



UK and EU Trade Brief

1. The EU accounts for 45% of the total value of the UK's exports of goods and services and 53% of the total value of the UK's imports of goods and services. The UK's **trade deficit of goods and services with the EU** is £62.5bn (3.5% of GDP). By contrast, the UK has a **trade in goods and services surplus with the rest of the world** (henceforth RW) of £27.3bn (1.5% of GDP).
2. The compound **annual growth rate (CAGR) of the UK's exports of goods and services with the EU** is **2.7%** in the past 10 years, and the **annual growth rate of the UK's imports of goods and services with EU** is **3.4%** in the same period. The **annual growth rate of the UK's exports of goods and services with the RW** is **6.1%** in the past 10 years, and the **annual growth rate of the UK's imports of goods and services with RW** is **5.1%** in the same period.
3. UK's **trade deficit of goods and services with Germany** is £23.9bn (1.4% of GDP), or 42.5% of the total deficit with the EU. Its **trade surplus of goods and services with the US** is £36.9bn (2.1% of GDP). Its **trade deficit of goods and services with the BRIC economies** is £22.0bn (1.2% of GDP), of which **China** accounts for £19.5bn (1.1% of GDP).
4. The UK's total trade in goods and services is £1,049.7bn (58.6% of GDP). The trade of goods accounts for 67.2% and the trade of services accounts for 32.8%. The **trade deficit in goods is £121.2bn (6.8% of GDP)** and the **trade surplus in services is £86.0bn (4.8% of GDP)**.
5. The UK's **trade deficit in goods with the EU is £78.6bn (4.4% of GDP)** and its **trade surplus in services with the EU is £16.0bn (0.9% of GDP)**. The UK's **trade deficit in goods with the RW is £42.7bn (2.4% of GDP)** and its **trade surplus in services with the RW is £70.0bn (3.9% of GDP)**.
6. Of the UK's trade in goods with the EU, **manufactured goods account a £89.5bn (5.0% of GDP) trade deficit**. Of the U's trade in goods with the RW, **manufactured goods account a £6.9bn (0.4% of GDP) trade surplus**.
7. Of the **UK's trade in services with the EU, financial services** (including insurance and pension services) account for a **£19.9bn (1.2% of GDP) surplus**. Of the **UK's trade in services with the RW, financial services** (including insurance and pension services) **accounts for a £39.3bn (2.3% of GDP) surplus** in financial services with the RW.
8. The **annual growth rate of the trade of financial services during 2007-2013 is 3.7% with the EU and 4.9% with the RW**.

