MARCH 2026

NEW TRADE FRONTIERS FOR SMES: DIGITALISING COMMERCE, RAISING ECONOMIC GROWTH

IN PARTNERSHIP WITH

GS1 UK

British Chambers of Commerce
GLOBAL BRITAIN

WHERE BUSINESS BELONGS

CONTENTS

Foreword 4

Introduction 5

Chapter 1: The Challenge: Exporters are facing increasing risk 6

Preparedness for changes to trade 7

Supply chain resilience and the need to boost efficiency 8

Chapter 2: The Solution 10

Conclusions and recommendations 11

FOREWORD

Shevaun Haviland
Director General of the British Chambers of Commerce

Getting more SMEs to export across the world is the quickest and most efficient way to grow our economy.

Right now, the UK is at a crossroads in global trade. For businesses, the question is no longer whether trade is changing, but whether the UK is moving fast enough to keep up.

This report sets out a stark reality. Our survey of nearly 1,000 firms shows exporters facing rising costs, growing complexity and mounting uncertainty — with almost none feeling they have comprehensive support to navigate shifting trade rules. At the same time, major partners are accelerating reforms to customs, data and regulation. The gap between ambition and delivery in the UK is becoming impossible to ignore.

Yet this is not a counsel of despair. The UK has real strengths to build on. We are a global leader in electronic trade documentation. We have world-class digital capability in the private sector. And through the Chamber Network, we have unrivalled reach into businesses on the ground — in the UK and in key markets around the world.

What is missing is pace, coordination and focus. Trade digitalisation, smarter borders and data-driven compliance are no longer optional extras — they are essential to competitiveness. Standing still will mean higher costs, slower exports and lost opportunities for growth.

This report shows what is possible when government ambition, business innovation and global collaboration align. From digital trade corridors to e-labelling and product passports, the tools already exist to make trade quicker, simpler and cheaper — particularly for SMEs.

The British Chambers of Commerce is committed to working with government and partners like GS1 UK to turn these solutions into reality. If we get this right, trade can once again be a powerful engine of growth. If we do not, the costs of inaction will be felt across the economy.

The choice is clear.

INTRODUCTION

The UK is breaking new ground in the digitalisation of global trade. The opportunity is now for tens of thousands of SMEs to directly benefit from both digital trading agreements and technology partnerships. The best of private sector innovation is crossing new frontiers in trade too.

The British Chambers of Commerce (BCC), in partnership with GS1 UK, has undertaken a major survey of UK businesses to show the scale of the challenge but also the opportunity. Among the many other findings from nearly 1,000 respondents, 0% feel they have comprehensive support from government to manage changes in trade policy at the UK and/or global level. This is set against a backdrop of declining SME exporter confidence and heightened geopolitical tensions. The BCC has launched a joint initiative with Foreign, Commonwealth and Development Office (FCDO) to establish a Diplomatic Advisory Hub providing SMEs with the most relevant, incisive information on current regulatory and geopolitical challenges across key markets globally.

The status quo is not an option. To improve the speed and efficiency of border processes, pilots of UK digital trade corridors with France and Germany will get underway soon with financial commitments from the UK government until 2029. However, UK plans for a Single Trade Window remain unimplemented, at precisely the time the EU is driving on with a new Single Data Hub by mid-2028.

Trade document digitalisation is also a welcome global trend in recent years, and the UK is leading the way. The Electronic Trade Documents Act 2023 is an exemplar of what the rest of the world needs to be doing to implement the UNCITRAL model rules on e-commerce and ensure business can reap the benefits of faster, quicker, cheaper trade. We also need trade accelerators, like the BCC's forthcoming pilot programme in Singapore to turn ground-breaking digital trade agreements into growth-delivering improvements in trade in goods, customs and logistics.

The lack of an integrated, standardised approach to data requirements at the UK border risks unacceptable duplication and costs for business. The UK is in danger of falling behind key partners at a time when exporters already feel under siege from US tariff policy and new compliance burdens across several key markets most notably the EU.

