

Coronavirus (COVID-19) Review: data and analysis, March to October 2020

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Mobility and Trade

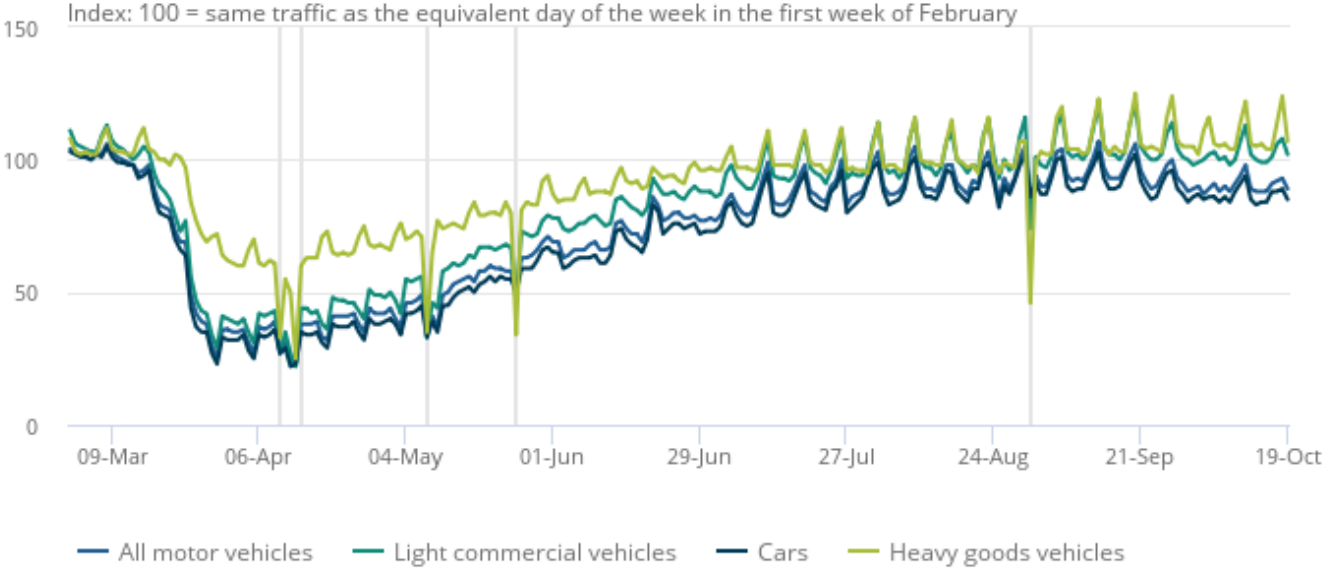
This section includes our data on trade in goods and services, on the balance of payments as well as on how different types of transport or movement have been affected by the pandemic

Road traffic across total motor vehicles has fallen slightly in October 2020 and has yet to reach levels seen in February 2020

- Road traffic across total motor vehicles has fallen slightly in October, although it has stabilised in the week to 19 October 2020.
- This follows a gradual increase since the lockdown restrictions were eased but continues to remain below levels seen in the first week of February 2020.
- On Monday 19 October, car traffic remained at 15 per cent lower than the equivalent Monday in the first week of February.
- Light commercial vehicle traffic has remained stable whilst heavy vehicle traffic increased by 1 per cent in the week to 19th October, with both remaining slightly above traffic seen on the equivalent Monday in the first week of February.

On Monday 19 October 2020, the volume of all motor vehicle traffic was 11 per cent below the levels seen on the first Monday of February

Daily road traffic index: 100 = same traffic as the equivalent day of the week in the first week of February, 1 March 2020 to 19 October 2020, non-seasonally adjusted



Source: [Coronavirus and the latest indicators for the UK economy and society: 22 October 2020](#)