Summary data for UK and EU Trade

£ billion

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	CAGR
Total trade											
Exports of goods	212.7	244.8	222.5	255.0	230.7	270.8	309.2	305.1	306.8	292.2	3.6%
Exports of services	128.9	145.5	157.3	165.9	169.5	176.2	190.3	195.6	209.1	215.0	5.8%
of which financial services	40.9	50.0	56.9	56.5	59.4	60.1	67.8	66.1	69.7	68.5	5.9%
	341.7	390.4	379.8	420.9	400.3	447.1	499.5	500.7	515.9	507.2	4.5%
Imports of goods	282.4	322.3	315.8	351.4	314.3	368.2	405.7	414.1	419.4	413.4	4.3%
Imports of services	94.0	101.3	104.7	114.4	114.0	115.9	117.6	121.1	130.3	129.0	3.6%
of which financial services	10.0	11.6	11.4	12.2	13.1	11.9	12.8	10.7	10.5	10.8	0.9%
	376.3	423.6	420.5	465.8	428.4	484.1	523.3	535.2	549.6	542.4	4.1%
Balances of trade	-34.6	-33.2	-40.7	-44.9	-28.1	-37.1	-23.8	-34.5	-33.7	-35.2	0.2%
% GDP	-2.6%	-2.4%	-2.7%	-3.0%	-1.9%	-2.4%	-1.5%	-2.1%	-2.0%	-2.0%	-2.9%
Balances of goods	-69.6	-77.4	-93.3	-96.4	-83.6	-97.4	-96.5	-109.0	-112.6	-121.2	6.4%
% GDP	-5.2%	-5.5%	-6.3%	-6.3%	-5.6%	-6.3%	-6.0%	-6.6%	-6.6%	-6.8%	2.9%
Balances of services	35.0	44.2	52.6	51.5	55.5	60.4	72.7	74.5	78.9	86.0	10.5%
% GDP	2.6%	3.1%	3.6%	3.4%	3.7%	3.9%	4.5%	4.5%	4.6%	4.8%	6.9%
of which financial services	30.9	38.4	45.5	44.3	46.3	48.2	55.0	55.4	59.2	57.7	7.2%
% GDP	2.3%	2.7%	3.1%	2.9%	3.1%	3.1%	3.4%	3.3%	3.5%	3.2%	3.7%
Trade with the EU											
Exports of goods	123.0	151.7	128.4	142.6	125.6	145.0	165.2	153.2	154.6	147.3	2.0%
Exports of services	54.4	59.4	65.2	68.7	68.3	70.9	75.6	77.2	76.3	79.0	4.2%
of which financial services			20.2	19.1	21.7	22.9	23.8	22.6	23.4		
	177.4	211.1	193.6	211.4	193.9	215.9	240.9	230.4	230.9	226.3	2.7%
Imports of goods	161.6	184.6	172.1	184.3	165.2	188.5	205.6	209.6	223.7	225.9	3.8%
Imports of services	52.0	55.0	54.9	58.4	55.1	55.9	56.9	60.3	64.5	63.0	2.2%
of which financial services			4.2	5.1	3.9	3.5	3.7	3.5	3.5		
	213.6	239.6	227.0	242.7	220.4	244.4	262.5	269.9	288.2	288.8	3.4%
Balances of trade with the EU	-36.2	-28.6	-33.4	-31.3	-26.5	-28.5	-21.7	-39.5	-57.3	-62.5	6.3%
% GDP	-2.7%	-2.0%	-2.3%	-2.1%	-1.8%	-1.8%	-1.3%	-2.4%	-3.3%	-3.5%	2.8%
Balances of goods	-38.6	-32.9	-43.7	-41.7	-39.6	-43.5	-40.4	-56.5	-69.1	-78.6	8.2%
% GDP	-2.9%	-2.3%	-2.9%	-2.7%	-2.7%	-2.8%	-2.5%	-3.4%	-4.0%	-4.4%	4.7%
Balances of services	2.4	4.4	10.2	10.3	13.1	15.0	18.7	17.0	11.8	16.0	23.7%
% GDP	0.2%	0.3%	0.7%	0.7%	0.9%	1.0%	1.2%	1.0%	0.7%	0.9%	19.6%
of which financial services			16.0	14.0	17.8	19.4	20.1	19.1	19.9		3.7%
% GDP			1.1%	0.9%	1.2%	1.2%	1.2%	1.2%	1.2%		1.2%
Trade with non-EU											
Exports of goods	89.7	93.1	94.0	112.3	105.2	125.8	144.0	152.0	152.2	144.9	5.5%
Exports of services	74.6	86.2	92.2	97.2	101.2	105.4	114.6	118.4	132.8	136.0	6.9%
of which financial services			36.7	37.4	37.8	37.2	44.0	43.5	46.4		
	164.3	179.3	186.2	209.5	206.4	231.2	258.6	270.3	285.0	280.9	6.1%
Imports of goods	120.8	137.6	143.7	167.1	149.1	179.7	200.1	204.5	195.7	187.6	5.0%
Imports of services	42.0	46.4	49.8	56.0	58.9	60.0	60.7	60.8	65.7	66.0	5.2%
of which financial services			7.2	7.1	9.3	8.4	9.1	7.2	7.1		
	162.7	184.0	193.5	223.1	208.0	239.7	260.7	265.3	261.4	253.6	5.1%
Balances of trade with Non-EU	1.6	-4.7	-7.3	-13.6	-1.6	-8.6	-2.1	5.0	23.6	27.3	37.3%
% GDP	0.1%	-0.3%	-0.5%	-0.9%	-0.1%	-0.6%	-0.1%	0.3%	1.4%	1.5%	32.8%
Balances of goods	-31.0	-44.5	-49.6	-54.7	-43.9	-53.9	-56.1	-52.5	-43.5	-42.7	3.6%
% GDP	-2.3%	-3.2%	-3.4%	-3.6%	-3.0%	-3.5%	-3.5%	-3.2%	-2.5%	-2.4%	0.2%
Balances of services	32.6	39.8	42.4	41.2	42.3	45.3	54.0	57.6	67.1	70.0	8.8%
% GDP	2.5%	2.8%	2.9%	2.7%	2.9%	2.9%	3.3%	3.5%	3.9%	3.9%	5.3%
of which financial services			29.5	30.3	28.5	28.8	34.9	36.3	39.3		4.9%
% GDP			2.0%	2.0%	1.9%	1.8%	2.2%	2.2%	2.3%		2.4%

%GDP calculated by using GDP at current market prices

Source: Office for National Statistics