



# HUMBER LEVELLING UP STUDY TRADE STATISTICS REPORT

A Report for Hull and East Yorkshire  
Local Enterprise Partnership  
(HEY LEP)



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## 1. INTRODUCTION AND SUMMARY

This report provides an analysis of trade data for the Humber Levelling Up project. It presents the findings for East Yorkshire and Northern Lincolnshire, the Humber LEP area. It draws on two official sources of data for an overview of trade flows, EU dependency, trade partners and sectors. This report is part of a series carried out for a Levelling Up study for the Humber. It gives an overview of trade flows, EU dependency and trade partners more generally.

The first source this report draws on consists of annual statistics from HM Revenue and Customs (HMRC)<sup>1</sup> on traded goods. Analysis has been concentrated on the latest available figures from 2019, although previous publications have also been included to obtain trend data. The information uses the NUTS2 East Yorkshire and Northern Lincolnshire (Humber) geography, as quantified by HMRC, which is effectively the Humber area, north and south banks. Therefore, the analysis will refer to both the Humber and Humber in the text. The second source is taken from the Office of National Statistics (ONS)<sup>2</sup> on traded services. While less information was available from this source, the analysis is similar. These two sources, although official data, are not directly comparable as HMRC and ONS use different methods of collection. However, together they provide the best profile of trade figures currently available. Comparisons with the two NUTS2 areas in the north of England that have major port facilities – Tees Valley and Durham (TVD) and Merseyside – have also been provided.

### HUMBER INTERNATIONAL TRADE HEADLINES

The headlines, as illustrated overleaf, are as follows:

- The Humber traded £13.3bn in goods in 2019, with £5.5bn exports and £7.8bn imports
- Of these, £3.2bn were EU exports, £2.4bn were non-EU exports, £3.2bn were EU imports and £4.6bn were non-EU imports
- 58% of goods were exported to the EU
- The top three export goods markets are the Netherlands with £866m, Belgium with £647m and France with £422m
- The top three import goods markets are Norway with £1681m, Russia with £897m and the Netherlands with £721m
- The payment balance is in deficit for goods at -£1593m and in surplus for services at £508m.

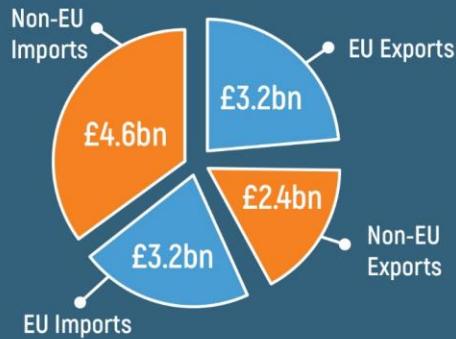
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<sup>1</sup> Regional Trade in Goods Statistics disaggregated by smaller geographical areas (HMRC, November 2020)

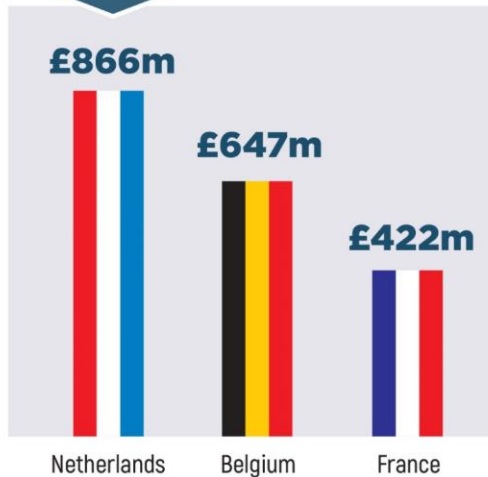
<sup>2</sup> International Trade in Services; UK Trade in services by industry, country and service type: 2016-2018 (ONS April 2020)

## Humber £13.3bn\* of traded Goods

(£5.5bn of Exports & £7.8bn Imports)



### TOP 3 EXPORT GOODS MARKETS



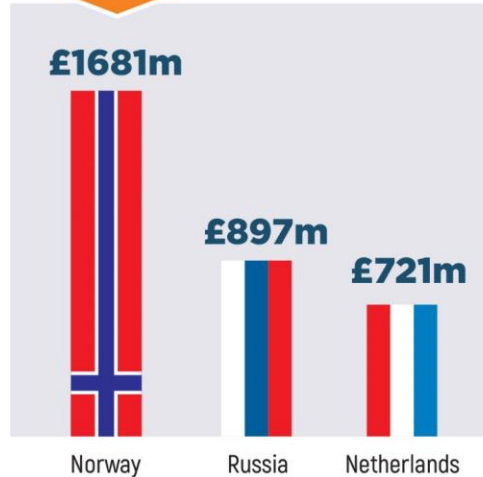
## Humber Levelling-Up Trade Headlines



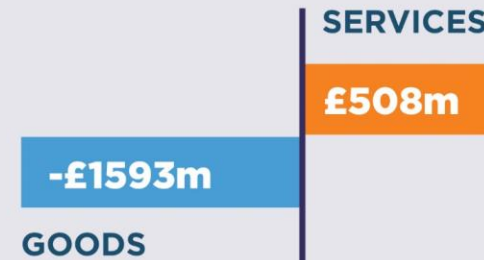
### Value of Trade (£bn)