The EU is engaged in its biggest customs reforms for a generation with a new Single Data Hub and the European Customs Authority. Meanwhile, customs reforms in GB appear to have stalled. Despite advocacy efforts by the BCC and other organisations there remains a lack of ambition from government both on updating the customs rulebook and delivering a Single Trade Window.

Private sector innovation will be key to matching these government initiatives and achieving success. Processes at the border mean customs practices, rules of origin, import VAT and regulatory requirements combine to create real burdens for UK exporters. But increasingly, regulatory requirements away from the border are creating disincentives for SMEs to trade. Whether it is the checks on third party authentication required by certain Gulf States, or the EU General Product Safety Regulation, these are time and resource pressures for businesses.

An effective approach to kickstarting our SME goods exports performance needs to combine the best of Government's regulatory and integrated digital borders innovation, with the reach of the chamber network globally, and the inventiveness of private sector technology-led solutions and interoperable standards, such as those promoted by GS1.

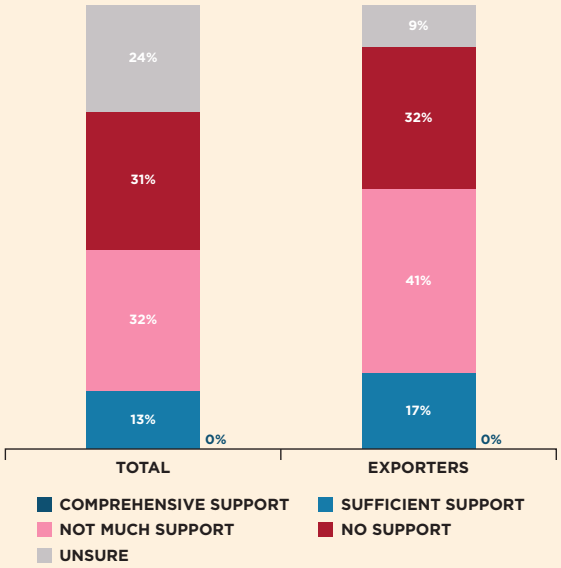
Leveraging the BCC's extensive survey data, this report identifies what businesses currently say about the impact of border regulation and compliance measures, with how private sector innovation can be the answer in key export markets. It sets out the art of what is possible to deliver smarter borders and quicker, simpler, cheaper international trade.

CHAPTER 1
THE CHALLENGE: EXPORTERS ARE FACING INCREASING RISK

Businesses have seen a decade of shocks that have impacted trade potential. From the UK's withdrawal from the EU to Covid lockdowns that ruptured the global supply chain, and now the use of tariffs as a geopolitical tool, recent years have presented significant trade challenges.

Pre-US tariffs, the Office for Budget Responsibility found by Q3 2023, UK trade intensity still running 1.7% below levels in 2019, in contrast to other G7 states. Firms are also increasingly dissatisfied with the lack of support to increase exports. In the BCC's survey of 989 firms, respondents including company owners were asked whether they felt they had enough support from government to manage changes in trade policy – 0% of exporters felt they had comprehensive support, while only 17% said they had sufficient support. Nearly three quarters (73%) said they either had not much support or none.

IN GENERAL, DO YOU FEEL YOU HAVE ENOUGH SUPPORT FROM GOVERNMENT TO MANAGE CHANGES IN TRADE POLICY AT THE UK AND/ OR GLOBAL LEVEL?



BASE: (TOTAL: N=946; Exporters: N=379)

Preparedness for changes to trade

UK exporters report relatively high but uneven exposure and awareness to trade and regulatory changes. The greatest areas of exposure lie in EU-facing regulatory measures, given that just under 48% of UK goods exports go to the EU. The forthcoming EU customs and VAT rule changes, scheduled for January 2028, stand out most sharply: 40% of exporters say they are impacted but only 16% have taken action while 24% have not and 36% say they need more information.

