



Department for
Business & Trade

DBT National Survey of UK Registered Businesses 2022

2022 Report

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1. Executive Summary

1.1 About the National Survey of Registered Businesses (NSRB)

The National Survey of Registered Businesses (NSRB) is commissioned by the Department for Business and Trade (DBT). It monitors exporting behaviours, plans, capabilities, and attitudes of businesses across the UK. It is also used as a tool for evaluating the performance of DBT communication campaigns. Fieldwork for this wave took place in 2022, before the creation of the new Department for Business and Trade on 07 February 2023. Therefore, this report will continue to refer to the Department for International Trade (DIT) when examining the 2022 data.

In total, 7 waves of the NSRB have been completed, commencing in 2015. This report is focused on the seventh and most recent wave of data collected across 2022. In 2022, a total of 3,001 responses were collected from businesses throughout the year, split into 4 quarters, across 3 collection periods. Data for quarter 1 was collected between 21 February and 07 April. Data for quarter 2 was collected between 02 May and 16 June. Data for quarter 3 and quarter 4 was collected across an extended collection period between 20 September and 13 December. This report focuses on findings from across the year. However, in some cases where there are notable differences between quarterly findings, these have been highlighted in the relevant chapters of the report. Throughout the report, figures have been rounded to the nearest whole number and as such, breakdowns may not always sum to the expected total.

The primary focus of the NSRB is on businesses with an annual turnover of £500,000 or more. This is on the basis that these larger businesses can potentially generate high value exports at larger scale. Throughout most of this report, 'UK businesses' is referring only to those with a turnover of £500,000 or higher. This is not true of chapter 12, which reports on findings from the 'total business population'. The 'total business population' refers to the whole respondent population, incorporating businesses with a turnover of less than £500,000.

1.2 Overall context and main findings

Throughout 2022, businesses continued to face significant challenges, including pre-existing concerns around the UK exit from the EU and COVID-19. These, and new issues relating to the Russian invasion of Ukraine, inflation, and the Autumn growth plan, have created a volatile and uncertain business environment.

Exporting Behaviour: The proportion of businesses exporting has remained stable but reported volumes have continued to fall. Nevertheless, businesses remained optimistic that exports will still grow in the future. Around 6 in 10 (58%) businesses said they had previously exported to one of the 'core markets'. This is compared with 88% who said they had previously exported to the EU.

Business Concerns: General concerns around COVID-19 appear to have decreased in 2022 compared with 2021. However, concerns relating to the UK's exit from the EU continued to be prominent. This included concerns about demand for UK products and services, supply chain issues, customs procedures, documentation, and administrative burdens.

Exporting Barriers: Across almost all capabilities for exporting measured in previous years, there was an improvement from 2021, with a recovery to levels observed in 2020. Issues relating to time, cost and access to contacts, customers and networks were seen as the greatest barriers to exporting to core markets.

Importing Behaviour: Almost half of businesses stated that they had imported in the last 12 months (43%). Of these, just under half had imported from at least one of the core markets in the last 5 years (47%).

Free Trade Agreements (FTAs): Almost 3 in 5 businesses expected FTAs to have no effect on their business (58%), up from 2021 (54%). Nearly a third (31%) believed FTAs would have a positive effect, which is similar to 2021 (33%).

Information Sources and Awareness: The proportion of businesses that reported knowing where to go for information, help and support with exporting remained stable. Websites and internet sources were the most popular overall. Government remained the main source of support on exporting and trade. General levels of awareness of the UK government’s trade support services have increased from 2021. However, most services were still not familiar to, nor used by, the majority of businesses.

Campaign Recognition: A minority of businesses (17%) were able to recall the DIT ‘Made in the UK, Sold to the World’ campaign. Fewer recognised the UK Export Academy (6%) and the Export Support Service (3%). Around a quarter (24%) felt these DIT campaigns were relevant to their business. However, these campaigns were largely seen to be clear (84%) and trusted (76%) sources of information.

1.3 Key findings by theme – (£500,000+ turnover businesses)

1.3.1 General exporting behaviours

The NSRB allocates businesses into 4 separate segments to reflect their exporting behaviour. The proportion of businesses falling into each of these segments has remained stable across all 7 waves of the NSRB.

