



Northern Ireland International Trade and Investment Patterns.

**An Evidence Paper to Inform Stakeholder Responses to the
Department for International Trade's Consultation On:**

Prospective UK Trade Agreement with Japan.

Contents

1.	Introduction	1
1.1	Purpose	1
1.2	Background	1
2.	Strategic Context	6
3.	Northern Ireland Trade and Investment Patterns.....	8
3.1	Purchases and Imports of Goods and Services	8
3.2	Sales of NI Goods and Services	9
3.3	Inward Investment	111
3.4	Northern Ireland Trade in Goods	122
4.	Trade and Investment with Japan.....	177
4.1	Background	177
4.2	Trade in Goods	188
4.3	Trade in Goods by Sector (SITC1)	2020
4.4	Trade in Goods by Sub Sector (SITC2)	2121
4.5	Trade in Services	2222
4.6	Foreign Direct Investment	233
5.	How to Respond to the Consultation	2323
	Annex A – Free Trade Agreement Provisions	25
	Annex B – Data Sources	26
	Annex C - Trade in Goods Analysis Slide Packs.....	28

1. Introduction

1.1 Purpose

The Department for International Trade (DIT) has launched a public consultation into a possible future UK free trade agreements (FTA) with Japan. The UK and Japan have agreed to use the EU-Japan Economic Partnership Agreement (EPA), which entered into force in February 2019, as the basis for a future UK-Japan FTA. The consultation was launched on the 20th September 2019 with a closing date for responses of the **4th November 2019**. The Department for the Economy (DfE) would encourage local stakeholders to respond to these consultations and in particular highlight issues pertaining to Northern Ireland.

The purpose of this document is to assist local stakeholders who are considering responding to the DIT consultations by presenting the wider trade and investment context and providing statistical information on Northern Ireland's global trade and investment. In particular, the paper provides specific information on Northern Ireland trade and investment with Japan. It also draws attention to the questions being asked by DIT as part of its consultation.

1.2 Background

EU withdrawal negotiations are ongoing and the nature of the UK's future relationship with the EU is still to be determined. The UK Government has set out its ambitions in a White Paper entitled "The Future Relationship Between the United Kingdom and the European Union"¹. It indicates that the future relationship with the European Union should be consistent with the UK's ambitions to have its own independent trade policy including the potential for agreements with other trading partners. It also reiterates UK Government commitments in relation to the land border between Northern Ireland and Ireland.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725288/The_future_relationship_between_the_United_Kingdom_and_the_European_Union.pdf

The Department for Exiting the European Union (DExEU) is responsible for overseeing negotiations to leave the EU and establishing the future relationship between the UK and the EU.

DIT is the lead UK Government department in negotiating future free trade agreements with all countries and trading blocs outside the EU. In September 2019 DIT launched the pre negotiation phase for possible future free trade agreements with Japan².

Any potential free trade agreements may have differing impacts across the regions of the UK. On the 10th August 2016 the First and deputy First Ministers highlighted in a letter to Theresa May their desire for involvement and representation of Northern Ireland in negotiations on the future relationships with the EU and other countries.³

The UK Government has committed that Parliament, the devolved administrations and legislatures, local government, business, trade unions, civil society, and the public from every part of the UK will have the opportunity to engage with and contribute to the shape of UK trade policy going forward. DIT's White Paper – Preparing for Our Future UK Trade Policy⁴ sets out an overarching objective for a new UK trade policy to deliver:

“enhanced economic prosperity for the UK, through the development and delivery of a UK trade policy that delivers benefits for business, workers and consumers across the whole of the UK”.

In order to provide a robust evidence base to inform stakeholders, the Northern Ireland Civil Service has been working to develop a deeper understanding of Northern Ireland including:

- the structure of the Northern Ireland economy;

² <https://www.gov.uk/government/consultations/trade-with-japan>

³ <https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/execoffice/Letter%20to%20PM%20from%20FM%20%26%20dFM.pdf>

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/654714/Preparing_for_our_future_UK_trade_policy_Report_Web_Accessible.pdf

- the trading relationships Northern Ireland has with key markets including GB, the Republic of Ireland (RoI), the rest of the EU (RoEU) and also other countries around the globe (RoW);
- the interrelationships that exist across these markets, via what are often complex supply chains; and,
- the unique circumstances in relation to the land border with Ireland.

Overall this work illustrates the intricacies associated with the global nature of Northern Ireland's trading relationships and that success in one market often relies on access to other markets for raw material and components, creating complex supply chains.

Full details of the range of publications can be accessed on the Northern Ireland Statistics and Research Agency (NISRA) website⁵.

Free Trade Agreements

Whilst Free trade agreements ultimately aim to liberalise trade between signatories, the extent of their coverage can vary significantly. Some trade agreements will include only basic obligations for trade in specific goods, whereas others are more comprehensive and include rules for trade in goods, services, investment, procurement, labour, state-owned enterprises (SOEs), intellectual property rights and the environment. In other words, trade agreements have the potential to impact on many aspects of the economy and society more generally.

Chapters or subject areas which may make up a Free Trade Agreement (FTA) are included in **Annex A** however this list is not exhaustive.

Examples of recent, more comprehensive FTAs, include the EU-Canada Comprehensive Economic Trade Agreement (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

⁵ <https://www.nisra.gov.uk/publications/eu-exit-analysis-publications>

The balance of costs and benefits of FTAs vary significantly with their scope and commitments. There may also be specific issues particularly relevant to regions, sectors and businesses. **It is important therefore that stakeholders, including those in regions such as Northern Ireland that have an interest in these trading relationships, engage at an early stage to ensure government is aware of their aspirations and concerns surrounding any future trade agreements.**

It is anticipated that a wide range of NI stakeholders may wish to respond to the consultation and that there may be a diverse range of views to express. The following provides details on Northern Ireland's trading and investment relationships around the globe with a particular focus on DIT's consultation with Japan, with the intention that this factual evidence can support local stakeholders in building their responses.

Evidence Base

There is no one data resource to provide a robust analysis of Northern Ireland trade and investment patterns. Therefore, the evidence in this paper is drawn from a number of different data sources including:

- HMRC Regional Trade Statistics - covering the import and export of goods only;
- Broad Economy Sales and Exports Statistics (BESES) – covering purchases, imports and sales of goods and services (excluding some agricultural sectors); and
- Invest NI.

The data from each of the sources is not directly comparable due to the different methodologies used to produce them. They do however provide an overview of Northern Ireland trade and investment. Please note that figures may not add due to rounding.

There are also two trade data reports prepared by DfE Analysts. One report refers to Northern Ireland trade in goods data, the other focuses on trade in goods with Japan. These reports cover the period 2016 – 2018. They include both import and export trade data for goods and are solely drawn from the HMRC RTS. These reports can be found at:

- <https://www.economy-ni.gov.uk/sites/default/files/publications/economy/rts-trade-in-goods-data-analysis-northern-ireland-september-2019.pdf>

- <https://www.economy-ni.gov.uk/sites/default/files/publications/economy/rts-trade-in-goods-data-analysis-japan-september-2019.pdf>

Further details on these sources are attached at **Annex B**

2. Strategic Context

In March 2012, the Northern Ireland Economic Strategy identified export-led economic growth as a key driver, recognising the need to increase the focus on exports whilst noting the challenge of both growing exports and diversifying into new markets.

In 2016, the NI Executive adopted an outcomes-based approach to its Programme for Government⁶ which included as one of its essential outcomes that “we prosper through a strong, regionally balanced economy”, and selling outside of Northern Ireland has a key role to play in efforts to achieve this outcome. It set a target of increasing the value of manufacturing exports by 20% and a target for investment from foreign direct investment (FDI) of £375m.

