

# United Kingdom

## Exports surge on weaker sterling

- Trade deficit narrows in March
- Goods exports jump 4.9%, imports +3.2%

UK trade data add to signs that the manufacturing sector is finding its feet again, buoyed by a rise in exports of goods, which jumped almost 5% in March.

Export growth has been boosted by the weakness of sterling. Although the pound has risen recently compared to the 20-month low seen in March, it remains around 25% below its pre-crisis peak on a trade-weighted basis and continued to act as a driver of rising overseas sales in April. PMI data in fact showed that, for the first time ever in the history of the global surveys, the UK enjoyed the strongest export growth of all countries covered by the PMIs in April, with exports growing at the fastest rate since July 2011.

Both official and survey data therefore paint an encouraging picture of the UK gaining market share in overseas markets, suggesting the economy is showing signs of rebalancing away from domestic consumption to export-led growth.

Official data showed the UK's trade deficit falling slightly in March, down from £3.39bn in February to £3.13bn. The deficit in goods fell from £9.17bn in February to £9.06bn while the surplus in service rose from £5.77bn to £5.93bn.

Goods exports jumped 4.9%, the strongest monthly rise since July of last year, while imports rose a more modest 3.2%. Exports of services rose 1.2%, the largest monthly increase for 20 months, countered by a mere 0.3% rise in imports.

The improvement leaves exports up 0.6% in the first quarter, a strong contrast to the 2.0% decline seen in the final quarter of last year, against a meagre 0.1% rise in imports.

### Chris Williamson

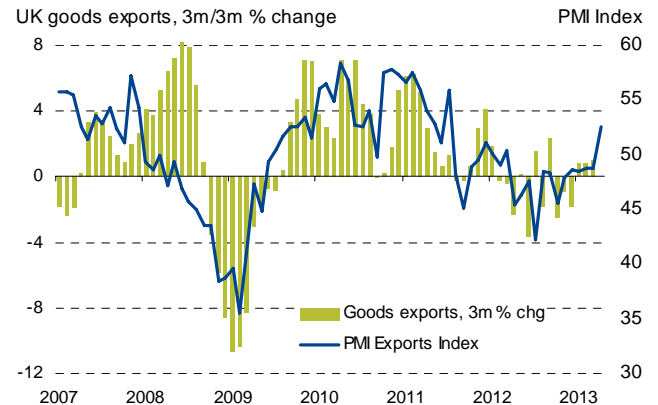
Chief Economist, Markit

Tel: +44 207 260 2329

Email: [chris.williamson@markit.com](mailto:chris.williamson@markit.com)

For further information, please visit [www.markit.com](http://www.markit.com)

### UK exports



### Sterling



### Trade balance