- Around a third (34%) of businesses had exported goods and/or services in the past 12 months and fell into the ‘Sustain’ segment
- An additional 9% of businesses were either lapsed or intermittent exporters meaning they’d not exported in the last 12 months but had done so previously. These businesses made up the ‘Reassure’ segment
- A third segment, accounting for 15% of businesses, were those that had never exported before but believed that they could. These businesses reported having a product or service that they self-identified as being suitable, or could be developed to be suitable, for export. This group formed the ‘Promote’ segment
- The final segment is made up of businesses that have never exported and do not see their goods or services as being suitable for export. This group is referred to as the ‘Challenge’ segment and accounted for 42% of all businesses
- A remaining 1% of businesses fell outside of these segment definitions, as they were unsure of their exporting potential or history

Figure 1.1: Percentage (%) of respondents in each exporting segment from 2015 - 2022

Segment	2015	2016	2017	2018	2020	2021	2022
Sustain	33	33	35	33	34	35	34
Reassure	8	9	7	7	6	10	9
Promote	11	12	12	13	15	15	15
Challenge	43	41	39	38	44	38	42
Not specified	5	5	7	8	1	1	1

The base sizes for Wave 1 (2015), Wave 2 (2016), Wave 3 (2017), Wave 4 (2018), Wave 5 (2020), Wave 6 (2021) and Wave 7 (2022) are 1,160, 1,139, 2,535, 2,448, 2,557, 2,485 and 2,405 respectively. Compared to 2015 (Wave 1), the number of respondents in the 'Promote' segment in 2022 (15%) was significantly higher and the proportion of those with an unspecified exporting segment was significantly lower. Overall, 43% of respondents in 2022 had exported before and 57% had never exported.

In 2022, large businesses (with 250+ employees) were still more likely than SME businesses (with 0-249 employees) to every have exported (54% compared with 42%). They were also more likely to have exported within the last 12 months (45% compared with 34%). Micro businesses (with 0-9 employees) were more likely than small and medium businesses (with 10-249 employees) to have exported before (46% compared with 39%). The proportion of SME businesses (with 0-249 employees) who have exported before is in line with 2021 findings.

Exporting behaviour in Northern Ireland (NI) remained high in comparison to the rest of the UK. However, a large proportion of NI businesses that exported did so only to the Republic of Ireland. In 2022, 31% of NI businesses reported that they had exported in the previous 12 months, but only to the Republic of Ireland. A further 24% said they exported both to the Republic of Ireland and overseas in the previous 12 months. Finally, 4% said they exported to overseas destinations only. These figures were in line with previous years.

The proportion of exporting businesses reporting either an increase or a reduction in their exports of goods and services in 2022 remained consistent with 2021. Among exporters of goods, under 3 in 10 (26%) stated that their exports of goods had increased in the past 12 months. Around 4 in 10 (43%) stated that they had decreased. For service exporters, 26% also stated that their exports had increased in the past year, whilst 3 in 10 (29%) stated that exports had decreased. The most frequently cited reason for a reduction in exports over the past year was EU Exit (29%). Other common reasons given by businesses were a reduction of demand in their sector (26%) and general references to COVID-19 (22%).

Almost 3 in 4 exporters (72%) said that they were 'passive' in their exporting behaviour. This means that they responded to orders from other countries but did not actively target these customers. Conversely, 1 in 4 exporters (24%) said they did actively target customers abroad, with businesses in London the most likely to report this (38%). The proportions of businesses that actively and passively export have remained stable since 2021. Around 1 in 5 potential or lapsed exporters (21%) were planning to start exporting at some point in the future. This is equivalent to 5% of the whole £500,000+ business sample.

1.3.2 Barriers to exporting

Following a dip in capability and capacity to export in 2021, Wave 7 marks a return to 2019 and 2020 levels. Around 2 in 3 businesses felt they had the capability to assess the cost of exporting (68%, up from 60% in 2021). A similar proportion felt they had adequate supply chains (66%, up from 58% in 2021, although still below 2020 levels) and sufficient financial resources (66%). This also applied to staff skills (65%) and the capability to develop an export business plan (65%, up from 57% in 2021). Having sufficient managerial time (57%, up from 49% in 2021) returned to 2020 levels. Having the capability to assess international competition for products or services (52%, up from 47% in 2021) also returned to 2020 levels.

Time, cost, and access to contacts, customers and networks were seen as the greatest barriers to exporting to core markets (USA, UAE, Canada, India, Mexico).¹ In relation to exporting more generally, time (47%) and cost (41%) were the most likely factors to be mentioned by businesses as strong barriers.