Subsequent strategic plans have continued to recognise the importance of trade and investment to the Northern Ireland economy. In March 2016, the Department for Enterprise, Trade and Investment (now the Department for the Economy) published its Export Matters Action Plan⁷. It noted that exporting companies generally are more productive than their non-exporting counterparts thus contributing to improving Northern Ireland’s productivity. The vision of Export Matters is:

“a Northern Ireland economy characterised by a sustainable and growing private sector, where a greater number of companies compete in more global markets, creating growing prosperity and employment for all”

Key targets contained in Export Matters are to increase sales by 33% at 2020 and 80% by 2025 against a baseline year of 2014; and, to increase the number of companies selling outside Northern Ireland to 14,000 by 2020, and 16,000 by 2025.

⁶<https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/draft-pfg-framework-2016-21.pdf>

⁷ <https://www.economy-ni.gov.uk/sites/default/files/publications/deti/Export%20Matters.pdf>

In addition, the latest draft of the Industrial Strategy⁸, which includes “Succeeding in Global Markets” as one of its five priority pillars, recognises that economic success for Northern Ireland means embracing an outward facing approach, with externally focussed businesses thriving in international markets being crucial for generating strong economic outcomes in small economies. It also recognises the vital role that foreign direct investment (FDI) plays in small open economies, driving international expansion as well as contributing significantly to raising productivity and innovation activity.

⁸<https://www.economy-ni.gov.uk/sites/default/files/consultations/economy/industrial-strategy-ni-consultation-document.pdf>

3. Northern Ireland Trade and Investment Patterns

3.1 Purchases and Imports of Goods and Services

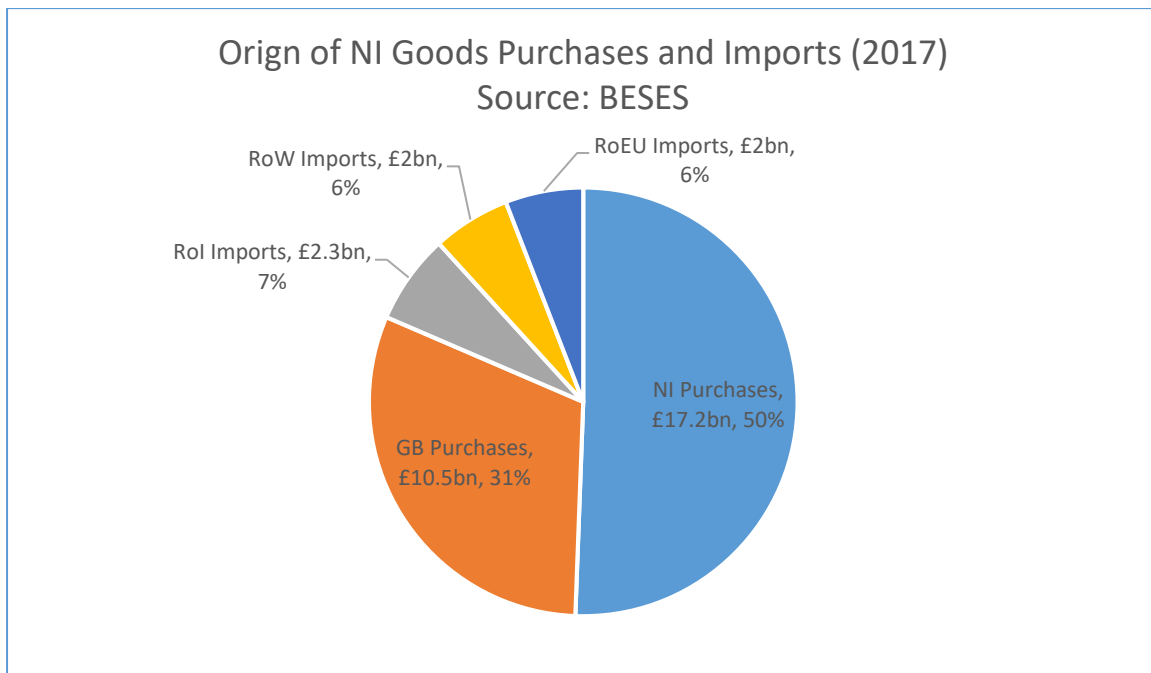
The Northern Ireland Statistics and Research Agency (NISRA) introduced the Broad Economy Sales and Exports Statistics⁹ (BESES) in 2015 as a more comprehensive measure of local businesses' purchases and imports from markets outside Northern Ireland.

Total purchases by companies in Northern Ireland (NI) were estimated to be worth £44.3 billion in 2017, which is split into goods and services as shown in figure 3.1

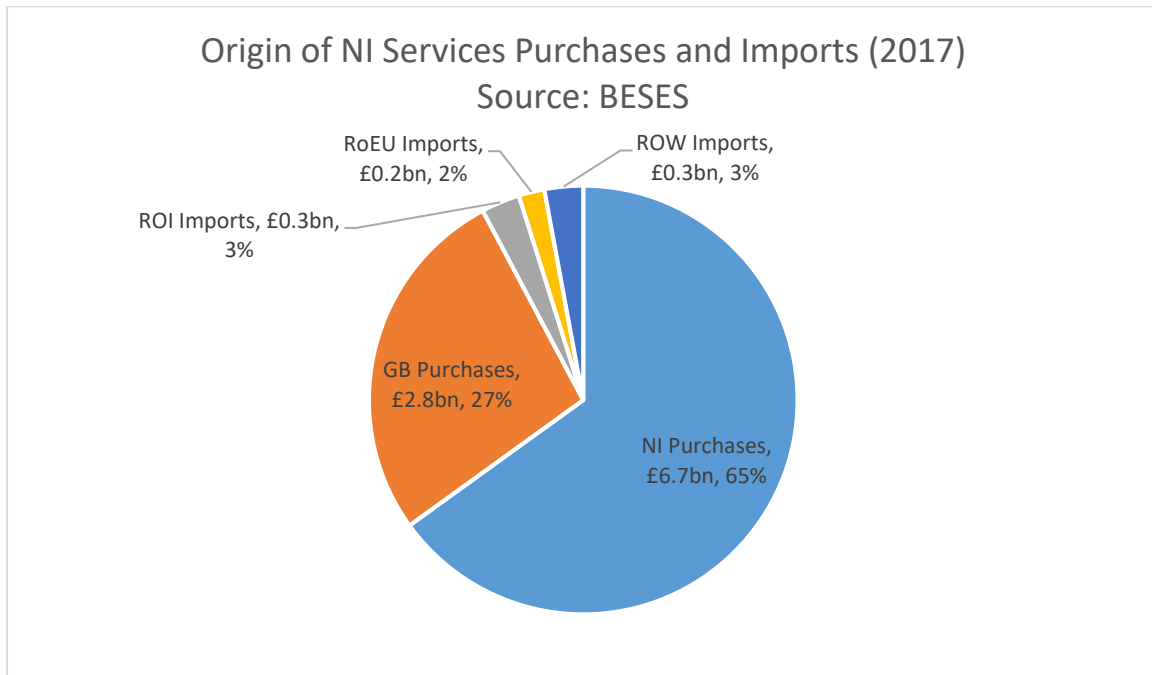
In terms of purchase of **goods**, outside the domestic market of Northern Ireland, the origin for the majority of NI purchases and imports in 2017 was Great Britain (GB) at £10.5bn, followed by Republic of Ireland (RoI) at £2.3bn, Rest of World (RoW) and Rest of EU (RoEU) at £2.0bn each.

Similarly for purchases and imports of **services**, outside the domestic market of Northern Ireland, the origin of the majority of NI purchases in 2016 was again GB at £2.8bn with RoW at and RoI at £0.3bn each, and RoEU at £0.2bn.