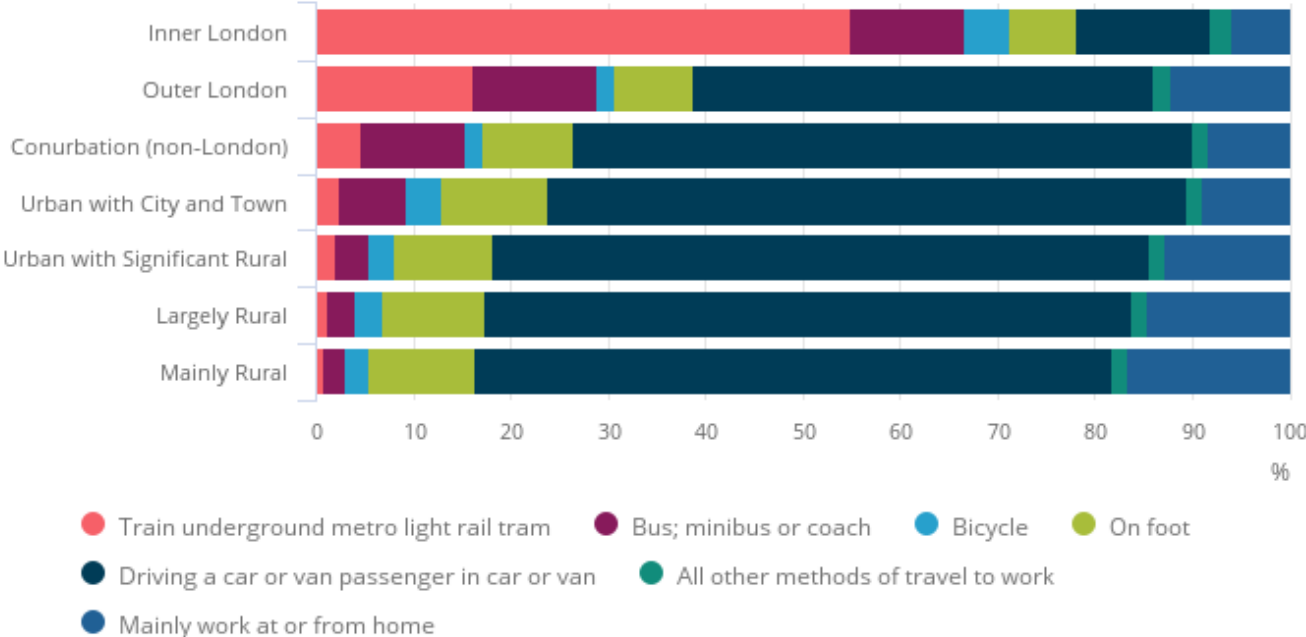
Lead analyst: [David Matthewson](#)

Public transport use was significantly higher in London than in rest of England

- In Great Britain, more people in employment returned to work as restrictions eased.
- Although cars or vans are the most commonly used transport for workers in England, public transport use in London is more common; 66.6% in Inner London, 28.8% in Outer London compared to 3.1% across mainly rural local authorities in England.
- Understanding the different patterns in different sectors is important at present because different parts of the economy are returning to work on different time scales, and the industry detail therefore allows us to see the implications for different places as lockdown measures are eased.
 - City of London, 84% of the workforce used public transport (40% working in the finance sector, 18% in the professional services sector). Most of these commutes were by rail rather than bus.
 - West Suffolk, just 2.6% of the workforce employed at locations within the local authority used public transport (retail, health and accommodation sectors).

Inner London local authorities are the most reliant on public transport

Mode of travel to work to rural and urban workplaces, England, 2011



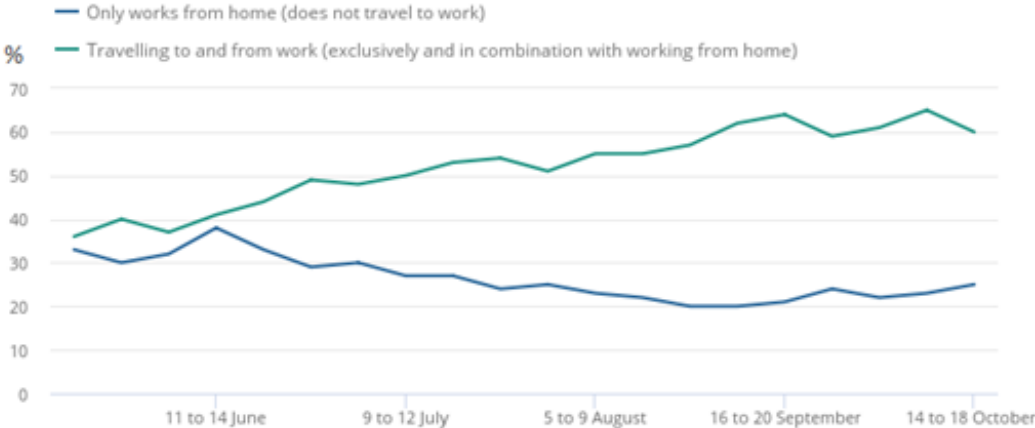
Source: [Coronavirus and travel to work: June 2020](#)

