

**London Business Survey 2014:
Exports**



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This factsheet provides information on the export statistics from the London Business Survey (LBS) 2014¹ and accompanies the main report ‘London Business Survey 2014: Main findings’.

The LBS measured trade by combining data on:

- The total value of goods and services sold and purchased by business units² in London.
- The percentage of sales to and purchases from customers in four geographical areas: London, UK, Europe and the rest of the world.

Around a third of London business units are exporters³...

32 per cent of business units in London – 141,000 – exported goods or services in the year to mid-2014. Meanwhile, 26 per cent of business units in London – 116,000 – imported goods or services from suppliers based outside the UK.

Figure 1: Proportion of business units in London trading internationally



Source: London Business Survey (2014)

...and this is true for SMEs and large businesses but differs widely across sectors.

SME business units were statistically as likely to export as units belonging to large firms in the year to mid-2014⁴.

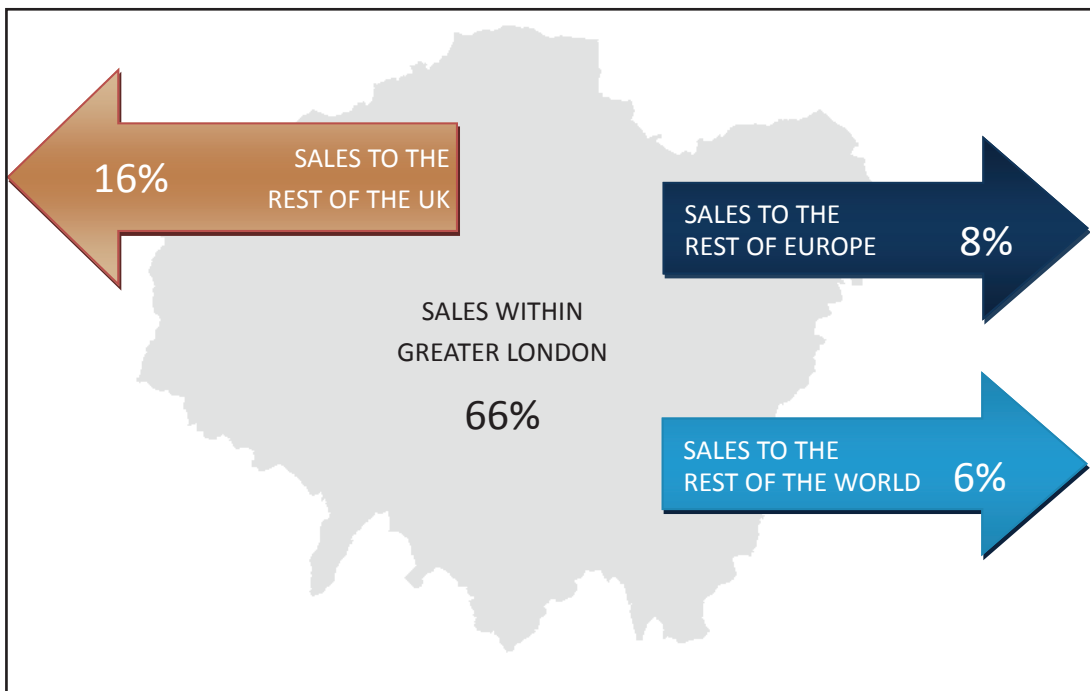
More than 1 in 2 London business units in retail (excluding motor trades) are exporters. In contrast, fewer than 1 in 20 London business units in the construction sector are exporters⁵.

Both Europe and the rest of the world are markets for the exports of London business units...

Overall, around four fifths of London exporters sold goods and services to customers based elsewhere in Europe, while around two thirds of exporters made sales to the rest of the world.

Business units in London, on average, generated 8 per cent of their sales from customers based elsewhere in Europe, and 6 per cent from sales to the rest of the world. On average, 82 per cent of sales were to customers based in London and the rest of the UK.