Figure 3.1 - Broad Origin of Northern Ireland Goods and Services



⁹https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/BESES%20Background%20Information%20-%20May%202018_0.pdf



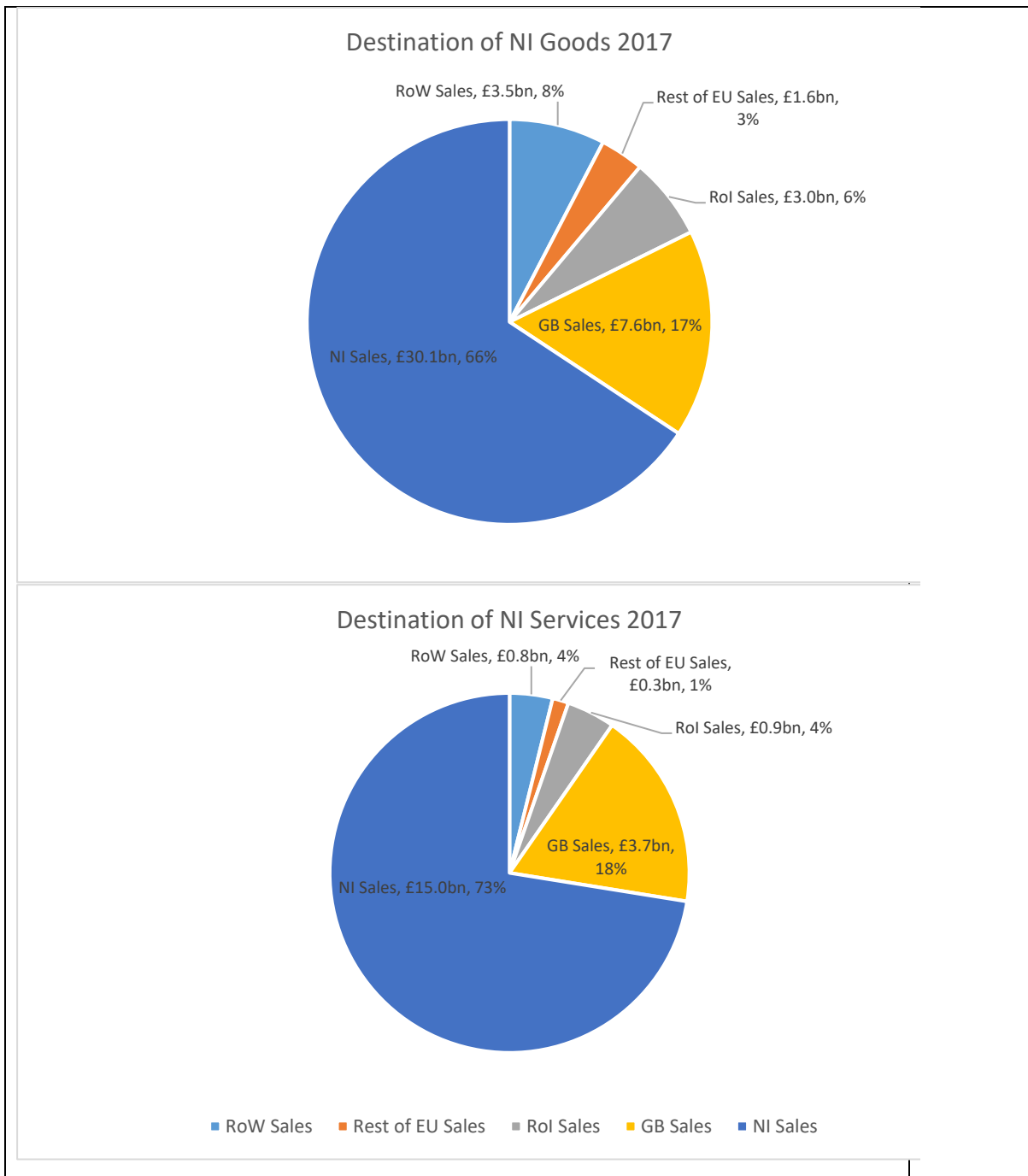
3.2 Sales of NI Goods and Services

BESES¹⁰ details that total sales by companies in Northern Ireland were estimated to be worth £66.6bn in 2017, which is split into goods and services as shown in Figure 3.2. In terms of sales of **goods**, outside the domestic market of Northern Ireland, the destination for the majority of NI sales in 2017 was GB at £7.6bn, followed by RoW at £3.5bn, RoI at £3.0bn and RoEU at £1.6bn.

By comparison for sales of **services** outside the domestic market of Northern Ireland, the destination of the majority of NI sales in 2017 was GB at £3.7bn followed by RoI at £0.9bn, RoW at £0.8bn and then RoEU sales at £0.3bn.

¹⁰<https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/BESES-Publication-2017-Headline-results.pdf>

Figure 3.2 Broad Destination of NI Goods and Services



At a sectoral level, the following made up the majority of sales of goods and services in 2017:

- wholesale and retail trade; repair of motor vehicles and motorcycles;
- manufacturing; and,
- construction.¹¹

¹¹ <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/BESES-Publication-2017-Headline-results.pdf>

3.3 Inward Investment

Invest Northern Ireland's International Strategy 2017 – 2021 provides details of inward investment activity between 2014/15 and 2018/19 based on its key performance indicator data. The split of inward investment by country and sector is shown in Figures 3.3 and 3.4¹².

**Figure 3.3 – Inward Investment by Country into Northern Ireland:
2014-15 to 2018-19**

Country	Number of Companies	Investment £m	% Share
United States of America	106	£516.8	34%
Great Britain	139	£489.9	32%
Brazil	1	£182.5	12%
Canada	6	£140.6	9%
Ireland	71	£138.5	9%
France	9	£20.4	1%
Netherlands	6	£10.8	1%
Other	37	£36.9	2%
Total	369	£1536.4	100%

Source: Invest NI

¹² Note: Tables include projects that are aimed at creating jobs and developing R&D, skills, innovation and trade.

**Figure 3.4 – Inward Investment by Sector into Northern Ireland:
2014-15 – 2018-19**

Sector	Number of Companies	Investment £m	% Share
Financial, Professional & Business Services	81	£463.3	30%
Advanced Engineering and Manufacturing	110	£404.5	26%
Digital & Creative Technologies	98	£378.5	25%
Agri-Food	23	£221.1	14%
Life & Health Sciences	27	£39.8	3%
Construction	21	£27.6	2%
Leisure and Tourism	3	£0.00	0%
Total	363	£1534.8	100%
Not classified at Sector level	6	£1.6	