### TOP 3 IMPORT GOODS MARKETS



### Balance of Payments Goods (in Deficit) and Services (in Surplus)



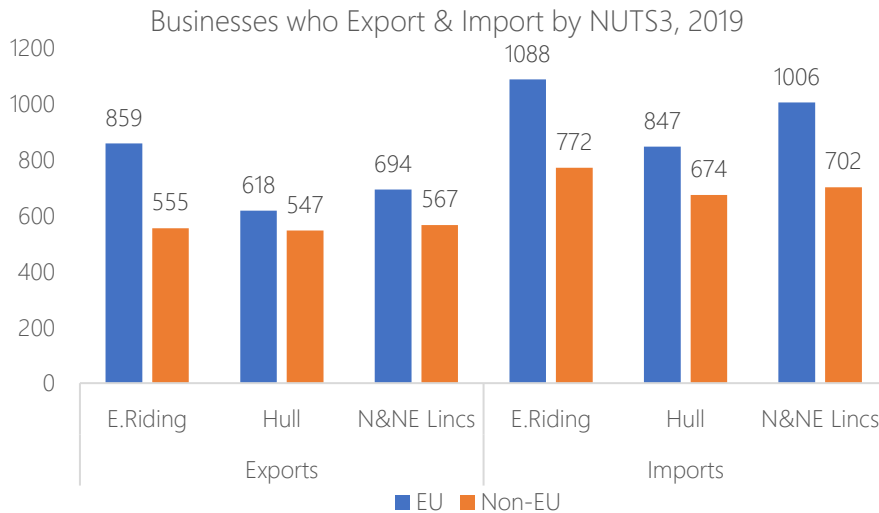
\*Segments do not add up exactly due to data rounding

## ANALYSIS OF HUMBER TRADING

Analysis of trade data for the Humber Levelling Up project, including the findings for East Yorkshire, Northern Lincolnshire and the Humber LEP area.

### 2.1 BUSINESSES INVOLVED IN INTERNATIONAL TRADE FOR GOODS

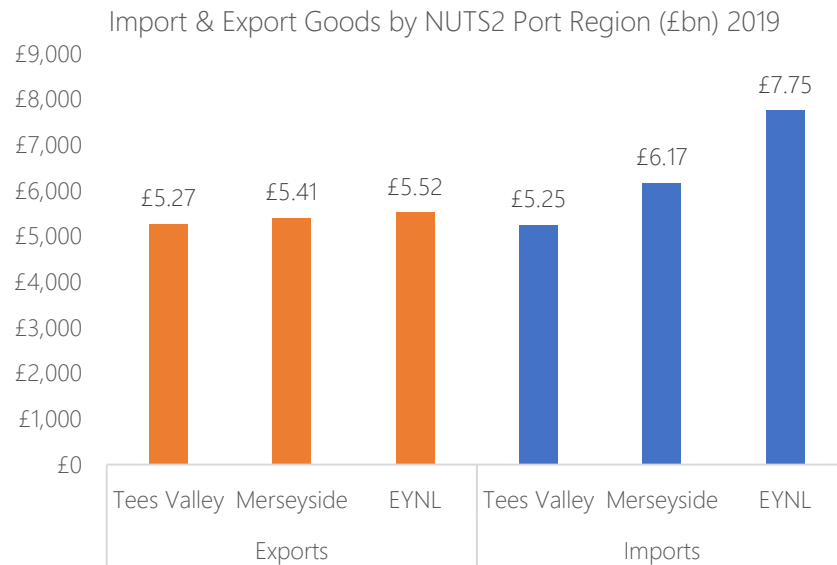
Although this section of the report concentrates on NUTS2 level geography, some data is provided for businesses at NUTS3. More businesses export and import to EU than non-EU countries from each of the three Humber NUTS3 areas (East Riding of Yorkshire, City of Hull and North and North East Lincolnshire). There are 1,840 businesses exporting to the EU in the Humber compared to 1,315 non-EU countries, while 2,467 businesses imported from EU countries compared to 1,728 from non-EU nations. Therefore, dependency of local businesses on the EU for goods still appears high. Regarding the value of goods traded, 71% (£9.4bn) of the £13.3bn Humber trade is provided by North and North East Lincolnshire.