1.3.3 Free Trade Agreements (FTAs)²

Across all businesses with a turnover of £500,000 or more, 58% expected FTAs to have no effect on their business. This figure is up slightly from 54% in 2021. Nearly a third (31%) believed FTAs would have a positive effect, which is similar to 2021 (33%). Lower or zero tariffs to pay on exports or imports was again the positive outcome expected by that largest share of businesses (83%). Further positive outcomes cited were increased access to export markets (63%) and increased transparency on product standards for exports (61%). A similar proportion cited increased legal certainty or fewer legal barriers relating to exporting services (60%). Reduced risk of unfair foreign competition (52%) and reduced checks ensuring that goods conform with export market standards (56%) were also cited.

Over a third (37%) of businesses that had ever exported to non-EU countries were aware of whether their exports were eligible for reduced customs duties. This is comparable to 33% in 2021. Conversely, just under half (48%) said that they did not know about the eligibility of their exports, which was the same as in 2021 (48%).

Exporting businesses who were aware of the eligibility of their exports for reduced customs duties were asked how frequently they benefit. Half (50%) said that their most frequently exported goods to non-EU countries only benefited from this some of the time, never, or almost never. These businesses were then asked about barriers to obtaining reduced customs duties. The most common barrier was difficulties in understanding available information on how to obtain reduced customs duties (cited by 38% of respondents). A similar proportion reported complying with the requirements to make exports eligible for preferences (36%). Finding relevant information on how to obtain reduced customs duties (30%), and the benefits of obtaining them not outweighing the costs (30%) were also cited.

1.3.4 Supply chains

Among businesses that had exported in the last 12 months, two thirds (66%) had experienced 'significant' supply chain issues in 2022. This is slightly below 2021 (70%), but still markedly above 2020 (44%). This increase between Wave 5 and Waves 6 and 7 may be, in part, due to adding EU Exit to the question in Wave 6. That is, businesses may have been experiencing these issues prior to Wave 6 but were unable to attribute them to EU Exit within the question. In 2022, 17% of exporting businesses attributed supply chain issues to COVID-19, while 16% described them as being mostly caused by EU Exit. Furthermore, just over a quarter (28%) regarded both events as equally responsible for causing their supply chain issues. The proportion of businesses attributing these issues to the EU Exit has increased each quarter, whilst the proportion attributing them to Coronavirus has decreased.

¹ There were 5 overseas markets designated as 'core markets' in the 2022 NSRB survey. They were the USA, UAE, Canada, India and Mexico and were chosen on the basis of strategic significance for UK trade.

² Free Trade Agreements set out the rules that cover trade between 2 or more countries and aim to make trading between these countries easier. This may include the removal or reduction of customs duties. See <https://www.gov.uk/government/collections/the-uks-trade-agreements>

Businesses aiming to grow their business were asked about their growth plans for the next year. Only 3% spontaneously reported improving or refreshing their supply chain as part of their plans. Businesses that agreed that demand for UK products or services had reduced due to COVID-19 or EU Exit were asked about contributing factors. Only 3% specifically mentioned problems with accessing supply chains. EU Exit (36%), issues relating to documentation and paperwork (18%) and COVID-19 (15%) were the most frequently cited.

1.3.5 Export knowledge and support

Around 1 in 4 (24%) businesses who do or could export felt that they had a high level of knowledge about how to export. This is higher than 2021 (21%) but not significantly so. Just under a quarter (23%) of businesses who do or could export reported having poor knowledge of how to export in 2022. This is a significant decrease from 2021 (30%). However, less than a quarter (23%) of businesses exporting only to the EU reported having a high level of knowledge. This is compared with 29% of businesses who exported only to non-EU countries, and 37% of businesses who exported both to non-EU and EU countries. This is indicative of a knowledge gap among exporting businesses following the UK's departure from the EU.

The proportion of businesses that do or could export who sought advice and support has increased from 33% in 2020 to 42% in 2022. In 2021, this figure was 36%. UK government sources continue to play an important role as a potential source of advice on exporting, cited by 33% of businesses in 2022. This is an increase from 28% in 2020, but a decrease from 2021 (37%). Websites and internet sources remained the most popular source among businesses when asked about channels they use to stay informed about exporting or business products. Over 7 in 10 said they used these to stay informed (72%) and approximately 3 in 10 cited social media (31%). Businesses were also asked about the sources they used to keep up to date about their own industry. Compared with the sources used to stay informed about exporting, a narrower selection was used. Only 3 in 10 businesses reported using websites or internet searches (31%) to keep up to date about their own industry.