Figure 2: Export orientation of London business sales in the year to mid-2014⁶



Source: London Business Survey (2014)

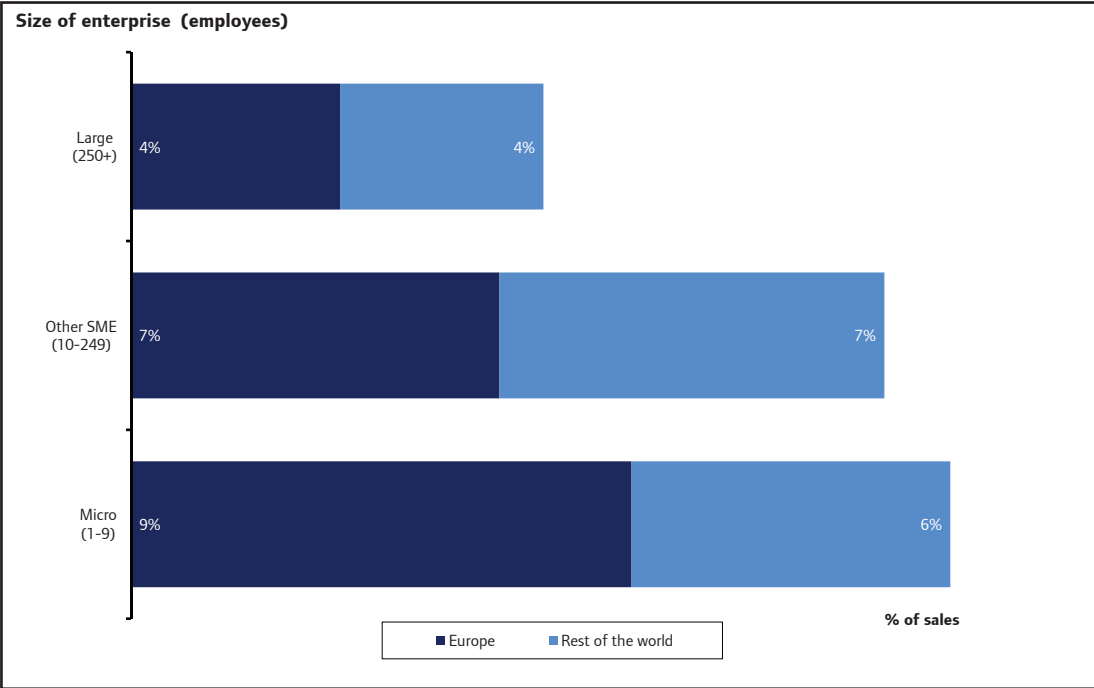
Note: The average proportions sold to the four geographical areas do not total 100 per cent due to non-response or misreporting by some respondents.

...but the relative importance of exports is greater for SMEs and retail business units.

Export sales account for a greater overall share of the sales of SMEs than is the case for large firms; on average, export sales represent an estimated 15 per cent of the value of sales for SME business units compared to 8 per cent for units belonging to large firms.

In terms of export destination, micro-enterprises export a larger share of sales to Europe than business units in other SMEs or large firms; on average, an estimated 9 per cent of sales of micro-enterprises went to Europe.