Lead analyst: [Richard Prothero](#)

As lockdown restrictions eased, there has been a steady rise in the percentage of working adults¹ travelling to work, either exclusively or in combination with working from home

Location of work, Great Britain, May to October 2020

¹The working population is those that said they had a paid job, either as an employee or self-employed; or they did any casual work for payment; or they did any unpaid or voluntary work in the previous week.



Source: [Coronavirus and the social impacts on Great Britain](#)

Lead analyst: [Andrea Lacey](#)

The reopening of many non-essential shops and businesses in England on 15 June coincided with a large rise in footfall to retail parks, shopping centres and high streets

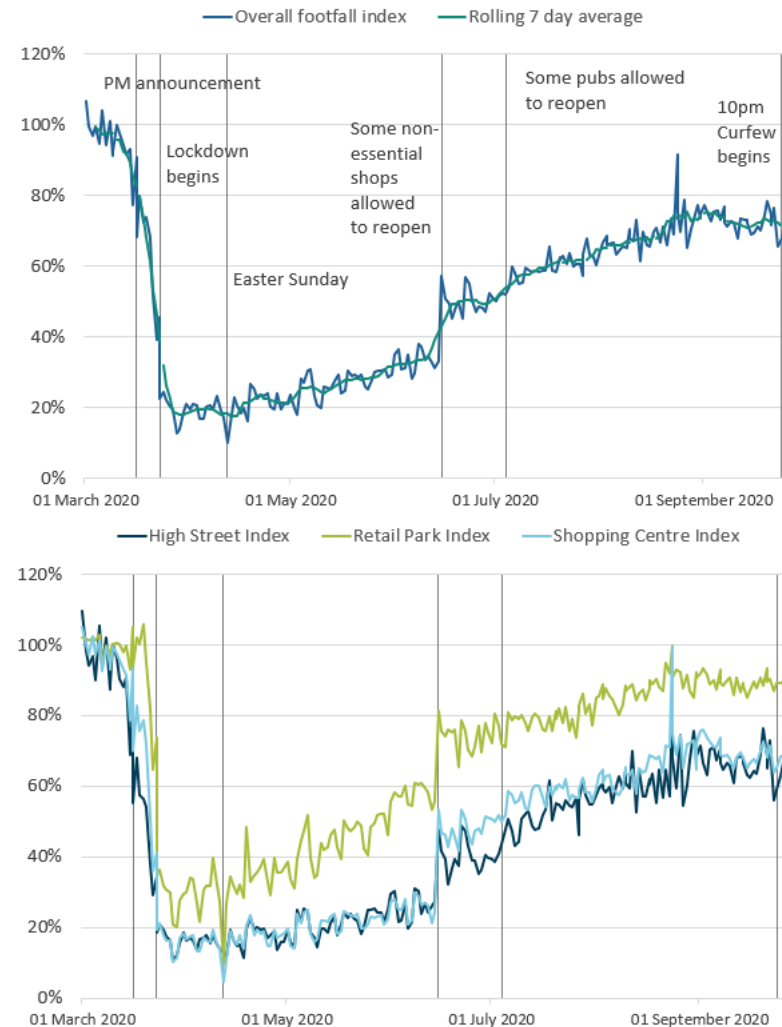
- From 14 June to 15 June 2020, there was a large rise in the three footfall indices of Retail Parks, Shopping Centres and High Streets; this coincided with the reopening of many non-essential shops and businesses in England on 15 June.
- On 28 June, footfall in retail parks rose to around 70% of its level the same time last year, while footfall in shopping centres was just under 50% and that in high streets was below 40% of its level in the same period last year.
- In the week ending 18 October 2020, overall footfall decreased to below 70% of its level in the same period of the previous year.
- This indicates a continuing of the slight decrease that followed the gradual but steady increase in footfall since the reopening of non-essential shops and businesses in England on 15 June.