Over three quarters of businesses that do or could export reported being aware of at least one UK government trade support service (78%). This is a significantly larger proportion than in the last quarter of 2021³ (67%). In line with last year, the most common of these were GOV.UK tools (65%). Awareness of the Export Academy was much lower at 7%. Levels of usage were typically lower than their level of awareness, with GOV.UK tools at 46% and the Export Academy at 1%.

1.3.6 Expectations for growth and trade

Around 7 in 10 (69%) businesses were aiming to grow their business. A further 2 in 10 (19%) were aiming for consolidation and 13% felt they needed to return to profitability. These findings are in line with 2021.

The proportion of businesses agreeing that there is a lot of opportunity for their business to grow internationally increased (58%, up from 52% in 2021). The proportion who felt there would not be enough demand for their business overseas to make it worthwhile reduced (26%, down from 33% in 2021). Perceptions of there being a lot of demand for UK products and services has continued to decline. For reference, in 2017, 73% thought there was a lot of demand, compared with 55% in 2022. It is likely that EU Exit is a contributing factor to this trend. In 2022, half (49%) agreed that since the UK left the EU, there has been less demand for UK products and services. This is up

³ At wave 6, the relevant question was only asked in quarter 4 of fieldwork.

from 39% in 2021. One area where issues appear to be receding is COVID-19. A smaller proportion of businesses cited it as their main reason for not being able to focus on exporting (from 42% in 2021, to 35% in 2022). Generally, businesses were more optimistic about the prospect of UK exports increasing over the next 5 years (41%), compared with the next 12 months (31%).

1.3.7 Importing

In the 2022 survey, businesses were also asked about their views on some issues relating to importing goods and services. In total, more than half of businesses stated that they had never imported (54%). A third of businesses said they were importing the same or more than in the previous 12 months (33%). Almost half of all importing businesses had imported from one of the core markets⁴ (USA, UAE, Canada, India, Mexico: 47%). Issues relating to time (33%) and cost (36%) were seen as the greatest barriers to importing.

1.3.8 Advertising and campaign metrics

In 2021, high profile information and publicity around the EU Exit transition period contributed to higher awareness levels of communications activity on exporting. In 2022, awareness returned to the levels more typically seen in the years prior (28%). Government remains the main source to which businesses attribute publicity around exporting. However, in 2022 there was a shift away from general mentions of the UK government (54%, down from 69%). Instead, a greater proportion specifically mentioned the Department for International Trade (15%, up from 6%). The 'Made in the UK, Sold to the World' campaign was recognised by 17% of businesses. Just under 1 in 10 (8%) recognised ads for either the UK Export Academy or Export Support Service. The 2022 DIT campaigns were seen as clear (84%) and trusted sources of information (76%) and 24% thought the campaigns were relevant to them. The campaigns were seen to contain new information for 6 in 10 (62%) businesses, although this was higher among those who had not previously exported. Businesses who recognised the ads were asked if they had taken any action as a result. Overall, 22% had either taken some action, planned to take action, or would consider doing so in future.

⁴ There were 5 overseas markets designated as 'core markets' in the 2022 NSRB survey. They were the USA, UAE, Canada, India and Mexico and were chosen on the basis of strategic significance for UK trade.

2. Background

This chapter provides an overview of the policy background to the National Survey of Registered Businesses as well as a summary of the aims of the survey. The full survey name has been abbreviated to 'the NSRB' throughout this report. Fieldwork for this wave (Wave 7) of the NSRB took place in 2022, before the creation of the new Department for Business and Trade (DBT) on 7 February 2023. Many questions from the 2022 survey therefore still refer to the Department for International Trade (DIT), rather than DBT. For consistency with the departmental name that was being used during fieldwork for this survey, this report will continue to use the DIT acronym throughout when referring to the government department responsible for international trade.

2.1 DIT's objectives

As specified in the Spending Review 2021⁵ and the DIT Outcome Delivery Plan⁶ DIT's objectives for 2021-2022 were to:

- Secure world-class free trade agreements and reduce market access barriers, ensuring that consumers and businesses can benefit from both
- Deliver economic growth to all the nations and regions of the UK through attracting and retaining inward investment
- Support UK business to take full advantage of trade opportunities, including those arising from delivering FTAs, facilitating UK exports
- Champion the rules-based international trading system and operate the UK's new trading system, including protecting UK businesses from unfair trade practices

In November 2021 (just prior to the fieldwork period covered by this report), DIT published a refreshed 2021 export strategy to support British businesses looking to export to the global market.⁷ The strategy is a business-facing 12-point action plan to support new and existing exporters.