Source: Invest NI

3.4 Northern Ireland Trade in Goods

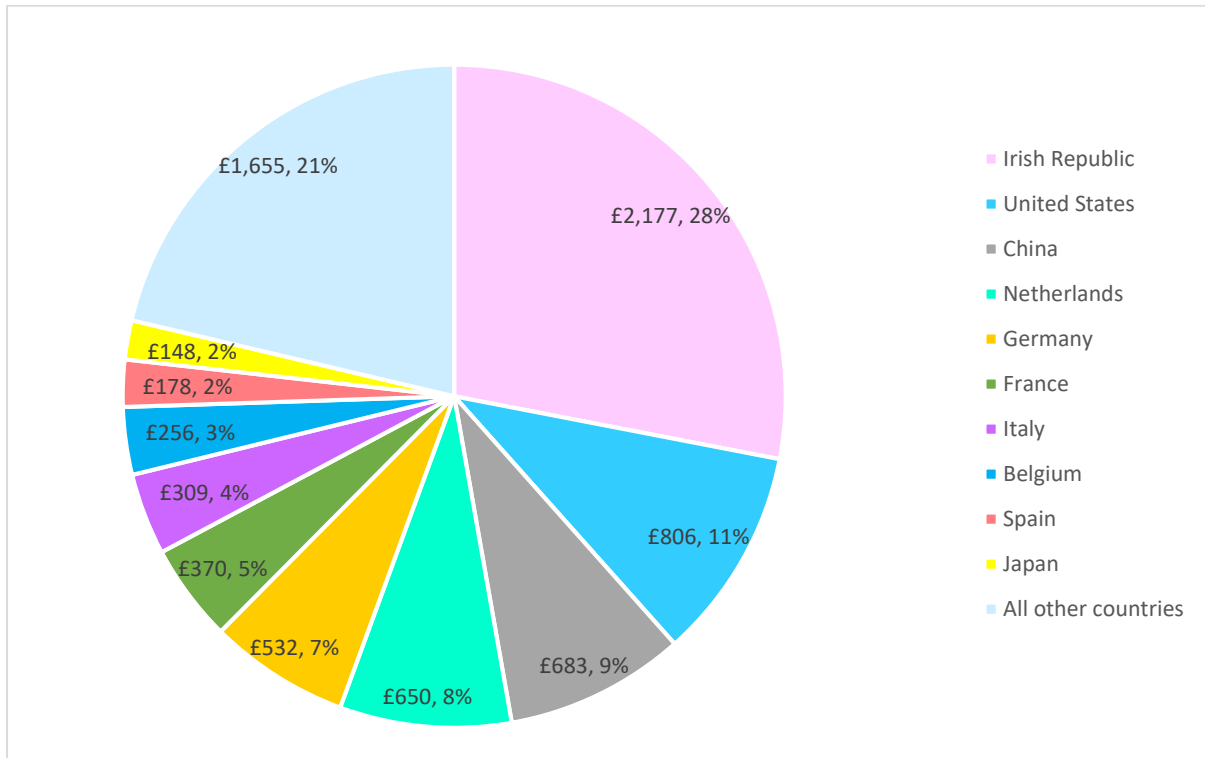
It should be noted that HMRC statistics do not include purchases or sales between the UK regions and relate solely to imports and exports to and from countries outside the UK.

HMRC Regional Trade Statistics¹³ report that the import of goods into Northern Ireland increased by 12% in the period 2016-2018 to £7.8bn. The export of goods increased at a slightly faster rate of 13% to £8.9bn over the same period resulting in a trade surplus in goods of 14%.

With regards to imports, in 2018, 63% of imports into NI came from 5 countries: Ireland (28%), United States (11%), China (9%), Netherlands (8%) and Germany (7%).

¹³ <https://www.uktradeinfo.com/Statistics/RTS/Pages/RTSArchive.aspx>

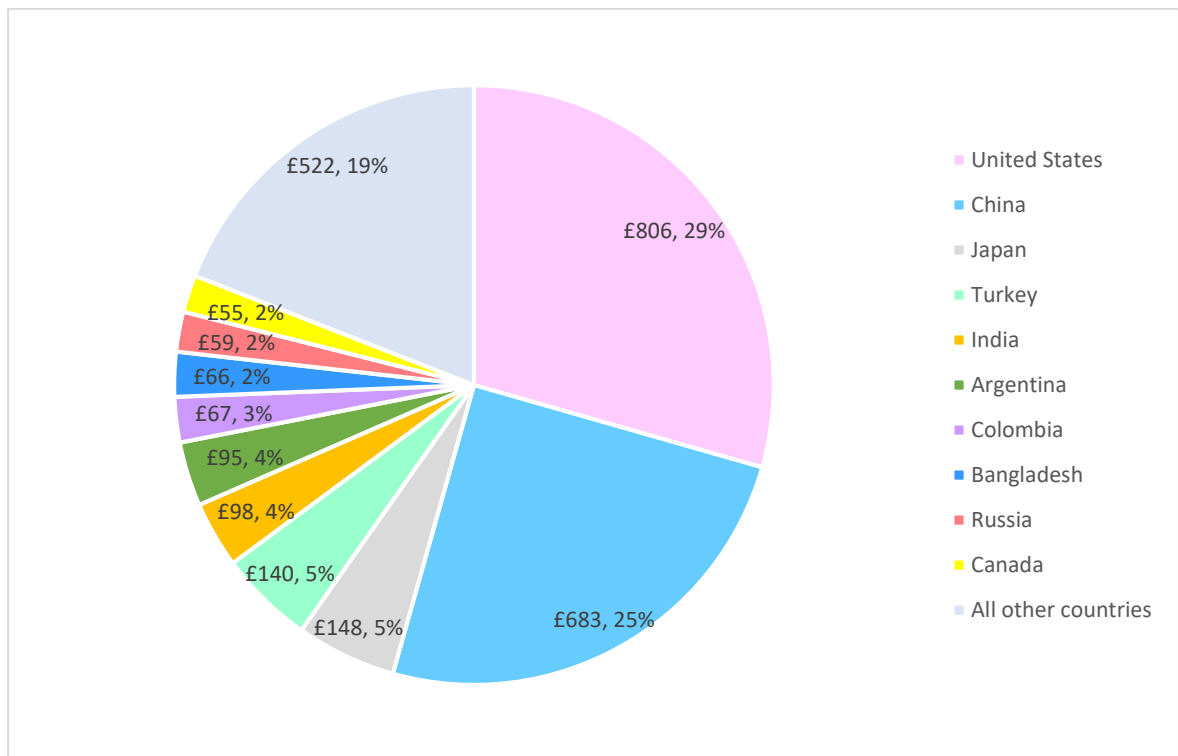
Figure 3.5 – Northern Ireland Imports of Goods by Origin in 2018 (£m, %)



Source HMRC RTS

As a whole, the EU represents the largest source of the majority of imports of 65% with ROW at 35%. The split of imports from RoW countries is shown in Figure 3.6 with Figure 3.7 showing the split of RoW imports by sector (SITC1).

Figure 3.6 – Northern Ireland Imports by Origin from RoW Countries 2018 (£m, %)

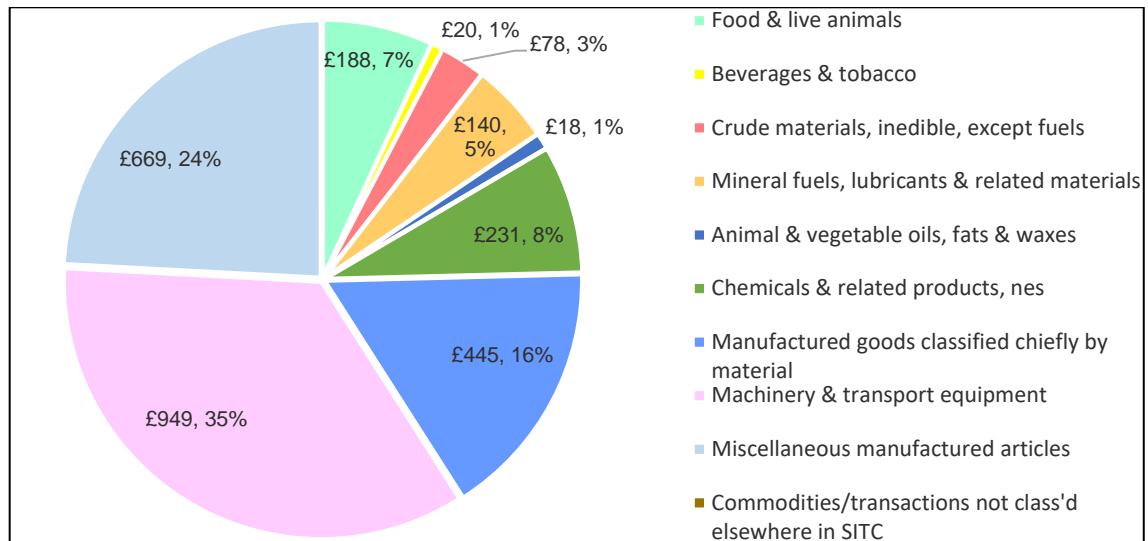


Source HMRC RTS

At a sectoral level (SITC1), 4 sectors accounted for 83% of NI imports from the RoW, namely:

- machinery and transport equipment (35%);
- miscellaneous manufactured articles (24%);
- manufactured goods classified chiefly by material (16%); and,
- chemicals (8%).