The flattening in the trend since August followed the gradual but steady increase in footfall since the reopening of non-essential shops and businesses

Volume of footfall, year-on-year percentage change between footfall on the same day, UK, 1 March to 18 October 2020

Source: [Coronavirus and the latest indicators for the UK economy and society: 22 October 2020](#)

Lead analyst: [David Matthewson](#)



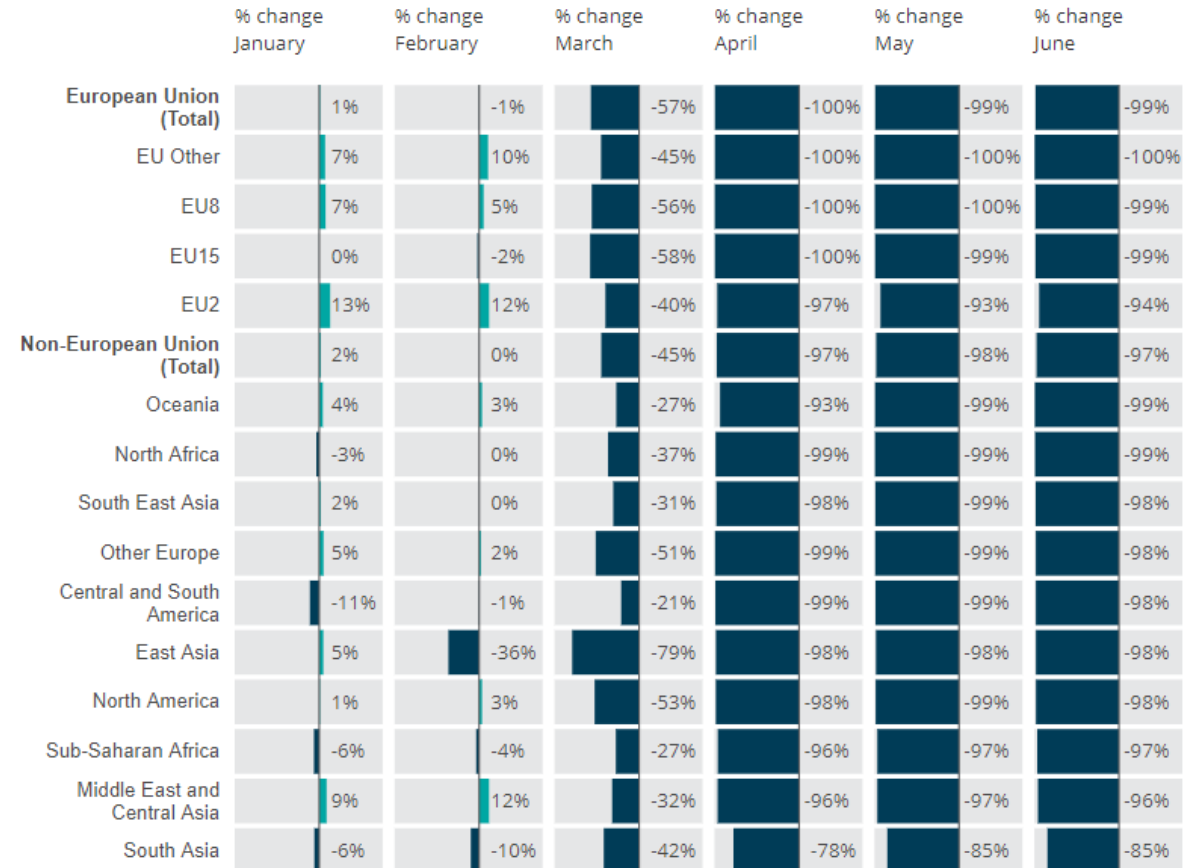
There has been widespread decline in international air travel to and from the UK since March 2020 compared to the same period in 2019

- Restrictions on international travel have been in place since early 2020 because of the coronavirus (COVID-19). In August 2020, the Foreign and Commonwealth Office (FCO) have started to [ease travel restrictions for British travellers](#) where countries are assessed as “no longer presenting an unacceptably high risk to British people traveling abroad.”
- Analysis of the Civil Aviation Authority (CAA) data show the volume of air passengers arriving to and departing from the UK was significantly lower in March 2020 compared with March 2019.
- April to June 2020 then saw further reductions compared with the same months in 2019, with differences of over 95% for travel to and from most world regions.
- [Home Office statistics](#) using Advanced Passenger Information (API) show that there were an estimated 1.3 million passenger arrivals (including returning UK residents) in April to June 2020
- Number of applications for visitor visas in the second quarter of 2020 was 99% lower than in the same period in 2019.
- Department for Transport figures show a decrease of 85% in short international ferry routes to Ireland and other European countries compared with the previous year.

