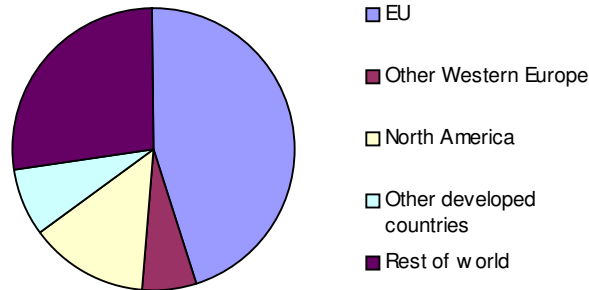


# The destinations and sources of UK exports and imports

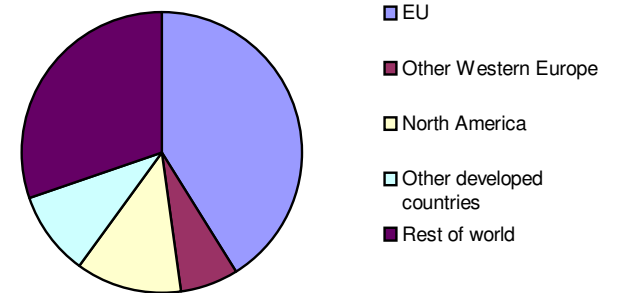
Sources of UK visible imports in 1975



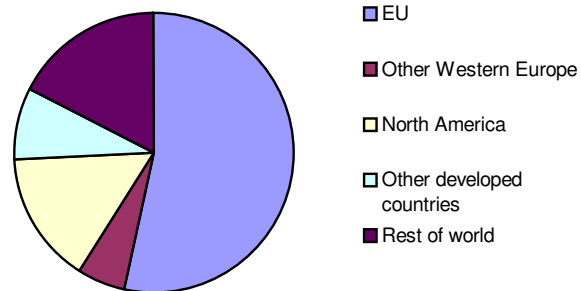
The same trends can be seen for the destinations of both imports and exports between 1975 and 1998. Trade with North America, Other Western Europe and other developed countries is approximately the same rate in 1998 as in 1975 as a proportion of all trade.

What can be seen clearly from the data is a shift away from trade with the rest of the world to increased trade within the European Union. Historically the British Empire provided a market for UK exports at a time when many economies entering world trade placed high tariffs upon imports to protect infant industries.

Destinations of UK visible exports in 1975



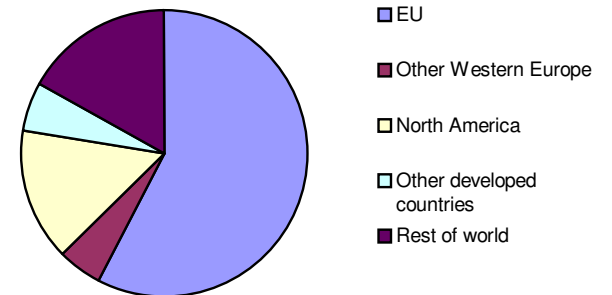
Sources of UK visible imports in 1998



As these restrictions were relaxed and trade with developed economies made easier through, for example, the European Union, the proportion of trade with the rest of the world has decreased.

Some euro-sceptics suggest that trade with the USA is most important and whilst there has been a small increase in both the proportion of imports and exports a loss of 10% trade would require an increase of more than 30% trade with the USA to maintain current levels.

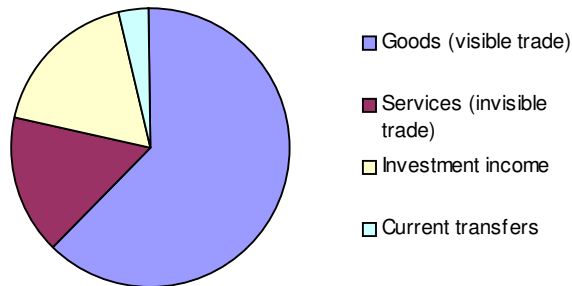
Destinations of UK visible exports in 1998



This is primarily due to geographic location as trade with Europe is very easy. The channel tunnel and European union make trade with Europe more attractive as it is cheap and easy to transport goods to as there are no tariffs or quotas are imposed on the movement of goods within the union.

# The composition of UK exports and imports

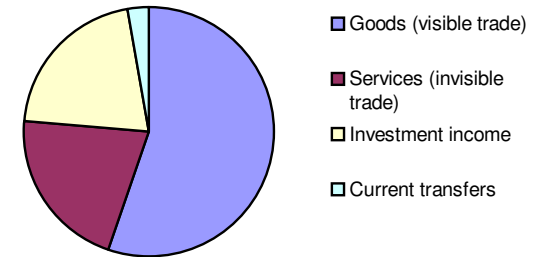
Composition of UK imports in 1975



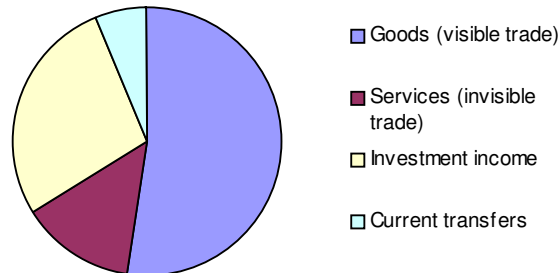
The largest change in the composition of UK imports and exports has been the switch away from the industrialised nation where raw materials were imported and goods exported to importing goods and exporting services. Between 1975 and 1998 the value of goods imported increased more than 800% from £22.7bn to £184.3bn.

Whilst the UK has not had a surplus in the trade of goods since 1982, generally experiencing a worsening deficit in the period since then, the proportion of imports and exports that are goods has actually fallen. The deterioration in the goods balance is fuelled by a large import demand and a weakening British goods industry.

Composition of UK exports in 1975



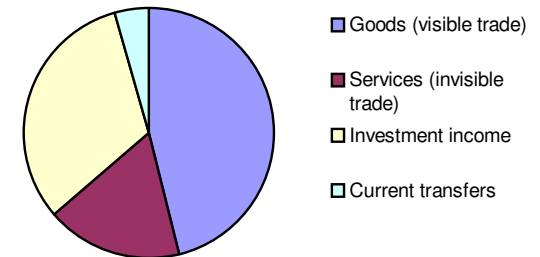
Composition of UK imports in 1998



However the decrease in the proportion of trade suggests that the UK has experienced a very large increase in the volume of imports and exports over the period.

The growth in investment income as a component of both exports and imports suggests individuals and businesses find it easier to invest in the UK economy but that the reverse is also true; UK consumers find it easier to invest abroad. This is probably at least in part due to economic unions such as the European Union which removes restrictions allowing businesses to utilise resources available in different economies.

Composition of UK exports in 1998



The trade in services has remained reasonably constant and the trade in services has generally been in a small surplus, though not large enough to counter the worsening deficit in the trade in goods.