Figure 3: Destination of export sales by size of enterprise

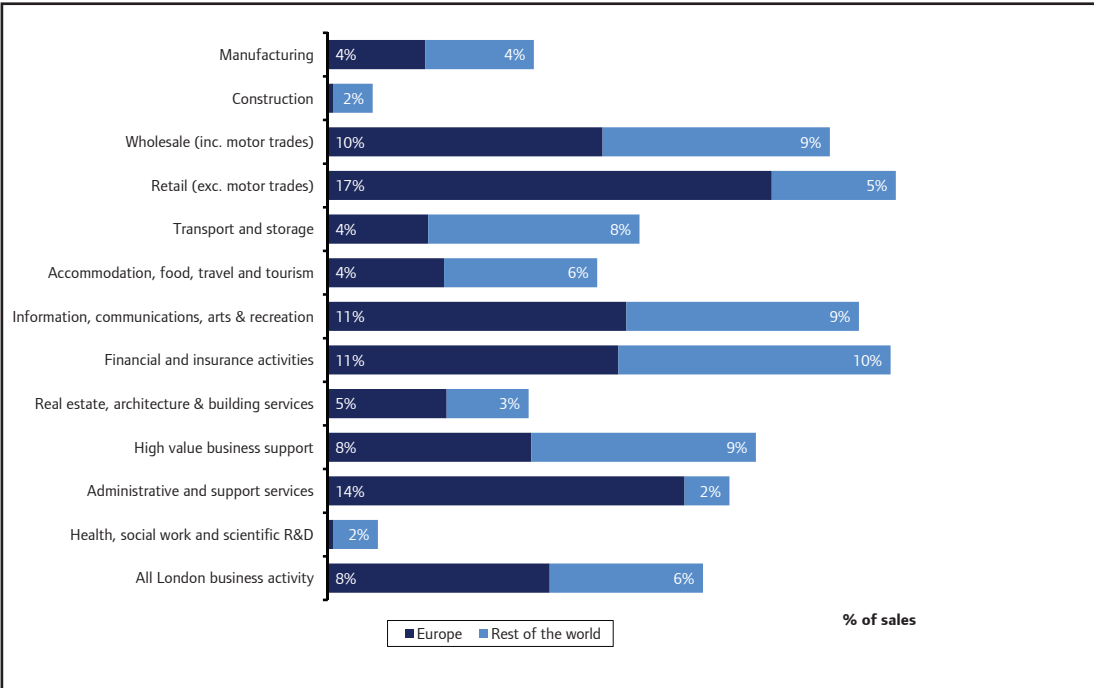


Source: London Business Survey (2014)

Retail business units, on average, generated 22 per cent of the value of their sales from customers based overseas – more than any other sector. For this sector, 17 per cent of the value of sales was earned from customers based in Europe, and 5 per cent from those in the rest of the world.

While business units traded slightly more with Europe than the rest of the world overall, this is not true of all sectors. In particular, for business units in transport and storage, and accommodation, food, travel and tourism sectors, markets in the rest of the world account for a relatively greater share of sales than markets in Europe.

Figure 4: Destination of export sales by sector

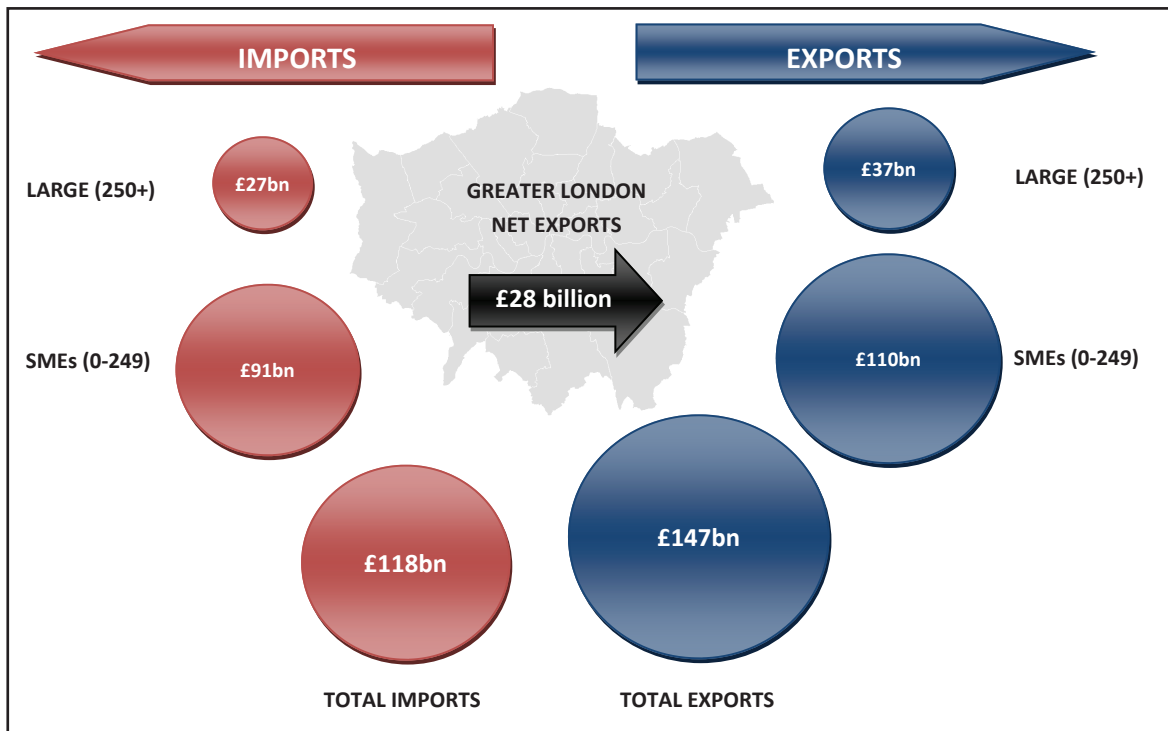


Source: London Business Survey (2014)

London business units are net exporters of goods and services...