As policies diverge across a range of areas from economic security to industrial policy between the EU and UK the complexity of compliance challenges for firms has similarly altered. For example, the EU Responsible Person (RP) requirement, already in force, shows higher level of action with 28% of businesses responding to this, though 17% still say they need more information, despite the regulation being live. The EU's new economic security plans are on company radars to a growing extent, with major implications from the forthcoming Industrial Accelerator Act and other key legislative proposals. The EU plan to halve steel quotas and impose 50% tariffs presents a more concentrated, sector-specific risk; although 68% are not impacted, 15% are and have not yet acted.

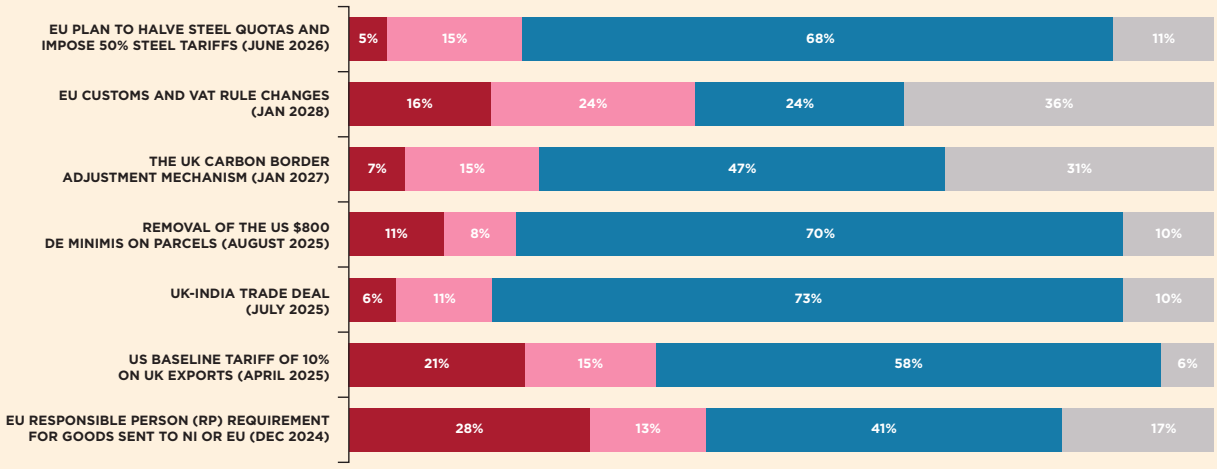
The EU Reset agenda has the potential to help cut unnecessary trade barriers. It could also protect certain GB sectoral exports from becoming uncompetitive under the EU's full Carbon Border Adjustment Mechanism approach. Other than that, despite the best efforts of the UK's WTO team in Geneva, and negotiators making new trade deals with countries such as India and South Korea, non-tariff barriers to trade remain a powerful constraining obstacle limiting the trajectory of upward export growth.

The survey findings do at least point to increasing levels of awareness among exporters of regulatory changes across the EU. By comparison in the BCC's 2024 survey, around three quarters of exporters said they had little to no awareness of various requirements, including the Border Target Operating Model (BTOM) and CBAM.

Beyond the EU, US 10% baseline tariff on UK exports is the most concerning measure in the data, with 36% of exporters impacted and relatively high awareness (only 6% needing more information), and subsequent US tariff uncertainty have seen further contingency planning and restructuring from one third of firms that are exposed.

By contrast, the UK-India Trade Deal has so far only achieved minimal cut through with exporters with 73% reporting no impact and only 6% impacted and taking action.

IS YOUR BUSINESS IMPACTED BY ANY OF THE FOLLOWING CHANGES TO GLOBAL TRADE?