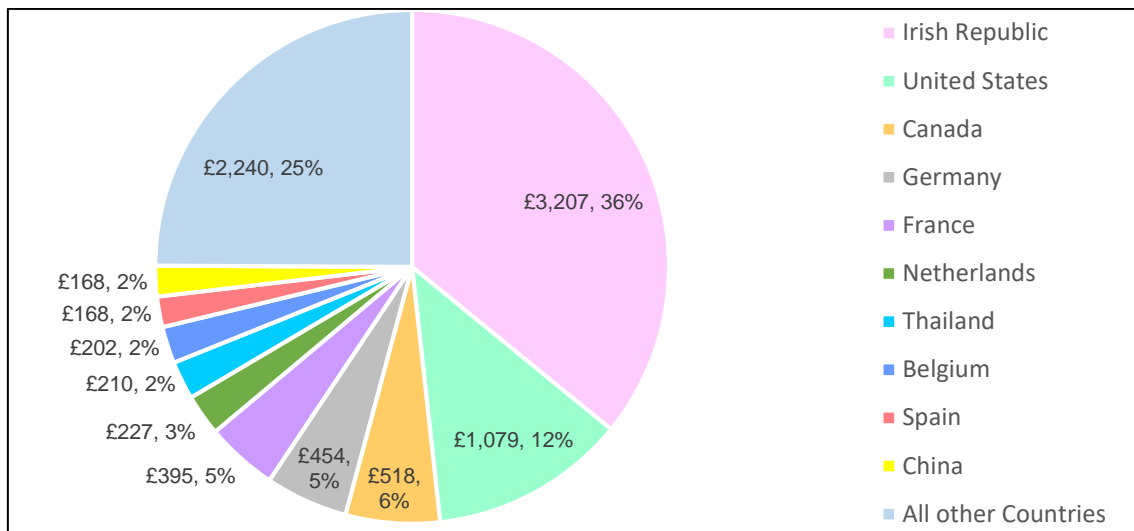
Figure 3.7 – Northern Ireland Imports by Sector (SITC1) from RoW Countries 2018 (£m, %)



Source HMRC RTS

In terms of export of goods 60% of goods went to the EU and 40% to the RoW in 2018. As shown in Figure 3.8, 64% of NI exports went to 5 countries: Ireland (36%), United States (12%), Canada (6%), Germany (5%) and France (5%).

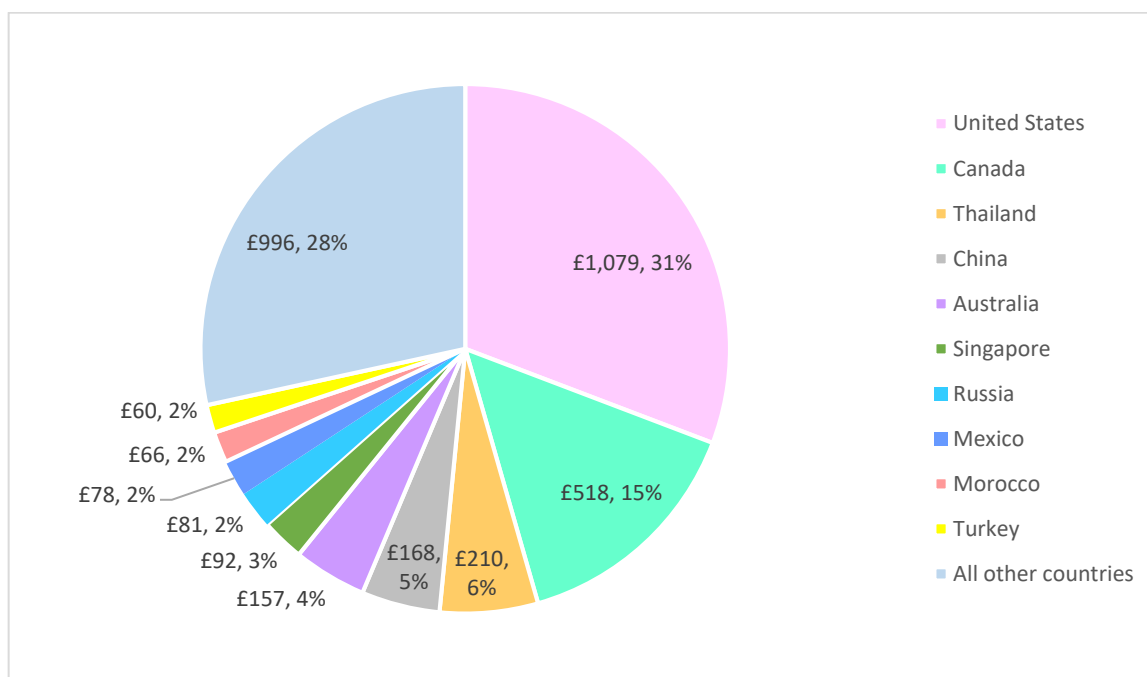
Figure 3.8 – Northern Ireland Exports of Goods by Destination in 2018 (£m, %)



Source HMRC RTS

NI exports to RoW countries decreased by 4% from £3.6bn to £3.5bn. Four countries accounted for 57% of RoW exports in 2018 – USA (31%), Canada (15%), Thailand (6%), and China (5%).

Figure 3.9 – Northern Ireland Exports by Destination to RoW Countries in 2018 (£m, %)

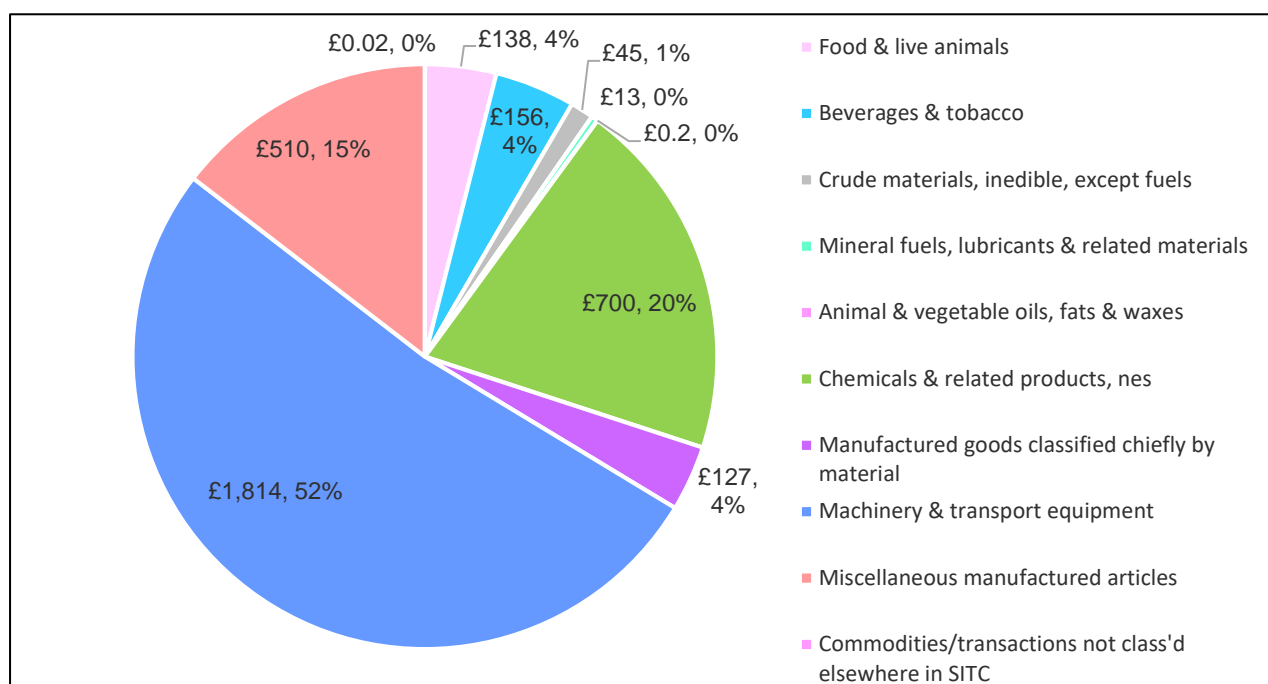


Source HMRC RTS

At a sectoral level (SITC1), 3 sectors accounted for 87% of NI exports to RoW countries:

- machinery and transport equipment (52%);
- chemicals (20%); and,
- miscellaneous manufactured articles (15%).