Source: Regional Trade in Goods Statistics, HMRC

## 2.2 VALUE OF GOODS TRADED

The trade value (exports plus imports) statistics of goods for each NUTS2 area shows that Humber trade is higher than the other two areas. The total value of trade for goods in Humber is £13.27bn, Teesside is £10.51bn and Merseyside is £11.57bn. Humber is punching above its weight as it is the smallest economy of the three (38% of traded goods when the GVA is 26% of the three areas<sup>3</sup>). Exports represent 42% of traded goods in Humber, 50% in Teesside and 47% in Merseyside. The UK is 42%, the same as Humber, suggesting that the value of imported goods will exceed those exported in most UK areas. However, the latest figures for Teesside are slightly in favour of exports.

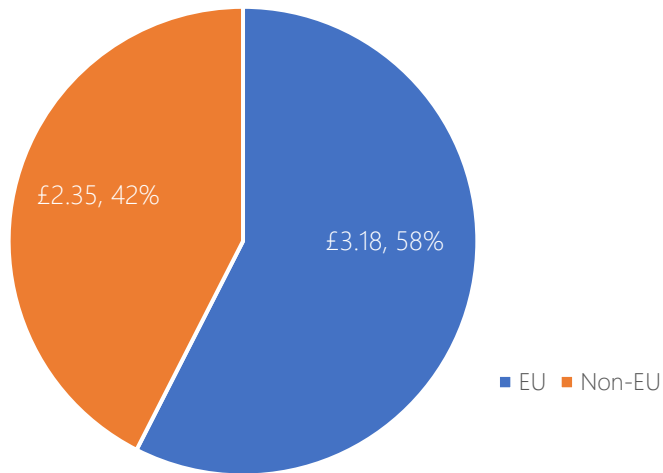


Source: Regional Trade in Goods Statistics, HMRC

Some 58% of all exports by value from Humber go to EU countries, which is £3.18bn, with £2.35bn worth of exports going to non-EU countries in 2019. The comparison with the other two northern areas is less EU dependent. For Tees Valley and Durham, EU exports represented 53% of trade, while Merseyside is even less at 43%. The UK's export of goods to the EU is 52% of the trade total.

<sup>3</sup> Regional Gross Value Added (ONS, Dec 2019)

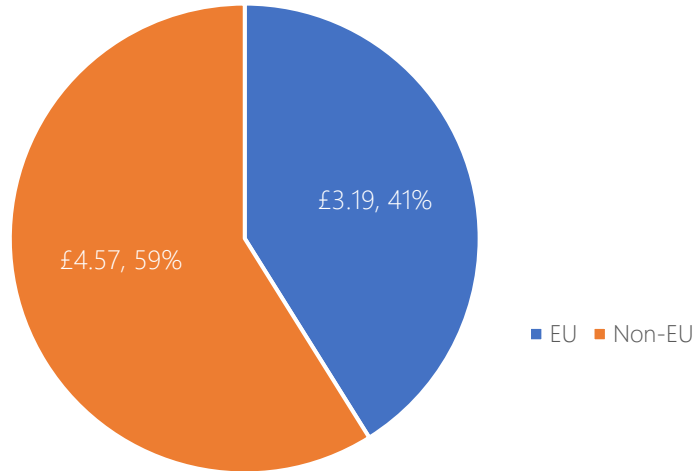
Humber Export Goods by EU/Non-EU (£bn), 2019



Source: Regional Trade in Goods Statistics, HMRC

The EU import data indicates that the reverse is true. Humber has 58% of imports, worth £4.57bn, that come from non-EU countries, compared to 41% (£3.19bn) from the EU. This demonstrates that Humber has a greater dependence on non-EU supplies. Further, EU imports are 51% for Teesside and 58% for Merseyside. The UK's import trade with the EU is 55% of all imports. This would suggest that the Humber is better placed for exploring sourcing opportunities already developed in non-EU countries

Humber Import Goods by EU/Non-EU (£bn), 2019



Source: Regional Trade in Goods Statistics, HMRC

### 2.3 TRADING PARTNERS FOR GOODS

Exports between 2016 and 2019 in Humber have grown by 23% from £4.5bn to £5.5bn. The Netherlands remains the most important export market for the Humber, where the value of exports has grown by 38%. The top 10 countries for value exports have remained the same over the four years. The relationship between businesses and their export partners (sub-region to nation) therefore appears to be stable. Exports to China have almost trebled while those to Nigeria have doubled. Over the four years, exports have grown in nine

of the top ten markets, with USA being the exception. Exports to the USA have fallen by 46%. This appears to be the case for most areas, partly due to the protectionist approach taken by the Trump administration.