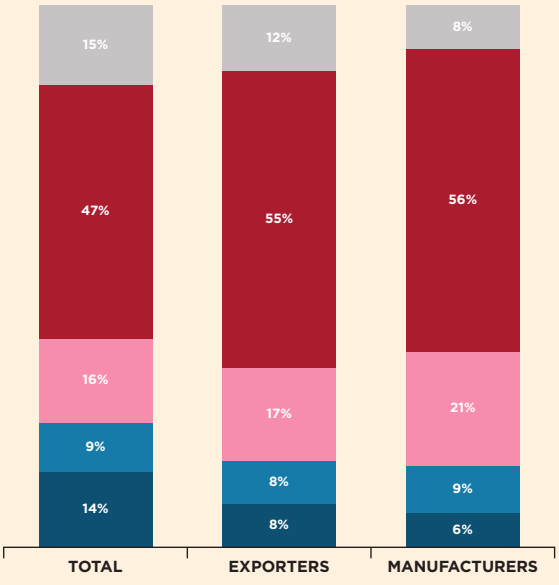
BASE: (Exporters: N=380)

The challenge this represents is that with the UK's trade in goods with the EU having fallen in volume terms over the past 5 years compared with its previous trajectory, if the full scale of the opportunities in other global trading regions are not in themselves filling in the gap, the UK's trade intensity – key for an open, global facing economy – will continue to be substantially lower than the country's potential. This needs focused attention by both business and policymakers to overcome.

Supply chain resilience and the need to boost efficiency

The introduction of sweeping tariffs by the US President in April 2025 brought into sharp focus the resilience of firms. Manufacturing supply chains once again came under enormous pressure as businesses sought to re-route and reshore operations to escape tariffs. In the survey, only around 12% of exporters and 8% of manufacturers in particular said they were very confident that their supply chains will remain resilient over the next 12 months. By contrast, 25% of exporters and 30% of manufacturers, respectively, said they were not really or not at all confident and felt they were exposed to serious risk.

HOW CONFIDENT ARE YOU THAT YOUR SUPPLY CHAIN WILL REMAIN SECURE AND RESILIENT OVER THE NEXT 12 MONTHS?



BASE: (TOTAL: N=840; Exporters: N=343; Manufaturers: N=251)

This fragility outlines the significant need to ease trade friction and make more efficient trade processes. Exporters were asked, of a range of measures to simplify border processes, which would give them a direct productivity gain.

Exporters see clear productivity benefits across a range of measures designed to simplify and modernise border processes, with different tools offering value to different parts of the exporting base. Nearly half (46%) expect productivity improvements from a single data interface with government border systems and from enhanced data sharing between customs authorities and traders, reflecting the benefits of reduced duplication and more streamlined information flows. Interoperability in interfaces and standards facilitates the sharing of data across borders or IT systems without the need to duplicate the inputting of similar information across the movement journey of goods across international borders.

Without particular knowledge of the relevant EU regulations which will impact upon GB goods exporters, firms did provide some insight into what they understand Digital Product Passports to offer. More targeted digital measures are also seen as productivity drivers – 40% expect gains from digital identity for businesses, 37% for E-labelling (replacing multiple physical labels with digital options like QR codes), and 28% for Digital Product Passports to provide info on the product's lifecycle. E-labelling is seen as an example of a measure to reduce complex compliance, traceability or labelling requirements. In the survey, firms said it could generate "less paperwork requirement so less admin", "reduced delivery times and costs [which] will help significantly", and "reduced cost of physical labelling".

CHAPTER 2
THE SOLUTION

Overlapping and inconsistent regulations, especially for highly regulated products in major export markets, create complex safety requirements for manufacturers, wholesalers, and exporters. Add in the moves towards expanded product attestations for supply chain transparency purposes and there is a growing risk of red tape compliance overload for SMEs. A technology means of mitigating this risk for all users is through QR codes and scanning representing a single digital gateway fulfilling a variety of roles across multiple settings in trade in goods.