Figure 3.10 – Northern Ireland Exports by Sector (SITC1) to RoW in 2018 (£m, %)



Source HMRC RTS

4. Trade and Investment with Japan

4.1 Background

Japan is the world's 3rd largest economy and the UK's 4th largest non-EU trading partner (and 11th globally). Total trade between the two countries was worth around £29.5 billion in 2018, with over half being goods trade¹⁴.

The EU and Japan currently have an Economic Partnership Agreement which entered into force on 1st February 2019.

The UK Government's consultation document details DIT's position on the benefits of FTAs, the type of provisions likely to be negotiated and agreed as part of a FTA and also some statistical evidence of UK/Japan trade flows.

DIT is seeking stakeholder feedback on a potential FTA with Japan.

The Japanese market

Japanese goods industry value added GDP makes up 29% of total value added GDP, greater than the UK's 20%. The agriculture value added GDP is similar to the UK, with both at 1%¹⁵. The World Bank ranks countries on their ease of doing business from 1 to 190. Japan is ranked at 39, compared to the UK at 9 and New Zealand at 1¹⁶.

Japanese services sector accounts for approximately 69% of value added GDP, in comparison to the UK's at 79%¹⁷. The OECD Services Trade Restrictiveness Index¹⁸ (STRI), measures countries' restrictiveness to services trade across 22 sectors at rates between 0 (open market) to 1 (closed market). According the STRI, the sectors

¹⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/832819/Information-pack-UK-Japan-FTA-call-for-input.pdf

¹⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/832819/Information-pack-UK-Japan-FTA-call-for-input.pdf

¹⁶ <http://www.doingbusiness.org/rankings>

¹⁷ <https://data.oecd.org/natincome/value-added-by-activity.htm>

¹⁸ <https://stats.oecd.org/Index.aspx?DataSetCode=STRI>

with the highest levels of restrictiveness in Japan are legal, air transport, courier, and broadcasting. By type of restriction, the restrictions in Japan are highest in foreign entry and transparency of regulations¹⁹.

According to Ministry of Foreign Affairs, Japan has a number of free trade agreements in force or being ratified including with The EU, CPTPP, Thailand, ASEAN, Switzerland, India and Peru.²⁰

4.2 Trade in Goods

As set out in the DIT consultation document, in 2018 49% of UK exports to Japan were goods. The UK had a deficit in goods trade with Japan in 2018. Total UK trade in goods with Japan amounted to £16.9bn in 2018.²¹

Northern Ireland has well-established economic links with Japan with total goods trade equating to £208m in 2018, a rise of 10% since 2016²².

NI imports from Japan have grown from £136m in 2016 to £148m in 2018. The share of NI RoW imports has remained at 5% from 2016 to 2018, briefly rising to 6% in 2017. This is consistent with England, while Scotland and Wales have seen a 1% increase in imports from 2016 to 2018, as shown in Figure 4.1.

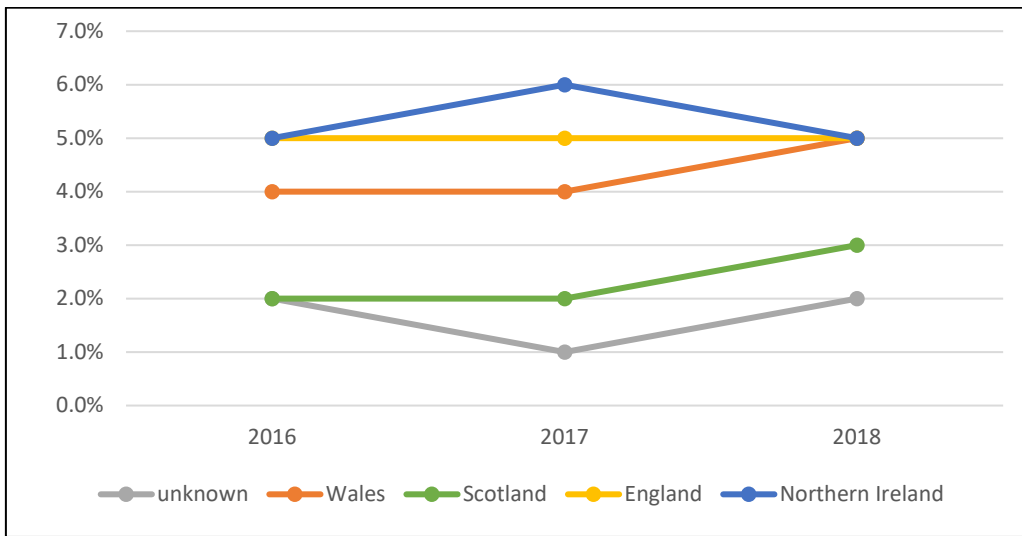
¹⁹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/832819/Information-pack-UK-Japan-FTA-call-for-input.pdf

²⁰ <https://www.mofa.go.jp/policy/economy/fta/>

²¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/832819/Information-pack-UK-Japan-FTA-call-for-input.pdf

²²<https://www.economy-ni.gov.uk/sites/default/files/publications/economy/rts-trade-in-goods-data-analysis-japan-september-2019.pdf>

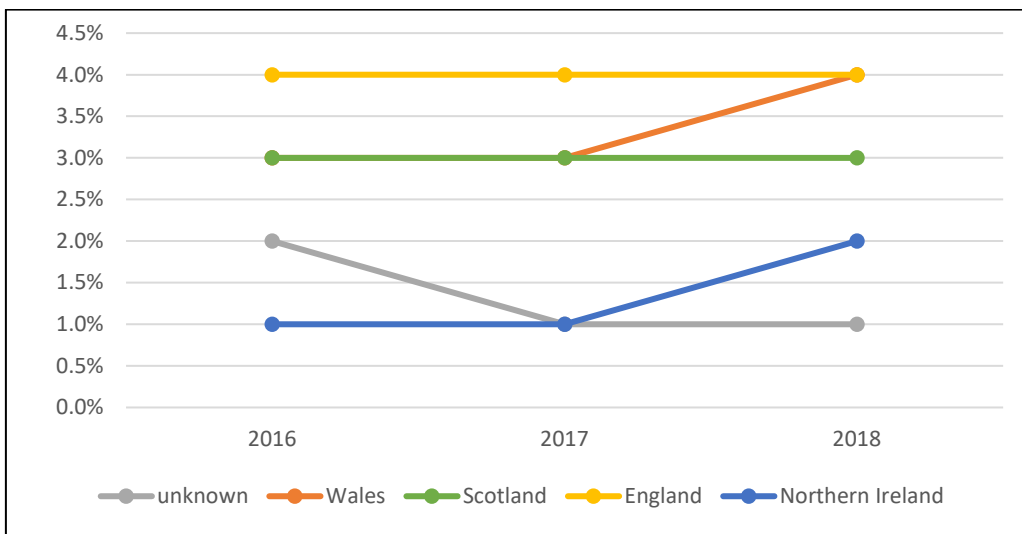
Figure 4.1 – Share of UK RoW imports from Japan by region 2016-2018(%)



Source HMRC RTS

Northern Ireland had a slightly lower percentage share of UK RoW exports to Japan in the UK in 2018 (2%) compared to England (4%), Scotland (3%) and Wales (4%).