Annual percentage change in monthly air passenger arrivals at airports in the UK from airports in regions of the world

January to June 2020

■ Increase between 2019 and 2020
■ Decrease between 2019 and 2020



Source: ONS analysis of Civil Aviation Authority data, [Migration Statistics quarterly report: August 2020](#)

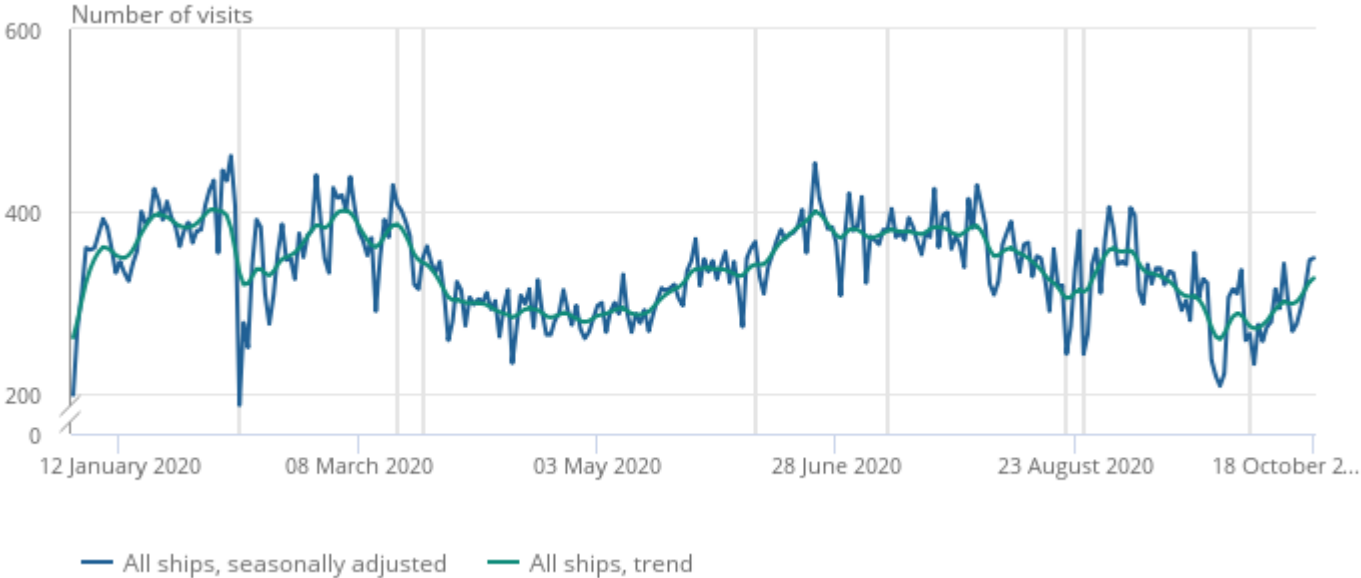
Lead analyst: [Mike James](#)

There has been a gradual decrease in daily ship visits to major ports in the UK since September following an increase as lockdown ended

- Shipping indicators offer a fast signal of the level of shipping activity, which is related to trade in goods.
- Following an initial increase in daily ship visits as lockdown restrictions were eased, there has been a gradual decrease in daily ship visits to major ports in the UK during the past few weeks.
- Despite the decreasing trend, in the week ending 18 October 2020, the average number of daily ship visits increased slightly compared with the previous week, from 291 visits to 308.
- This slight increase when compared with the previous week was seen for cargo ships, from 94 visits to 100.