Humber Top 10 Export Markets by Value (£m) 2016 to 2019					
	2016	2017	2018	2019	Over 4 years
Netherlands	£628	£735	£957	£866	£3,186
Belgium	£499	£627	£709	£647	£2,482
France	£336	£486	£470	£422	£1,714
USA	£515	£449	£349	£279	£1,592
Germany	£301	£319	£406	£369	£1,395
Nigeria	£128	£220	£441	£390	£1,179
Switzerland	£254	£262	£308	£294	£1,118
China	£117	£157	£256	£454	£984
Irish Republic	£228	£209	£242	£256	£935
Italy	£113	£153	£154	£140	£560
All Countries	£4,501	£5,405	£5,996	£5,524	£21,426

Source: Regional Trade in Goods Statistics, HMRC

The value of imports between 2016 and 2019 has grown by 14%. Russian imports have grown by 138%, Belgian by 63% and Dutch by 33%. Norway remains the largest value source of goods by some way, as it provides 48%<sup>4</sup> of all the crude oil imported to the UK. In 2019, Humber businesses imported goods from 83 countries and exported to 91. The top 10 countries for import value have remained broadly unchanged over the four years, suggesting that the relationship between businesses and their import partners is stable.

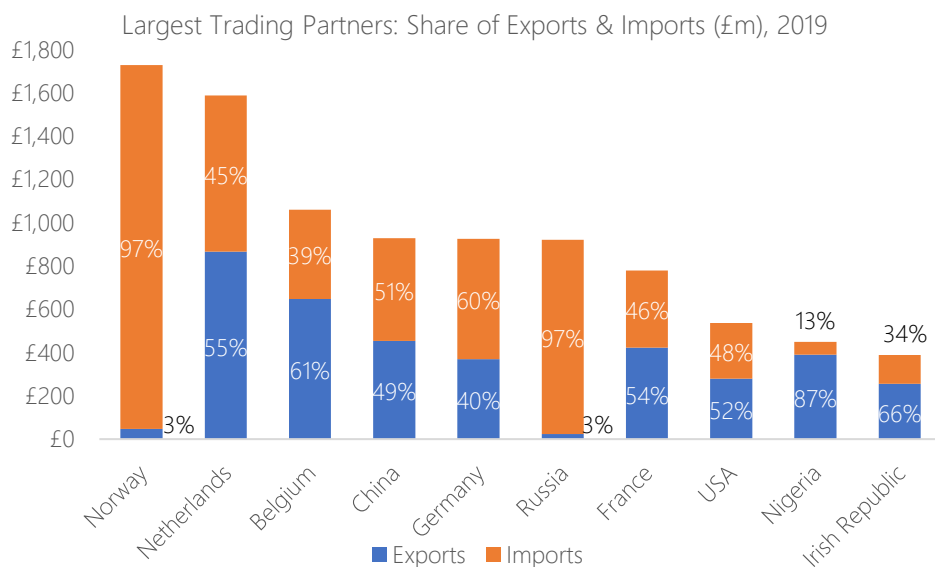
Humber Top 10 Importer Nations by Value (£m) 2016 to 2019					
	2016	2017	2018	2019	Over 4 years
Norway	£1,788	£2,100	£1,852	£1,681	£7,421
Netherlands	£544	£620	£614	£721	£2,499
Russia	£377	£412	£694	£897	£2,380
Germany	£481	£512	£557	£557	£2,107
China	£495	£497	£440	£474	£1,906
Belgium	£254	£375	£436	£413	£1,478
France	£343	£402	£334	£357	£1,436
Sweden	£308	£374	£406	£315	£1,403
USA	£248	£245	£252	£257	£1,002
Irish Republic	£244	£166	£204	£132	£746
All Countries	£6,785	£7,476	£7,558	£7,748	£29,567

Source: Regional Trade in Goods Statistics, HMRC

<sup>4</sup>[Energy Insight: Trade: UK crude oil imports \(DSS09\) | Record Page \(energyinst.org\)](#)



Comparing the top 10 trading partners by value and their share of imports to exports for the EYNY area shows that some partner relationships are largely one way. The total trade value between EYLN and Norway is worth £1.73bn, with imports sharing 97% (£1.68bn) of the value of that partnership. The significant size of the imports from Norway will reflect the crude oil for refining at Killingholme, which will, in turn, provide refined oil for both the domestic and export markets. The same appears similar for Russian crude oil imports.



Source: Regional Trade in Goods Statistics, HMRC

## 2.4 SITC SECTORS FOR GOODS

This section uses the HMRC dataset to report on the trade in goods by Standard International Trade Classification (SITC) sectors<sup>5</sup>. Data by SIC (Standard Industrial Classification) codes are not available from official sources for international trade.

### VALUE OF TRADE BY SITC SECTOR

The next table shows that the value of goods exported and imported is highest in mineral fuels (43% of all traded goods), followed by a variety of manufactured products (SITC 5, 6, 7 and 8 respectively) and chemicals. Apart from chemicals and some manufacturing (SITC 6 and 7), there is a negative balance of payments. Much of the £5.7bn of exports and imports is in mineral fuels, lubricants and materials that come from the oil refineries of Philips 66 Ltd and Prax Lindsey in Killingholme, North Lincolnshire. These businesses process 23m tonnes of petroleum per year.