Based on GLA Economics calculations, London business units exported around £147 billion worth of goods and services to customers based outside the UK, with net exports (exports minus imports) in the year to mid-2014 worth around £28 billion⁷.

Figure 5: Value of exports and imports of London business units by size of enterprise



Source: GLA Economics calculations based on the London Business Survey (2014).

Note: due to instances of non-response and misreporting, the London totals and the figures for large firms are likely to be underestimates. As such the estimated values of exports and imports for SME business units, those in large firms, and London as a whole, are not directly comparable.

...with SMEs exporting around £110 billion...

Combined with imports of £91 billion, this indicates that SMEs (including micro-enterprises) had net exports of around £19 billion in the year to mid-2014.

...and the high value business support sector driving net exports.

Wholesale (including motor trades) and high value business support were the two sectors that generated the highest value of exports. Export revenues for these sectors in the year to mid-2014 were worth around £41 billion and £37 billion respectively. However, while the wholesale sector is a net importer – the value of imports purchased is greater than the value of exports sold – the high value business support sector is a net exporter of goods and services.

Endnotes

1) The estimates from the London Business Survey (LBS) 2014 are experimental statistics. The survey was designed and carried out by the Office for National Statistics (ONS). Following an initial pilot, the main stage of the survey took place in May-July 2014.

- The GLA Economics report, *London Business Survey 2014: Main findings* and the ONS Methodology report are available at: www.london.gov.uk/priorities/business-economy/publications/gla-economics/london-business-survey-2014
- The supporting data files are available at: <http://data.london.gov.uk/london-business-survey-2014>

As with any survey, the LBS 2014 is based on a sample and as such is subject to variability in the results. Care should therefore be taken in interpreting the survey findings. To assist in interpretation, where possible, we have limited the analysis in this report to comparisons that are statistically significant at the 95% confidence interval; that is to say that if the sample was repeated 100 times, in 95 of those times the results would not be different. In cases of doubt, wording such as 'around' is used to indicate that the findings are less precise.

- 2) 'Business units' are whole businesses or, in the case of multi-site firms, their London sites (workplaces). The sample for the survey is drawn from the Inter-Departmental Business Register (IDBR), which includes all businesses registered for Value Added Tax (VAT), a Pay As You Earn (PAYE) scheme, and/or registered at Companies House. The survey covers registered business units in Greater London; it does not cover unregistered businesses.
- 3) Exporters are businesses which sell goods and/or services to customers based outside the UK - those who reported sales to the rest of Europe and/or rest of the world. It does not consider the value of the goods and services being traded, only the counts of business units exporting (to the nearest thousand).
- 4) The LBS enterprise size bands are:
- Micro enterprises: 0 to 9 employees
 - Other SMEs: 10-249 employees
 - Large enterprises: 250+ employees

Note that enterprise size is defined at the level of the business as a whole (in the UK). Therefore businesses will be classed as 'large' even if a particular site belonging to this business in London employs only a small number of people.

- 5) LBS estimates cover the business economy in London, which includes production, distribution, construction and services. It does not cover public administration or education. Very small sectors in London including agriculture, mining and quarrying and utilities (electricity, gas, water supply, sewerage and waste management) have been excluded from the survey.

The industry sectors covered by the LBS are:

	LBS industry sector	SIC07 Section/division
1	Manufacturing	Section C
2	Construction	Section F
3	Wholesale (including motor trades)	Section G: divisions 45 and 46
4	Retail (excluding motor trades)	Section G: division 47
5	Transport and storage	Section H
6	Accommodation, food, travel and tourism	Section I plus division 79
7	Information, communication, arts, entertainment and recreation	Sections J and R
8	Financial and insurance activities	Section K
9	Real estate, architecture and engineering services, services to buildings and landscape activities	Section L plus division 71 plus division 81
10	High value business support including legal, accounting, head office, management, advertising and market research	Section M excluding divisions 71, 72 and 75
11	Other administrative and support services including employment agencies and security services; and other service activities	Section N excluding divisions 79 and 81; plus Section S
12	Human health and social work activities, scientific R&D and veterinary activities	Section Q plus divisions 72 and 75