Despite the generally decreasing trend since September, the average number of daily ship visits slightly increased in the week ending 18 October

Daily movements in shipping visits, UK, seasonally adjusted, 1 January 2020 to 18 October 2020



Source: [Coronavirus and the latest indicators for the UK economy and society: 22 October 2020](#)

Lead analyst: [David Matthewson](#)

There was a sharp narrowing in the current account deficit in Quarter 2 (Apr to June) 2020

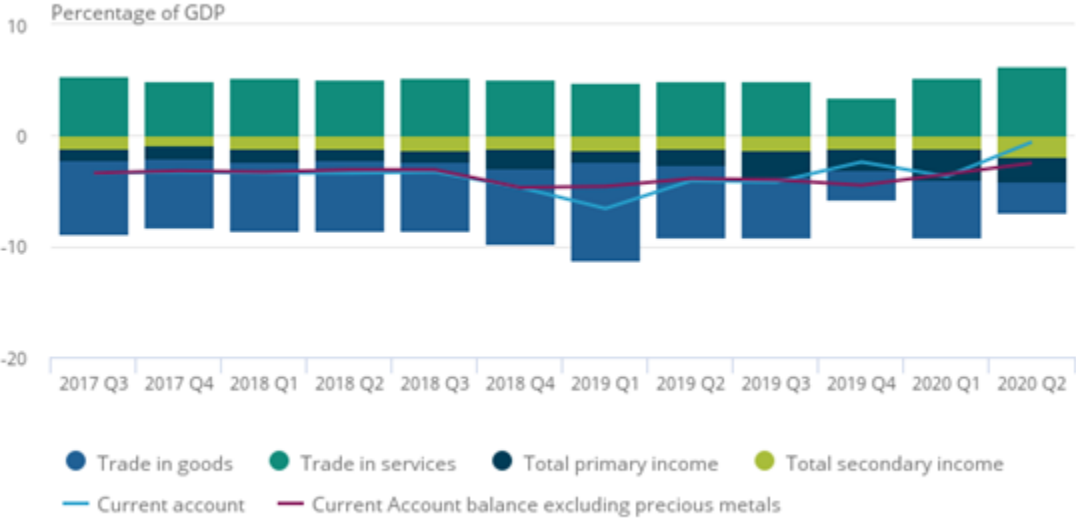
- Net lending from the rest of the world stood at 0.6% of gross domestic product (GDP) in Quarter 2 (Apr to June) 2020, which is the lowest recorded since Quarter 2 2011; this reflects a marked improvement in the trade balance which recorded a surplus of 3.6% of GDP, underpinned by large gross movements of trade this year.
- Some of this reflects pronounced trade movements in unspecified goods, which reflects the unwinding of previous volatile trade in non-monetary gold. There have been large declines in the exports and imports of finished manufactured goods.
- The UK has historically been a net importer of oil and other fuels, but this net trade position also improved in Quarter 2 2020; the movements in gross trade flows largely reflect the reduced demand in response to the restrictions on mobility as well as the lower price of oil.
- There have also been notable impacts on the gross trade flows in travel and transport services, reflecting the imposition of physical restrictions have reduced such international activity.

There was a sharp narrowing in the current account deficit in Quarter 2 (Apr to June) 2020

- There has also been a decline in the UK's investment income of late on its external assets and liabilities, most notably on foreign direct investment (FDI).
- Net investment income has improved in Quarter 2 2020 as there was a larger fall in foreign earnings on FDI that are held in the UK.
- It is possible that these lower flows in inward and outward flows of earnings reflect the lower interest rates that were imposed in many countries.
- There is also some evidence that businesses may be responding by retaining a higher level of earnings and reducing and/or cancelling dividend payments, which would have an impact on investment income.

The UK's current account deficit narrowed substantially in Quarter 2 (Apr to June) 2020 because of trade in precious metals

Contributions to the UK's current account balance as a percentage of gross domestic product, Quarter 3 (July to Sept) 2017 to Quarter 2 (Apr to June) 2020



Source: [Balance of payments, UK: April to June 2020](#)

Lead analyst: [Jamie Pritchard](#)

Financial flows have reflected the response of financial markets around the start of the COVID-19 pandemic

- There have been large cross-border financial flows in the first half of this year, where there were particularly large flows of other investment in Quarter 1 (Jan to Mar) 2020.
- It is likely that these financial flows have reflected the response of financial markets around the start of the COVID-19 pandemic, leading to a shift in the risk appetite of investors.
- However, there appears to have been some unwinding of these effects, as the UK reduced its gross external assets and gross external liabilities in loans and deposits in Quarter 1 2020.