The value of goods exported to the EU is greater than those to non-EU countries, although the reverse is true for imports. An additional trade value between the UK and EU that falls below trade statistics is the Below Threshold Trade Allocations (BTTA), which is not quantified below NUTS1 regional geographies. However, our estimates suggest there is a further £120m of exports to the EU and £250m of imports from the EU that are not captured in the SITC categories.

<sup>5</sup> SITC is a system used to classify goods traded internationally by their type.

Humber Export and Import Goods by Value 2019 (£m)							
SITC Section	Exports			Imports			Balance
	EU	Non-EU	All Exports	EU	Non-EU	All Imports	
0 Food & live animals	£219	£97	£316	£542	£397	£939	-£623
1 Beverages & tobacco	£4	£3	£7	£22	£6	£28	-£21
2 Crude materials, inedible, except fuels	£77	£113	£190	£182	£281	£463	-£273
3 Mineral fuels, lubricants, materials	£1,205	£964	£2,169	£615	£2,869	£3,484	-£1,315
4 Animal & vegetable oils, fats & waxes	£58	£14	£72	£72	£66	£138	-£66
5 Chemicals & related products	£691	£628	£1,319	£859	£304	£1,163	£156
6 Manufactured goods by material	£547	£184	£731	£402	£203	£605	£126
7 Machinery & transport equipment	£192	£253	£445	£281	£141	£422	£23
8 Miscellaneous manufactured articles	£181	£91	£272	£212	£297	£509	-£237
<b>SITC Sections 0 to 8 Total</b>	<b>£3,174</b>	<b>£2,347</b>	<b>£5,521</b>	<b>£3,187</b>	<b>£4,564</b>	<b>£7,751</b>	<b>-£2,230</b>

Source: Regional Trade in Goods Statistics, HMRC

#### BUSINESS COUNT BY SITC SECTOR

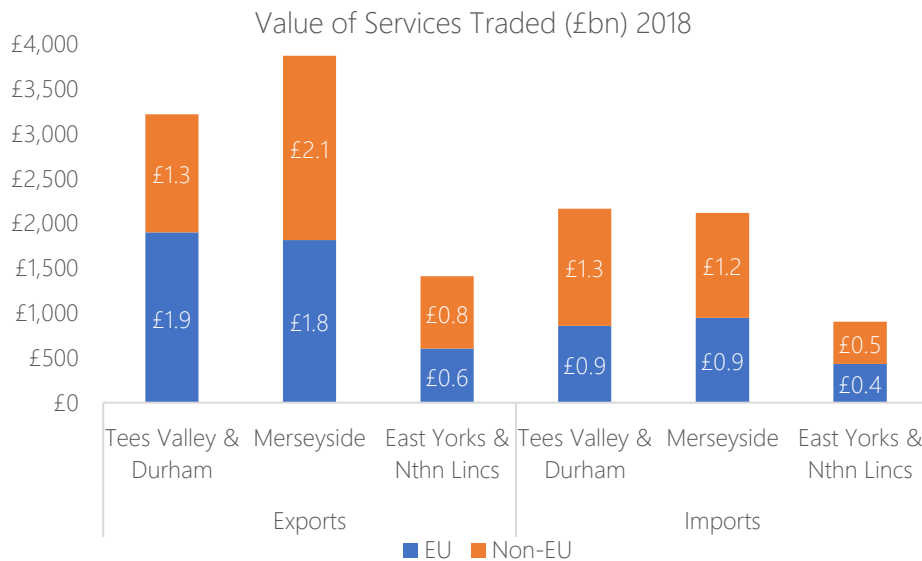
The number of businesses trading in goods is highest in the chemicals and three manufacturing sectors (SITC 5, 6, 7 and 8), while two-thirds of all businesses involved in exporting are in the manufacturing sectors (SITC 6, 7 and 8). Although it appears that more businesses export and import to and from non-EU countries than EU countries, the reverse is true. The BTTA numbers of businesses exporting to the EU adds a further 1,170 to the 1,902 reported below as well as a further 1,877 businesses to the 2,255 reported in the table about imports from the EU.