Consumers, shipping and logistics firms value simplicity but regulatory changes make this more difficult to attain. Moving towards smart digital labelling can make conformity assessment processes more streamlined and easily intelligible for consumers and businesses alike. Instruction manuals for highly regulated products are getting longer and more complex, as they now need to include many languages in their printed versions. Physical markings and labelling of goods are often unclear to consumers and costly for manufacturers to implement. Regulators in Europe and beyond should work with the private sector on integrating the cost saving technology models around digital product safety. This will support trade and economic growth while bolstering consumer confidence in safety of goods.

Proving traceability, regulatory or origin compliance continues to be challenging for many businesses and consequently limits trade growth. The Chambers Network in the UK offers digital certificates of origin as one means of making exporting more efficient. However, as electronic documentation becomes more commonplace, the rollout of digital trade corridors is essential and other technology solutions can drive efficiencies in goods movements to end consumers.

Global standards bodies such as GS1 help provide industries around the world with interoperable flexible standards and solutions to many of these challenges. Different standards can be better used to meet regulatory compliance. with the EU Single Market rules and beyond. It demonstrates how smart digital technology can overcome growing regulatory challenges on trade in goods and on product tracking. GS1's work in Brazil shows that technology, combined with public sector data sharing and unified protocols, can streamline border processes and reduce redundant data entry. There are strong lessons for this in the UK and wider global trading environment.

The UK's customs rulebook has not been comprehensively reviewed since EU exit. In the wake of global changes, particularly in the EU and US this is a suboptimal position. Added to the lack of progress on a Single Trade Window or common data standards, the UK risks losing the global race on digitalising border data and the efficient movement of goods which businesses and consumers expect. The Spending Review has not yielded additional investment from the public sector for STW so government should approach this more creatively. Ministers must look to use assets already created from public investment with private sector know-how to kickstart work on a business-led solution. That solution should focus on minimising entry points and scaling up common usage of data in connection with border processes.

With the UK's renewed leadership in global electronic trade document adoption, and greater use of innovative trade accelerators, this creates the basis for a whole export chain offer with simplicity and lower compliance costs at its heart.

CONCLUSIONS AND RECOMMENDATIONS

Standing still on trade digitalisation, e-certification and e-labelling is a manifesto for economic decline. Business wants to grasp a brighter future with public and private sector working closely together. Such collaboration can lead to the development of intelligent digital processes for tracking goods, as well as managing the necessary labelling and certifications to optimise efficiency.

We need a joint plan which focuses on these deliverables:

- Create e-labelling and digital product passport systems and standards that work seamlessly and interoperably across key markets. Encourage innovation in the emerging sector through strong regulatory cooperation and sandboxes, enabling successful models to scale.
- Focus UK leadership on building the global coalition of countries adopting Electronic Trade Documentation and recognised global standards. To expand goods trade Ministers must prioritise reform around key trading documents like bills of lading and exchange.
- Establish effective digital trade corridors following the UK's soon to be launched pilot schemes with France and Germany.
- Build on pilot private sector and BCC-led trade accelerators to create pathways for new export support and market expansion in fast-growing parts of the world.
- Back innovation in digital labelling, certification, and conformity assessment of products drawing upon best practice globally.
- Give fresh impetus to customs reform in GB, and to a private-sector driven Single Trade Window to promote greater efficiency in customs, logistics and data usage in driving international trade.
- Ensure that economic diplomacy and export growth can best be delivered in partnership with the UK's national and international Chambers Network, in the UK and in country, across our key export markets.

LEAD AUTHORS

William Bain Head of Trade Policy, British Chambers of Commerce

David Bharier Head of Research, British Chambers of Commerce

British Chambers of Commerce | 65 Petty France, London, SW1H 9EU
britishchambers.org.uk | @britishchambers | 020 7654 5800

British Chambers of Commerce is a Company Limited by Guarantee, registered in England and Wales No. 9635.
Designed by iloveclive.co.uk