

Securing a business-friendly trade deal with EU must be New Year priority

The British Chambers of Commerce (BCC) survey of over 1,500 businesses, held in partnership with DHL, finds that UK businesses regard Europe as their primary overseas market for the coming years.

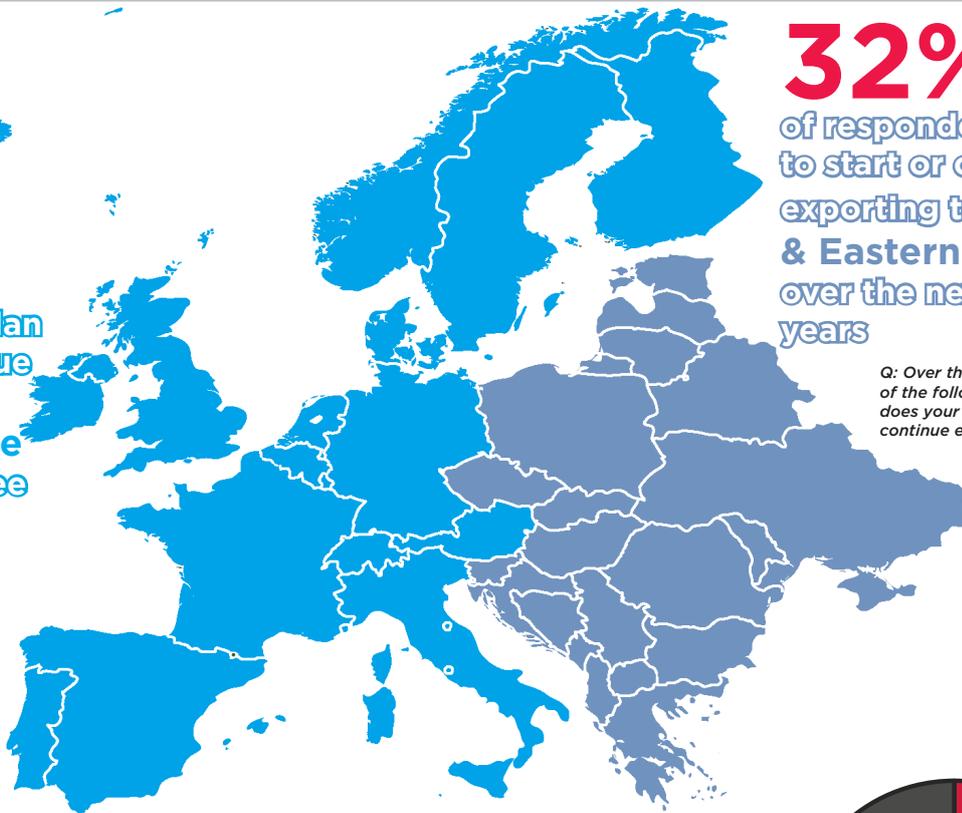
44%

of respondents plan to start or continue exporting to Western Europe over the next three years

32%

of respondents plan to start or continue exporting to Central & Eastern Europe over the next three years

Q: Over the next three years, which of the following markets, if any, does your business plan to start OR continue exporting to? n=1,576



Businesses looking to export are primarily be influenced by:

Increased overseas demand 48%

Exchange rates 36%

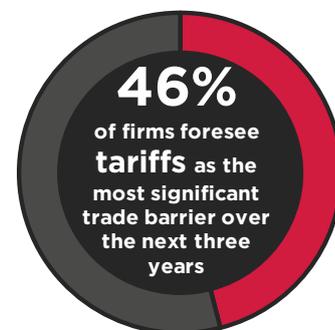
UK's future withdrawal from the EU 35%

Businesses looking to import are primarily be influenced by:

Lack of UK suppliers 43%

Exchange rates 41%

Lower costs of importing than sourcing UK 33%



Dr Adam Marshall
Director General
British Chambers of Commerce

“Europe is the UK’s largest trading partner, so it will come as no surprise that businesses regard access to European markets and products as fundamental to their medium-term trading strategies. Now that negotiations on the future UK-EU relationship are set to begin, businesses need clarity on the practicalities of the future trading relationship between the UK and EU without delay.

High tariffs, cumbersome customs procedures, as well as conflicting regulatory requirements can deter firms from trading overseas – so a future agreement between the UK and the EU must minimise barriers and costs, to allow firms on both sides of the Channel to continue trading as freely as possible.

The devaluation in sterling seen over the past 18 months has been a double-edged sword, providing a welcome boost for some exporters, but a drag on many other firms, who report higher costs for their inputs and components. While UK firms would like to be able to source inputs on the domestic market, our evidence suggests that swapping imports for domestic supplies isn’t presently an option for many. If businesses can’t find or afford to source their supplies domestically, easy and quick access to foreign markets is crucial. Both the UK government and EU Commission must work together in the new year to move towards a frictionless trade deal that works for both British and European businesses.”

In September and October 2017, the BCC surveyed over 1,300 business people from all regions of the UK online to understand which markets businesses look to trade with over the next three years, the reasons for this, and the possible barriers businesses foresee.

Profile of respondents: 95% of businesses surveyed were SMEs (firms with fewer than 250 employees), 31% operate in the manufacturing sector, and 69% operate in the services sector. For further information, please contact David Bharier d.bharier@britishchambers.org.uk