There have been large cross-border financial flows in the first half of this year

Gross financial inflows and outflows, UK, Quarter 1 (Jan to Mar) 2008 to Quarter 2 2020 (Apr to Jun)



Source: [Quarterly economic commentary: April to June 2020](#)

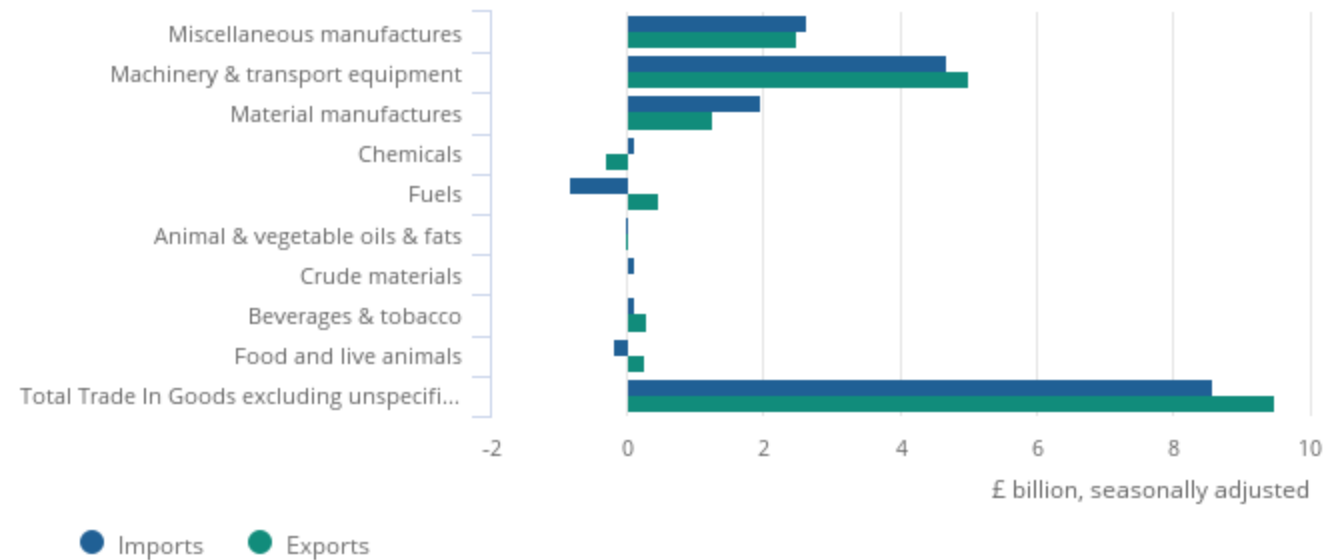
Lead analyst: [Sumit Dey-Chowdhury](#)

UK total trade surplus widened to £7.7billion in the three-months to August

- Most of the UK's top trading partners have been significantly affected by COVID-19, and analysis suggests evidence of pandemic-related impacts on UK trade.
- The UK total trade surplus, excluding non-monetary gold and other precious metals, increased by £3.8 billion to £7.7 billion in the three months to August 2020, as exports grew by £21.4 billion and imports grew by a lesser £17.5 billion.
- The widening of the total trade surplus in the three months to August 2020 was driven by an £11.9 billion increase in services exports, compared with a lesser £8.9 billion increase in services imports.
- The underlying trade in goods deficit narrowed in the three months to August 2020 driven by fuels, with exports increasing by £0.5 billion and imports decreasing by £0.8 billion.
- Road vehicle imports increased by £3.9 billion in the three months to August 2020 as dealerships fully opened.
- UK car finance applications rose by a quarter during July and the first few weeks of August as many car owners had extensions to renew their personal contract purchase contracts during lockdown, which pushed their purchase of new cars into the summer.