Figure 4.2 – Share of UK RoW exports to Japan by region 2016-2018 (%)



Source HMRC RTS

4.3 Trade in Goods by Sector (SITC1)

As shown in figures 4.3 and 4.4, NI trade with Japan covers a number of sectors. Machinery and Transport equipment and Chemicals and related products sectors accounted for 82% of NI imports from Japan in 2018. Machinery and transport equipment was the main import sector for the whole UK. It accounted for 72.7% of NI imports from Japan, which was broadly similar to England (71.8%), and this sector represented 53.4% for Scotland and 50.7% for Wales.

Figure 4.3 – Total NI Import of Goods from Japan by Sector (SITC1) in 2018

SITC1 Code	2018 (£M)	%
Machinery & transport equipment	£107.4	72.7%
Chemicals and related products, nes	£14.2	9.6%
Mineral fuel, lubricants & related materials	£12.1	8.2%
Manufactured goods classed chiefly by material	£10.3	7.0%
Miscellaneous manufactured articles	£3.7	2.5%
Total	£147.7	100%

Source HMRC RTS

Whilst machinery and transport was a key export sector to Japan across all regions, (NI, 33.1%, England 55.7%, Scotland 35.9% and Wales 63.5%) there was a large degree of variance on other key sectors within the UK countries. In NI, chemicals and related products accounted for 30.8% of exports to Japan, a much greater proportion than England (18.5%), Scotland (12.7%) and Wales (5.7%). Similarly, miscellaneous manufactured articles accounted for 28.7% of NI exports to Japan, a greater proportion than England (13.4%), Scotland (13.1%) and Wales (11.4%)²³.

²³<https://www.economy-ni.gov.uk/sites/default/files/publications/economy/rts-trade-in-goods-data-analysis-japan-september-2019.pdf>

Figure 4.4 – Total NI Export of Goods to Japan by Sector (SITC1) in 2018

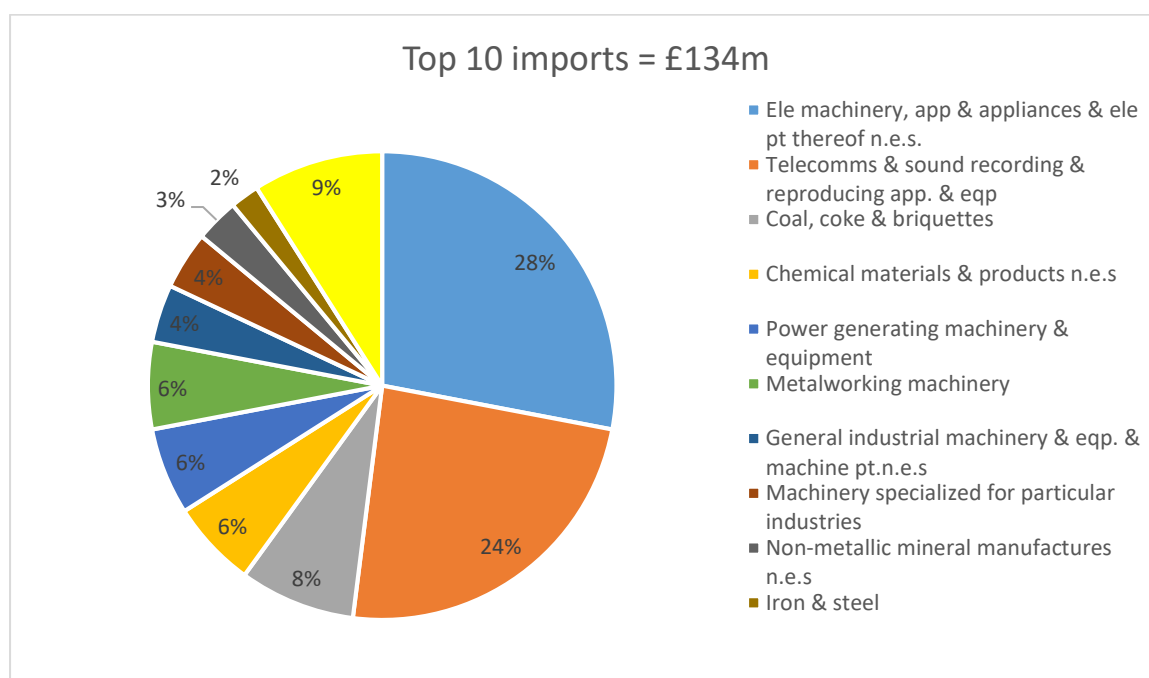
SITC1 Code	2018 (£M)	%
Machinery & transport equipment	£19.7	33.1%
Chemicals & related products, nes	£18.3	30.8%
Miscellaneous manufactured articles	£17.1	28.7%
Beverages & tobacco	£2.2	3.6%
Manufactured goods classed chiefly by material	£1.8	2.9%
Mineral fuels, lubricants and related materials	£0.3	0.6%
Food & live animals	£0.2	0.3%
Crude materials, inedible, except fuels	£0	0.1%
Total	£59.6	100%

Source HMRC RTS

4.4 Trade in Goods by Sub Sector (SITC2)

At a subsector level, Figure 4.5 shows, that electrical machinery and appliances; and telecoms sectors accounted for 52% of NI imports from Japan in 2018. The top 10 sub sectors accounted for 91% of NI goods imports from Japan.

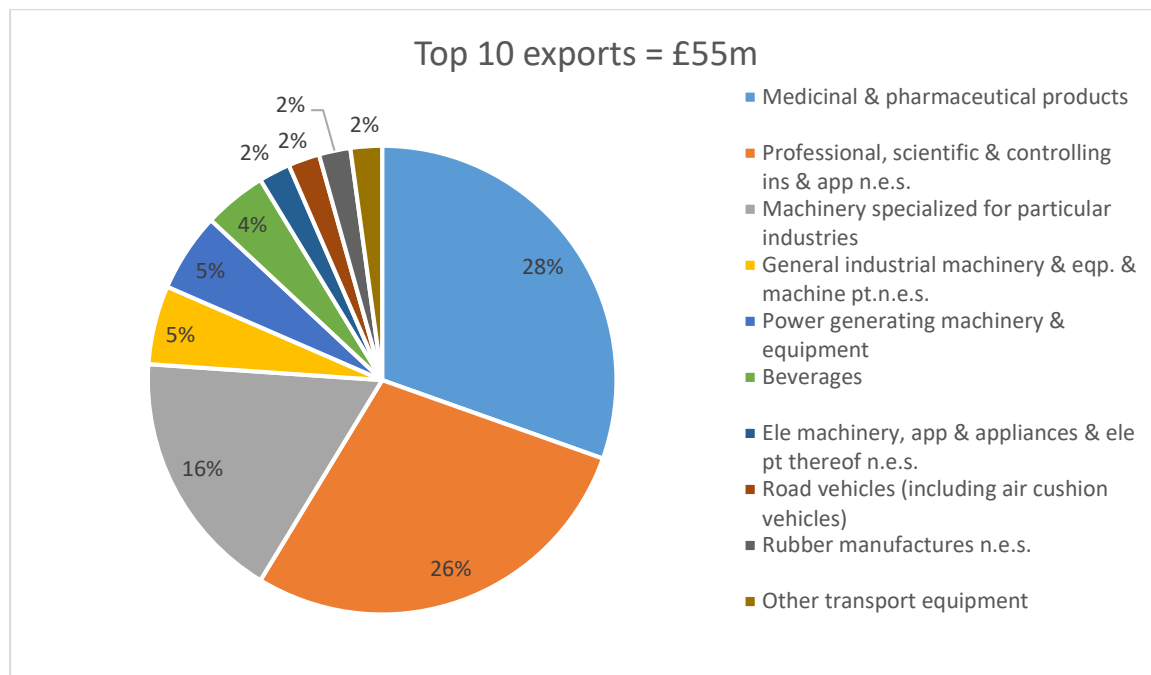
Figure 4.5 – Top 10 NI Imports from Japan by Sub-sector (SITC2) in 2018



Source HMRC RTS

On the other hand pharmaceutical products; and professional, scientific and controlling instruments sectors accounted for 54% of NI goods exports to Japan in 2018. The top 10 sub sectors accounted for 92% of NI goods exports to Japan.

