

First official analysis of UK's internal market published

The OIM's report demonstrates the scale and importance of trade, which is likely to exceed £190 billion annually, between England, Scotland, Wales and Northern Ireland.

In its report, the OIM – part of the Competition and Markets Authority (CMA) – [outlines the flow of goods and services across internal market borders](#) as well as offering new insights on the extent to which regulatory policies differ between nations in the UK.

The report includes new evidence on the economics of the internal market, including data from 2 surveys.

The OIM report's key economic findings include:

- Most firms find it easy to trade across UK nations at present, with the extent of cross-border trading either staying the same or growing over the past year
- The highest proportion of cross-border trade was in manufacturing and wholesale/retail, with each sector representing more than a third of total trade
- Scotland, Wales and Northern Ireland trade more with the rest of the UK than with the EU or the rest of the world (England does not publish intra-UK trade data)
- Many markets are local and larger firms are more likely to trade with other UK nations than smaller ones

Andrea Coscelli, Chief Executive of the CMA, said:

This first-of-a-kind report on the flow and regulation of trade between the nations of the UK illustrates not only the vast scale of the internal market, but also the significance of the work the OIM has been tasked with doing.

With billions of pounds worth of trade flowing between the 4 nations every year, it's important that the internal market operates in the interests of people across the UK. While the OIM has found little substantial regulatory difference emerging between the nations so far, this is unsurprising given how little time has passed since the implementation of Brexit.

By deepening our understanding of cross-border trade, the work of the OIM will help make buying and selling across the UK as easy as possible, wherever you're based.

Following the UK's departure from the EU, significant powers have been

returned to the UK government and devolved administrations, increasing the possibility of regulatory differences between the 4 nations. Part of the OIM's assessment of the internal market therefore focused on whether regulations made by the 4 governments have begun to differ from one another more since the end of the Brexit transition period on 31 December 2020.

The OIM has found no evidence of substantial new regulatory differences emerging between the 4 administrations since the UK left the EU. However, this is not unexpected at this stage and differences might appear over time as governments develop and implement their programmes.

Different policies in different administrations could have implications – both positive and negative – for cross-border trade including changes in the price, quality and choice of goods and services. The OIM has identified some sectors where some regulatory differences may be more likely including: the environment, energy use, agriculture, animal welfare, food, drink and health, and some safety-related matters.

Ahead of the publication of its first statutory reports in March next year, the OIM will continue to work collaboratively with the 4 governments of the UK to help people, businesses and policymakers by improving the understanding of trade within the UK, including by developing new data. The OIM will also consider any emerging policy developments that might affect businesses' ability to sell their products and services around the UK.

The OIM is also ready to respond to requests from the governments for reports and advice on specific regulatory provisions. People and businesses can [report any issues that they think impact on the UK internal market by completing the OIM's webform](#).

1. The OIM was [launched in September 2021](#) to provide non-binding technical and economic advice to all 4 governments of the UK on the effect on the UK internal market of specific regulatory provisions that they introduce. The OIM operates independently of all 4 governments.
2. Since leaving the EU, significant powers have returned to the UK government and devolved administrations, increasing the possibility of regulatory differences between the nations. The OIM's work assists governments in understanding how effectively companies are able to sell their products and services across the 4 nations of the UK and the impact of regulatory provisions on this for consideration alongside wider policy issues.
3. A provision (for example, legislation, regulation etc.) that is necessary to implement the Northern Ireland Protocol will fall outside of the scope of the UK Internal Market Act and the OIM will not be able to offer advice or produce reports on it.
4. The OIM is publishing this report providing an overview of the UK internal market as a discretionary output under section 33(1) of the UK Internal Market Act, six months after its establishment and a year before it is required to produce its first statutory annual and five-yearly reports.
5. The OIM is working collaboratively with the Office for National Statistics and analysts across the 4 UK nations to review and improve

data on trade within the UK.

6. More information can be found on the [Office for the Internal Market homepage](#).
7. [Research by the Economic Statistics Centre of Excellence](#) estimates intra-UK trade is likely to exceed £190 billion annually.
8. The CMA commissioned a telephone survey of nearly 600 businesses across the UK in order to understand the economics of the UK internal market in more detail and to provide more recent data than the published statistics. Analysts in all 4 governments provided valuable input to this work.
9. The CMA included questions on intra-UK trade in the [Office for National Statistics' Business Insights and Conditions survey](#). The survey shows that the highest proportion of cross-border trade was in manufacturing (42%) and wholesale/retail (40%).
10. For media queries, please contact the press office via press@cma.gov.uk or on 020 3738 6460.