Rising imports and exports were largely seen in machinery and transport equipment in the three months to August 2020

Changes in imports and exports, by goods commodity group, excluding unspecified goods, three months to August 2020 compared with three months to May 2020



Source: [UK trade: August 2020](#)

Lead analyst: [Abi Casey](#)

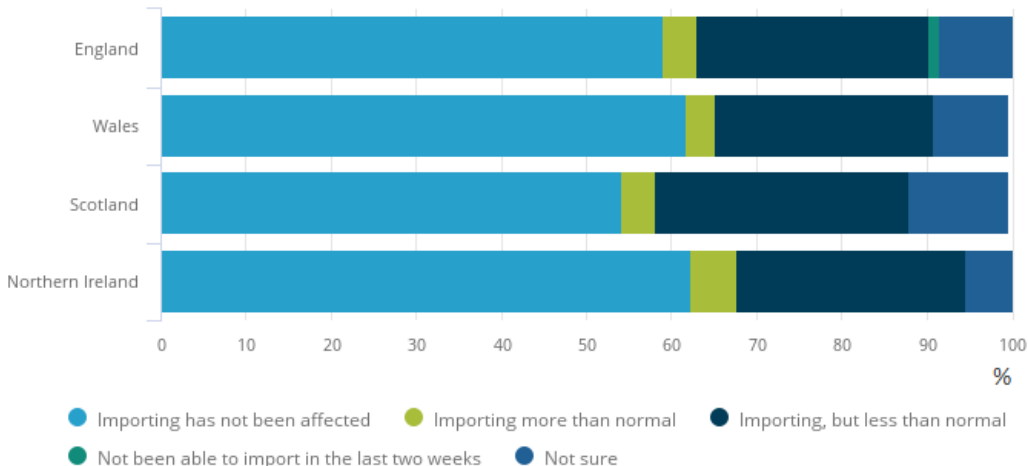
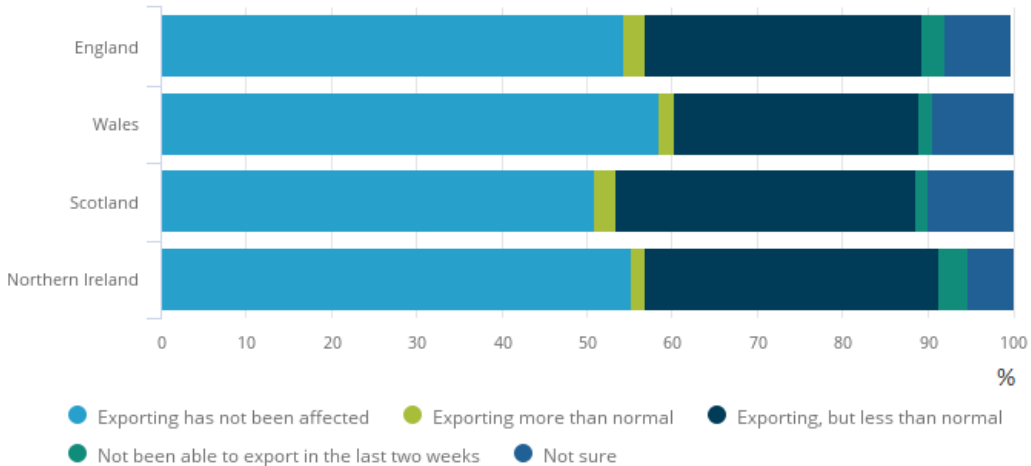
Rising share of businesses reporting no importing or exporting challenges

- 59.7% of importing businesses that have imported in the last 12 months reported that “importing has not been affected” in late September. This has improved from 27.6% in late April.
- The proportion of exporting businesses that have exported during the coronavirus pandemic reporting that their business has been “exporting less than normal” has fallen from 71.9% in late April to 32.3% in the period 21 September to 4 October 2020.
- Analysis of BICS for mid-May suggests [coronavirus-related transport restrictions are the biggest challenge for responding businesses that are continuing to trade](#), both in relation to exporting (reported by 31% of respondents) and importing (reported by 36%); a quarter (25%) reported that increases in transportation costs are an exporting challenge and 30% an importing challenge.

Note: estimates on this slide are unweighted.

The proportion of businesses “exporting less than normal” has fallen from 72% in late April to 32% in late September

Effect of the coronavirus pandemic on importing and/or exporting reported by businesses that have imported and/or exported during the coronavirus pandemic, by region, unweighted 21 September to 4 October 2020



Source: [Business Impact of COVID-19 \(BICS\) results](#)

Lead analyst: [Jon Gough](#)