Humber Businesses Exporting and Importing Goods 2019						
SITC Section	Exports			Imports		
	EU	Non-EU	All Exports	EU	Non-EU	All Imports
0 Food & live animals	179	165	344	171	186	357
1 Beverages & tobacco	52	43	95	59	39	98
2 Crude materials, inedible, except fuels	164	130	294	197	193	390
3 Mineral fuels, lubricants & related materials	68	35	103	89	36	125
4 Animal & vegetable oils, fats & waxes	65	30	95	64	23	87
5 Chemicals & related products	317	335	652	388	428	816
6 Manufactured goods by material	349	530	879	451	783	1,234
7 Machinery & transport equipment	347	735	1,082	398	929	1,327
8 Miscellaneous manufactured articles	361	674	1,035	438	977	1,415
<b>SITC Sections 0 to 8 Total</b>	<b>1,902</b>	<b>2,677</b>	<b>4,579</b>	<b>2,255</b>	<b>3,594</b>	<b>5,849</b>

Source: Regional Trade in Goods Statistics, HMRC

## 2.5 SERVICES

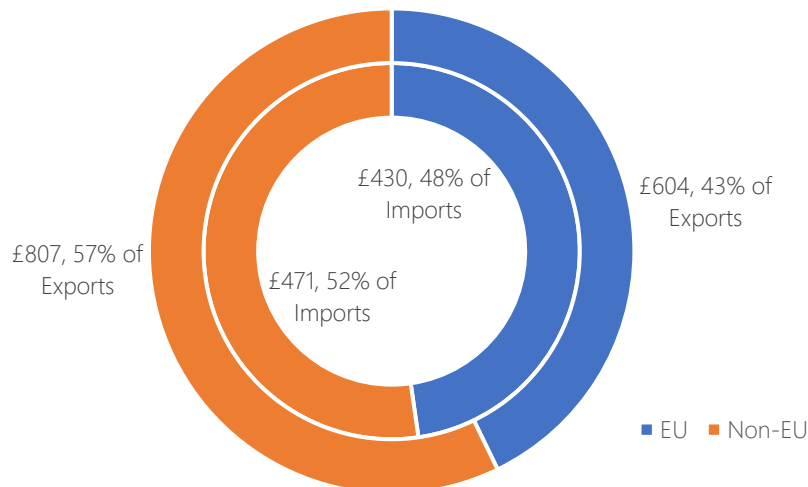
The size of the total traded services (exports and imports) for Humber was £2.31bn, compared to £5.38bn for Teesside and £5.99bn for Merseyside. The Humber, therefore, has a much smaller trade in services than its comparators, which is in sharp contrast to the data on goods. The value of service exports, however, exceeds the value of imports for all three NUTS2 port areas, which is the reverse of the trade in goods reported above.



Source: UK Trade in Services (Sept 2020)

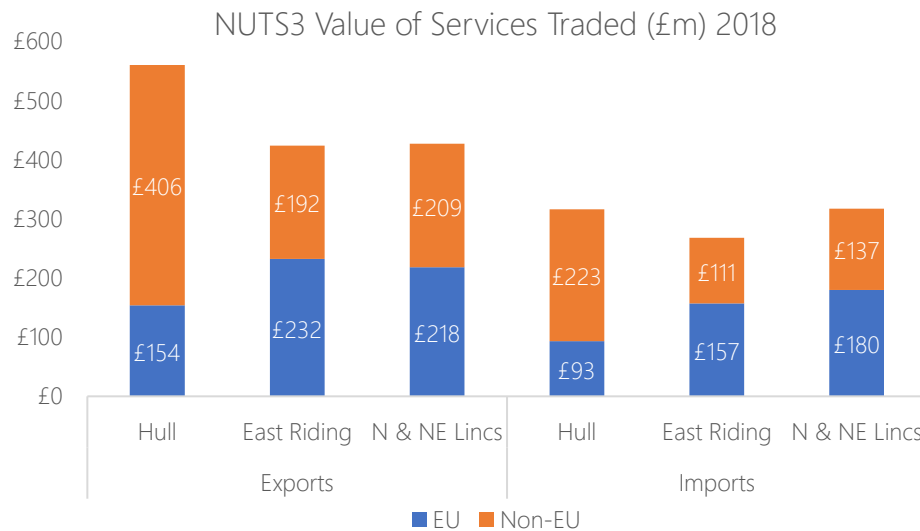
The value of export services for Humber is £1.4bn, with 43% going to the EU market. EU exports for Teesside were 59% and 47% for Merseyside. Imports are £0.9bn, with 48% coming from the EU. EU imports for Teesside were 40% and 45% for Merseyside. The Humber, therefore, relies less on the EU as an export market than Teesside or Merseyside, but is more dependent on its imports than the other two areas.

Services: Exports, Imports & EU share of Trade (£m) 2018



Source: UK Trade in Services (Sept 2020)

There are some limited data on NUTS3 areas for traded services within the Humber. Each NUTS3 area exports more services by value than it imports, with Hull exporting 40% (£560m) of the Humber's three areas (North and North East Lincolnshire are counted together) and 38% of the total of trade (exports and imports).



Source: UK Trade in Services (Sept 2020)

The following table provides a breakdown of traded services using the three broad SIC (Standard Industrial Classification) industry groups<sup>6</sup>. Production services are worth £669m, of which exports represent 51% and manufacturing 89% (£595m) of all traded production services. Other services include a wide range of sectors totalling £1.41bn of trade, 64% of which are exports. The largest contributors to 'other services' are transport and storage (£498m) as well as finance and insurance (£424m). Business and professional services provide trade that is worth £233m, of which 68% are exports.