The 12-point strategy has a range of new and existing support measures, some of which were:

- The Export Support Service (ESS)
- An expansion of the UK Export Academy
- A new UK Tradeshow Programme
- Launching the 'Made in the UK, Sold to the World' campaign

These objectives and priorities are underpinned by a diverse range of activities which, reflecting the complexity of DIT's remit, often involve working with other government departments. The

⁵ See: HM Treasury, Autumn Budget and Spending Review 2021: documents, 27 October 2021: <https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents>

⁶ See: Department for International Trade, DIT Outcome Delivery Plan: 2021 to 2022, 15 July 2021: <https://www.gov.uk/government/publications/department-for-international-trade-outcome-delivery-plan/dit-outcome-delivery-plan-2021-to-2022>

⁷ See DIT's 2021 Export Strategy: <https://www.gov.uk/government/publications/export-strategy-made-in-the-uk-sold-to-the-world#:~:text=This%20is%20the%20Department%20for,support%20new%20and%20existing%20e,xporters>

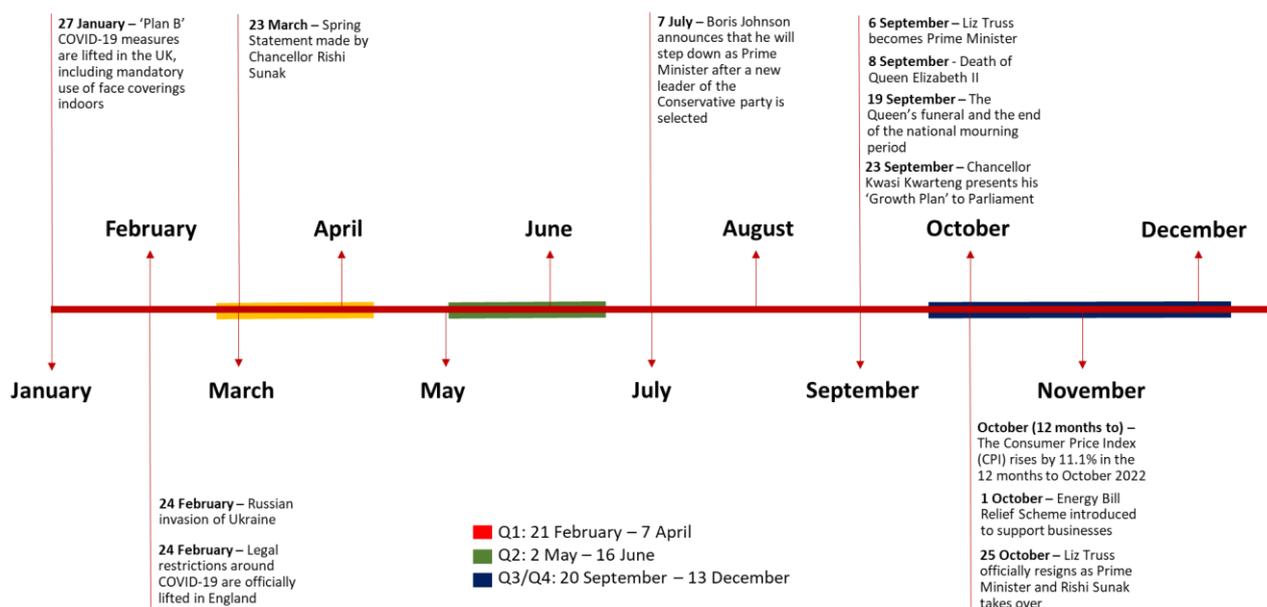
NSRB contributes to these objectives by monitoring businesses' exporting behaviours, plans, capabilities, and attitudes towards exporting as well as measuring the performance of DIT's communications campaigns. Each wave, survey questions are tailored to cover DIT's key objectives. For Wave 7, this included the introduction of questions on exports to the USA, India, Canada, Mexico and the UAE, as well as new questions relating to importing activity. It also included a new communications module asking respondents about their views on the most recent 'Made in the UK, Sold to the World', UK Export Academy, and Export Support Service campaign materials.