- 6) Export orientation is measured by the proportion of sales by geographic destination. This may not reflect the full impact of international trade on the London economy as the underlying supply chain is often complex. For example, proportions exported do not include sales of goods or services to other companies for the purpose of export.
- 7) The value of exports and imports are estimated by multiplying the total reported value of goods and services sold by the business unit in the year to mid-2014 by the proportion of sales to Europe and the rest of the world for that business unit. The results under-estimate the true value of total exports due to instances of non-response or misreporting by some respondents. Though included in the totals exported and imported for London, the data on proportions sold/purchased for financial and insurance services and administrative and support services are incomplete. As a result, the London totals and the figures for large firms are likely to be underestimates. The same is the case for imports.



PCIU 371750 4
2261
MAX. GR. TARE NET CU. CAP.
30,480 KG
67,200 LBS.
2,185 KG
4,820 LBS.
28,295 KG
62,380 LBS.
33.2 CU.M.
1,178 CU.FT.

HJCU 1478 45 0
45G1

29 9/2 HIGH
WARNING HIGH TRAILER

MAX. GROSS TARE
32,500 KG
71,650 LB
3,990 KG
8,800 LB
PAYLOAD CUBE
28,510 KG
62,850 LB
76.4 CU.M.
2,700 CU.FT.

CLHU 866124 6
45G1

MAX. GROSS TARE NET CU. CAP.
30,480 KGS
67,200 LBS.
3,880 KGS
8,550 LBS.
26,600 KGS
58,650 LBS.
76.4 CU.M.
2,700 CU.FT.

HJCU 1528 93 1
45G1

29 9/2 HIGH
WARNING HIGH TRAILER

MAX. GROSS TARE
32,500 KG
71,650 LB
3,990 KG
8,800 LB
PAYLOAD CUBE
28,510 KG
62,850 LB
76.4 CU.M.
2,698 CU.FT.

FSCU 938857 6
45G1

CAUTION 96 HIGH

MAX. GROSS TARE
32,500 KG
71,650 LB
3,990 KG
8,800 LB
MAX. CARGO CU. CAP.
28,600 KG
63,050 LB
76.4 CU.M.
2,700 CU.FT.

HJCU 1005 51 9
45G1

29 9/2 HIGH
WARNING HIGH TRAILER

MAX. GROSS TARE
30,480 KG
67,200 LB
3,990 KG
8,800 LB
PAYLOAD CUBE
26,490 KG
58,400 LB
76.0 CU.M.
2,684 CU.FT.

MOTU 672 458 5
45G1

29 9/2 HIGH
WARNING HIGH TRAILER

MAX. GROSS NET: 30,480 KG
67,200 LBS.
TARE NET: 3,950 KG
8,710 LBS.
MAX. CARGO NET: 26,530 KG
58,490 LBS.

HJCU 1068 70 7
45G1

MAX. GROSS TARE
30,480 KG
67,200 LB
3,990 KG
8,800 LB
PAYLOAD CUBE
26,490 KG
58,400 LB
76.0 CU.M.
2,684 CU.FT.

TRLU 810348 7
45G1

MAX. GROSS TARE NET CU. CAP.
32,500 KGS
71,650 LBS.
3,840 KGS
8,510 LBS.
28,660 KGS
63,140 LBS.
76.4 CU.M.
2,700 CU.FT.

PCIU 2 5496 2
2261

MAX. GR. TARE NET CU. CAP.
30,480 KG
67,200 LBS.
2,960 KG
6,540 LBS.
27,520 KG
60,660 LBS.
33.2 CU.M.
1,178 CU.FT.

CAUTION 96 HIGH

FSCU 938857 6
45G1

MAX. GROSS TARE
32,500 KG
71,650 LB
3,990 KG
8,800 LB
MAX. CARGO CU. CAP.
28,600 KG
63,050 LB
76.4 CU.M.
2,700 CU.FT.

TRLU 723969 5
45G1

MAX. GROSS TARE NET CU. CAP.
32,500 KGS
71,650 LBS.
3,880 KGS
8,550 LBS.
28,620 KGS
63,100 LBS.
76.4 CU.M.
2,700 CU.FT.

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