service, 2018		
	£ millions	% of total
Other Business Services	1,000.0	21.7%
Travel	950.0	20.6%
Transportation	910.0	19.8%
Intellectual property	440.0	9.6%
Telecommunications, computer & information services	396.0	8.6%
Financial	359.0	7.8%
Personal, Cultural and Recreational	210.0	4.6%
Government	117.0	2.5%
Insurance and Pension	111.0	2.4%
Maintenance and Repair	60.0	1.3%
Construction	44.0	1.0%
Manufacturing	10.0	0.2%
Total services	4,607.0	100.0%

Source: ONS

4.2 Imports

The UK's largest service import from China was transportation services, which accounted for just over a quarter of the UK's service imports from China. Transportation services include passenger and freight transport.

Travel services made up just under a fifth of UK service imports from China – combined these two categories accounted for 46% of all service imports from China.

UK service imports from China by type of service, 2018

	£ millions	% of total
Transportation	462.0	27.6%
Travel	311.0	18.6%
Telecommunications, computer & information services	97.0	5.8%
Financial	57.0	3.4%
Government	49.0	2.9%
Manufacturing	23.0	1.4%
Construction	17.0	1.0%
Personal, Cultural and Recreational	11.0	0.7%
Intellectual property	10.0	0.6%
Maintenance and Repair	5.0	0.3%
Insurance and Pension	2.0	0.1%
Total services	1,674.0	100.0%

Source: ONS

5. Regional trade

HMRC publish data on trade for Scotland, Wales and Northern Ireland and the English regions. These figures are for trade in goods only.

The South East accounted for just under a quarter of the UK's goods exports to China in 2018, valued at £4 billion. Petroleum and petroleum products made up 56% of goods exports to China.

The West Midlands accounted for 19% of the UK's goods exports to China (valued at £3 billion), followed by the North West at 10% (valued at £2 billion) and Scotland at 9% (valued at £2 billion).

UK regional goods exports to China, 2018		
	£ billions	% of total
South East	3.9	23.8%
West Midlands	3.1	19.2%
North West	1.6	9.8%
Scotland	1.5	8.9%
East	1.3	8.1%
London	1.2	7.5%
Unknown	0.9	5.2%
East Midlands	0.7	4.4%
South West	0.7	4.1%
Yorkshire and the Humber	0.6	3.8%
Wales	0.4	2.3%
North East	0.3	2.0%
Northern Ireland	0.2	1.0%
Grand Total	16.4	100.0%

Source: HMRC, UK Trade Info

London accounted for 21% of the UK's goods imports from China in 2018, valued at £9 billion. Telecoms equipment made up 44% of London's goods imports from China, worth £4 billion.

The South East accounted for 13% of UK goods imports from China (valued at £6 billion), followed by the North West at 11% (valued at £5 billion).

UK regional goods imports from China, 2018

	£ billions	% of total
London	9.2	21.6%
South East	5.6	13.3%
North West	4.5	10.5%
West Midlands	3.8	9.0%
East	3.2	7.6%
Yorkshire and the Humber	3.0	7.0%
Scotland	2.9	6.8%
East Midlands	2.7	6.3%
South West	2.4	5.6%
Unknown	2.3	5.4%
Wales	1.1	2.7%
North East	1.1	2.7%
Northern Ireland	0.7	1.6%
Grand Total	42.6	100.0%

Source: HMRC, UK Trade Info

6. Appendix – UK trade with China, 1999 - 2018

UK trade with China, 1999 - 2018					
Goods and services					
	Exports		Imports		Balance
	£ billions	% of total	£ billions	% of total	£ billions
1999	1.9	0.8%	4.2	1.6%	-2.3
2000	2.2	0.8%	5.7	1.9%	-3.5
2001	2.6	0.9%	6.9	2.2%	-4.3
2002	2.4	0.9%	8.4	2.6%	-5.9
2003	3.2	1.1%	9.8	3.0%	-6.7
2004	4.2	1.4%	11.4	3.3%	-7.2
2005	4.8	1.4%	14.2	3.7%	-9.4
2006	5.5	1.4%	17.3	4.0%	-11.7
2007	6.2	1.6%	19.8	4.7%	-13.6
2008	8.2	1.9%	23.7	5.1%	-15.5
2009	7.6	1.9%	25.9	6.0%	-18.3
2010	10.5	2.3%	31.0	6.4%	-20.5
2011	13.1	2.6%	31.7	6.0%	-18.6
2012	14.3	2.8%	31.8	6.0%	-17.5
2013	17.7	3.3%	35.9	6.5%	-18.2
2014	19.4	3.7%	36.8	6.6%	-17.4
2015	17.3	3.3%	37.4	6.7%	-20.0
2016	18.0	3.2%	41.2	6.9%	-23.2
2017	21.7	3.5%	43.7	6.7%	-22.0
2018	22.6	3.5%	44.7	6.6%	-22.1

Source: ONS

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).