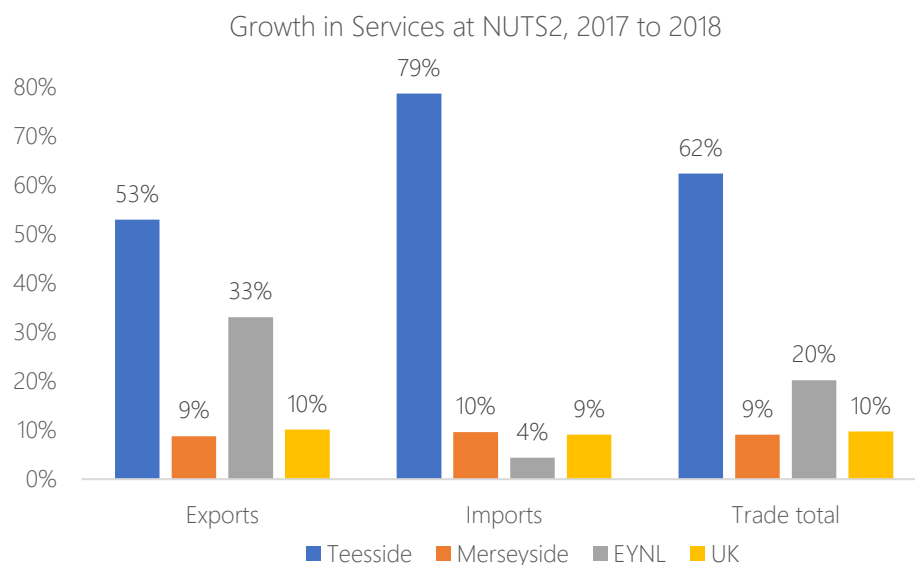
<sup>6</sup> Note: A-F (Agriculture, Mining, Manufacturing, Utilities, Water and Construction); G-K/O-U (Inc. Wholesale/Retail, Transport, Accommodation/Food, Information & Communication, Financial, Public Admin, Education, Health and Social Services, Arts and Entertainment and Other Services); and L-N (including Real Estate, Professional and Scientific, Business Admin and so on).

Humber Traded Services by Broad Industry Group 2018 (£m)					
SIC		Exports	Imports	Balance	Total Trade
Production (A-F)	EU	85	164	-79	249
	Non-EU	257	162	95	419
	Total	342	327	15	669
Other services (G-K, O-S)	EU	410	220	190	630
	Non-EU	498	282	216	780
	Total	908	502	406	1,410
Business/professional services (L-N)	EU	108	47	61	155
	Non-EU	51	27	24	78
	Total	159	74	85	233
All industries	EU	603	431	172	1,034
	Non-EU	806	471	335	1,277
	Total	1,409	903	506	2,312

Source: UK Trade in Services (Sep 2020)

ONS trend data on traded services for both exports and imports are available for 2017 and 2018. Growth in total trade for Humber has risen by 20% in one year, Teesside has grown by 62% and Merseyside by 9%. Humber's exports grew by 33% and imports by just 4%. UK exports grew by 10% and imports by 9%.

There are only export figures for 2016. Export growth for Humber between 2016 and 2018 has increased by 40%, Teesside by 125%, Merseyside by 25% and GB by 21%. Export growth in Humber and the other two northern port NUTS2 areas are growing faster than the national average, even though they are services rather than trade in goods, where ports are more focused.



Source: UK Trade in Services (Sept 2019 and 2020)

## 2.6 TRADE: GOODS AND SERVICES

The following table shows goods and services for 2018 rather than 2019 as that is the latest data available for services. As mentioned above, these statistics cannot be added together to provide total trade figures as they come from sources that used different collection methods. It was recognised earlier that the size of traded services appears much lower for Humber than for Teesside and Merseyside. Although direct comparisons between goods and services should be treated with caution, it is worth noting that only 15% of total trade (goods and services) are from the service sector compared to 34% for Teesside and 33% for Merseyside. Teesside and Merseyside were much closer to the UK's figure of 35%, suggesting that traded services in the Humber region are underdeveloped.