Figure 4.6 – Top 10 NI Exports to Japan by Sub-sector (SITC2) in 2018



Source HMRC RTS

4.5 Trade in Services

51% of total UK exports to Japan were services. Financial, and other business services were the main exports to Japan, while financial, intellectual property, and other business services were the main UK imports from Japan. ²⁴

In terms of Northern Ireland, there is limited data detailing services trade with Japan, however sources indicate around £46m of NI services were exported to Japan in 2017.

²⁴

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/832819/Information-pack-UK-Japan-FTA-call-for-input.pdf

4.6 Foreign Direct Investment

Beyond the picture for trade, in the past 10 years Invest NI has offered support worth £9.9m to its Japanese-owned customers. This support has contributed towards £88.7m of investment in the local economy and the promise of 829 new jobs.

5. How to Respond to the Consultation

The consultation closes at **11.45pm on 4th November 2019**. You can respond to the DIT consultation using the following link:

[Japan Consultation](#)

The online survey is seeking views primarily in the following areas:

- Are you aware of the Economic Partnership Agreement that came into force between the UK and Japan in February this year?
- Which of the following trade related areas best describe the areas of the Economic Partnership Agreement that are important to your organisation? Options are structured around the typical content of a FTA with information requested on the importance of trade issues to your business. Key areas are:
 - Goods trade
 - Services trade
 - Regulation and standards
 - Cross border investment
 - Small and medium size enterprises (SMEs)
 - Competition law, subsidies, procurement and state-owned enterprises (SOEs)
 - Intellectual property
 - State to state dispute settlement
 - Structure of the agreement
 - Other
 - None
 - Don't know

The online survey may ask you to select all areas that are important to you, and to detail which provisions within the EU-Japan EPA are important, and why they are important.

- Which of the following trade related areas best describe the areas of the Economic Partnership Agreement that the UK government should consider changing during future negotiations? Options are again structured around the typical content of a FTA (as above) with information requested on the importance of trade issues to your business. The online survey may ask which areas of the Economic Partnership Agreement between the EU and Japan do you think the UK government should consider improving during future trade negotiations with Japan and why?

- Is there anything else that you would like to say about the future trade and investment relationship with Japan?

Annex A – Free Trade Agreement Provisions

The following provisions may form part of a FTA (and this list is not exhaustive):

- Tariffs on industrial goods
- Tariffs on agricultural goods
- Customs Administration
- Export Taxes
- General Agreement on Trade in Services
- Sanitary and Phytosanitary (SPS) Measures
- State-Trading Enterprises
- Technical Barriers to Trade (TBT)
- Trade Related Aspects of Intellectual Property rights (TRIPS)
- Anti-corruption
- Environmental Laws
- Labour market regulation
- Consumer protection
- Data Protection
- Agriculture
- Political dialogue
- Small- and Medium-Sized Enterprises
- Social Matters
- Visa and Asylum
- Approximation of legislation
- Audiovisual
- Civil Protection
- Innovation Policies
- Cultural cooperation
- Economic Policy dialogue
- Public Administration
- Countervailing measures
- Anti-dumping
- State Aid/subsidies
- Public Procurement
- Trade Related Investment Measures (TRIMS)
- Intellectual Property Rights (IPR)
- Competition Policy
- Investment
- Movement of capital
- Statistics
- Education and training
- Energy
- Financial assistance
- Health
- Human rights
- Illegal immigration
- Regional cooperation
- Taxation
- Illicit drugs
- Industrial Cooperation
- Information society
- Mining
- Money laundering
- Nuclear Safety
- Research and technology
- Terrorism

Annex B – Data Sources

HMRC Regional Trade Statistics

The information used in this analysis is from HMRC's Regional Trade Statistics (RTS). The analysis is for the trade in goods only. Trade in services is not included in this analysis.

HMRC's primary source data is collected from the EU-wide Intrastat survey and from Customs import and export entries, both administered by HMRC. These record the movement - for trade purposes - of **goods** only between the UK and both EU and non-EU countries. There is a legal requirement for all VAT-registered businesses to supply this data, although for trade with the EU this only applies to businesses trading above the Intrastat threshold²⁵.

The RTS methodology allocates trade to a region based on the location of the business exporting or importing the goods. For multi-branch businesses, it allocates trade to a region, based on the proportional distribution of employees of that business across the regions of the UK. HMRC consider this to be a good proportionate reflection of trade at a regional basis. This methodology is in harmony with other regional statistical products from across the Government Statistical Service (GSS), including the Annual Business Survey and the recently launched Regional Trade in Services from the ONS.

Northern Ireland Broad Economy Sales and Exports Statistics²⁶

BESES is an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland (NI). BESES data is gathered through the Northern Ireland Annual Business Inquiry (ABI) and has been running since 2011. The ABI surveys all businesses with 50 or more employees; all multi-site businesses with 20-49 employees; all manufacturing businesses with more than 5 employees; and a representative sample of other smaller businesses. In all, the ABI samples about 20% of the eligible business population each year.

²⁵ You must register for Intrastat if, in the last calendar year, your business either moved more than £250,000 worth of goods to other EU countries or received more than £1.5 million worth of goods from other EU countries. Full details [here](#).

²⁶ https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/BESES%20Background%20Information%20-%20May%202018_0.pdf

It is important to note that due to methodological differences, BESES and HMRC RTS are not directly comparable. Further details on the differences are available from NISRA.²⁷

Foreign Direct Investment data

The foreign direct investment data is sourced from the fDI Intelligence database,²⁸ which is a service from the Financial Times Ltd. The information and analysis in this section is solely based on this data. fDI has noted that the capital expenditure and jobs figures reported in the fDI Intelligence database include some estimated values, which they take no responsibility for the accuracy or otherwise of this data. DfE applies the waiver to this data. This data covers a 10 year period.

Inward Investment

Inward Investment data includes investment into Northern Ireland from GB and all markets outside the UK. Whereas foreign direct investment data relates to investment into Northern Ireland from outside the UK only. This data covers a 5 year period.

²⁷<https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/NISRA-HMRC-joint-statement-re-methodological-differences-for-website.pdf>

Annex C – Trade in Goods Analysis Slide Packs

There are currently five trade data reports prepared by DfE Analysts. The reports cover the period 2016 – 2018²⁹. They include both import and export trade data for goods and are solely drawn from the HMRC RTS.

There are two types of reports, which are outlined below:

A report looking at Total Northern Ireland Trade in Goods – This provides a breakdown of NI's total imports and exports, including analysis of NI's share of UK imports and exports.

Country specific reports – provide NI imports from and exports to individual countries, which includes comparisons with the trade flows for the other UK regions.

²⁹ <https://www.economy-ni.gov.uk/publications/analysis-ni-trade-goods-2016-2018>