Humber Goods and Services Trade							
Goods (£m) 2018				Services (£m) 2018			
	EU	Non-EU	Total		EU	Non-EU	Total
Exports	£3,468	£2,533	£6,001	Exports	£604	£807	£1,410
Imports	£3,171	£4,423	£7,594	Imports	£430	£471	£902
Balance	£297	-£1,890	-£1,593	Balance	£174	£336	£508
Trade	£6,639	£6,956	£13,595	Trade	£1,034	£1,278	£2,312

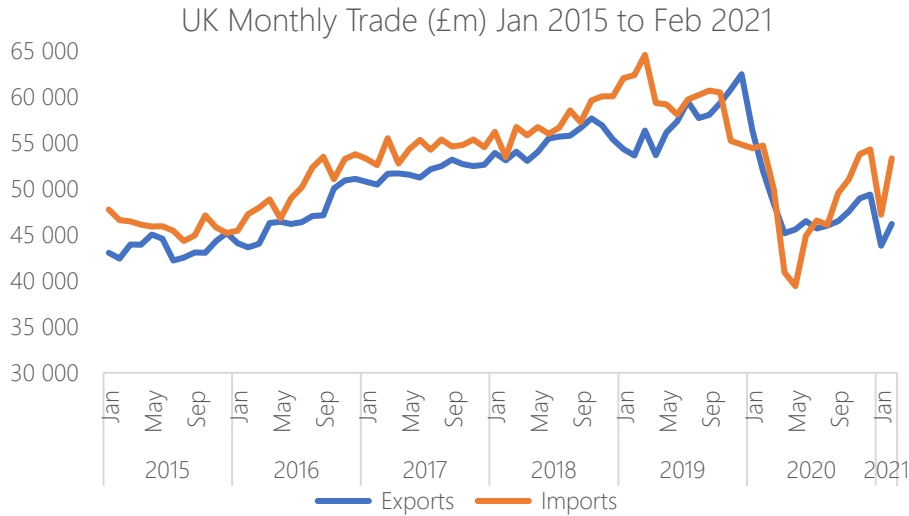
Source: Regional Trade in Goods Statistics, HMRC (Nov 2019), UK Trade in Services (Sept 2020)

Note: Cannot add Goods and Services together due to differing collection methods

Unlike exports, the balance of trade for services has provided a surplus of £0.5bn compared to a £1.6bn deficit for traded goods. In 2018, goods traded between the EU and Humber represented 49% of trade compared to 45% for services.

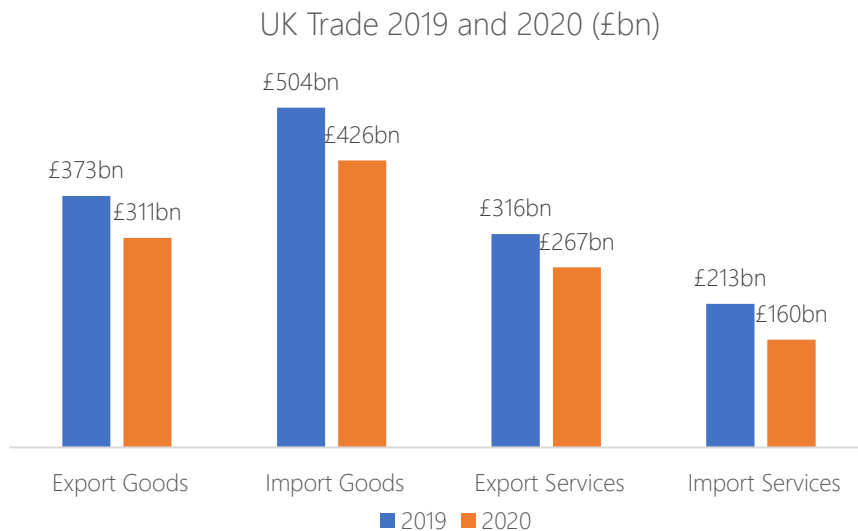
## 2.7 UK TRADE

Overall, trade at the national level shows that the UK grew steadily between 2015 and 2019, with imports peaking at £64.6bn in March 2019 and exports peaking at £62.5bn in December 2019. After their respective peaks and due to a combination of first the EU Exit and then Covid-19, both exports and imports fell to their lowest level in April and May 2020. Trade then recovered in the second half of 2020 as companies stockpiled, ready for the EU Exit at the start of 2021.



Source: ONS Trade Goods and Services Publication Tables (13 April 2021)

The impact of Covid-19 is shown from data comparing the full years of 2019 and 2020, which resulted in a fall of 16% in exports and 18% in imports. Goods and services fell across the board, with the import of services indicating the largest fall by 25%.



Source: ONS Trade Goods and Services Publication Tables (13 April 2021)

In April 2021, ONS reported that 'trade between the UK and EU partially recovered in February [2021], after a steep drop in January following Brexit'. After the export slump in January 2021 of 42%, as businesses struggled with new trade paperwork, February's exports leapt by 47% to £11.6bn (an increase of £3.7bn). Imports had seen a weaker recovery of 7% compared to a drop of 30% in January. The figures were still well below those of February 2020, with the economy 7.8% smaller than it had been a year earlier, before the pandemic. Business analysts reported that the drop in trade flows was also partly caused by stockpiling in December 2020, to soften the impact of the new rules, which caused the depression of trade figures in January.



**KADA Research**  
10 South Street,  
Park Hill, Sheffield  
S2 5QY, UK  
T: 0114 350 3303  
M: 07714 136463