2.2 Context

2.2.1 Timeline of relevant events

This survey year (2022) was set within the context of several new and ongoing events that have affected businesses both in the UK and around the world. Global trade, already under strain from the effects of the COVID-19 pandemic, suffered further from shocks including high inflation, tight financial conditions, economic slowdown in China, supply chain restrictions and the impact of Russia's invasion of Ukraine. Supply chain bottlenecks driven by backlogs from the COVID-19 pandemic and intermittent lockdowns in key producer economies also continued to place pressures on global growth. Circumstances specific to the UK have also continued to have an influence on businesses, such as the UK's exit from the EU, as well as the Autumn 'Growth Plan' (mini budget) that was introduced by the government in September.

Figure 2.1: Summary of key events potentially impacting business in 2022



2.2.2 Russian invasion of Ukraine

One of the most impactful events of 2022 was Russia's invasion of Ukraine. In coordination with allies around the world, the UK government has implemented a suite of economic sanctions on Russia and Belarus including import tariff hikes and denying Most Favoured Nation (MFN) status with these countries. Since the invasion on 24th February 2022, businesses have contended with supply chain disruption and the soaring prices of energy and raw materials.

Following the invasion, the Export Support Service (ESS) was quickly mobilised to provide a single point of contact and entry for businesses with queries about exporting to Russia, Ukraine, and Belarus, whilst continuing to support with general enquiries on exporting to Europe.

2.2.3 COVID-19

The COVID-19 outbreak in the UK began in early 2020 and rapidly grew to affect UK and international businesses to varying degrees. Throughout 2020 and 2021, the UK experienced a series of lockdowns and public health measures including social distancing, mask wearing and business or venue closure.

COVID-19 developments, whether those be increasing or relaxing restrictions, will likely have affected how businesses answer questions and should be considered when interpreting results across different waves of the NSRB.

By the start of 2022, national restrictions began to be eased, with 'Plan B' measures lifted across the UK on 27 January, and all legal restrictions around COVID-19 officially lifted in England on 24 February.

2.2.4 EU Exit and future trade

The United Kingdom European Union membership referendum took place on 23 June 2016. This was an important contextual factor which was highly likely to have impacted on the data collected in Waves 2 to 6 of the NSRB.

- Wave 2 of the NSRB was conducted in 2016 in the run-up to the referendum, at which point businesses would have been exposed to arguments both for and against EU membership and the potential impacts on future trading arrangements
- Waves 3 (2017) and 4 (2018/19) were conducted in the aftermath of the referendum result and against a background where there had been ongoing and extensive discussion of matters that would have a direct impact on exporting
- Wave 5 (2020) fieldwork was conducted after the beginning of the transition period. The transition period was a time during which the UK and EU worked out what their future relationship would be after the UK's EU withdrawal. It began on 1 January 2020 and ended on 31 December 2020, during which time the UK remained in the EU customs union and the single market. It was only towards the latter end of 2020 that clarification about the UK's future trading relationship with the EU and wider world emerged, enabling businesses to better plan their futures

EU exit officially came into effect following the end of the transition period on 31 December 2020. By the start of May 2021, the EU / UK Trade and Cooperation agreement had been ratified. Wave 6 (2021) fieldwork was conducted throughout this post-transition period. According to the ONS, the end of the EU transition period was cited as the primary reason for challenges in exporting and importing goods (compared with services). Companies reported difficulties with finding staff in the UK resulting in the need to import more services, issues with suppliers because of shortages of materials, fuel, and drivers, and the requirement for additional paperwork and fees leading to increased costs⁸

⁸ See: Office for National Statistics, The impacts of EU exit and coronavirus (COVID-19) on UK trade in services: November 2021. Released 22 November 2021 at

Throughout 2020 and the majority of 2021, DIT campaign activity was reduced to make way for a high-profile campaign about the EU Exit transition.

<https://www.ons.gov.uk/releases/theimpactsofeuexitandcoronaviruscovid19onuktradeinservicesnovember2021>

3. Survey methodology

This chapter provides an overview of the survey methodology and contains information which is important for readers be aware of. Further details of the survey methodology are included in the Technical Report which is published alongside this main report.

Key points to acknowledge when reading this report are as follows:

- The NSRB was conducted using a CATI method (Computer Assisted Telephone Interviewing)
- Interviews were undertaken with the senior manager at each participating business who was best qualified to talk about specifics of the business – this was typically the owner, proprietor, managing director or another senior decision-maker.
- There are 2 separate data sets:
 - the annual findings of surveyed UK registered businesses weighted to be representative of the total population
 - the annual findings of surveyed UK registered businesses with a turnover of £500,000+, weighted to be representative of this group
- Data were collected at an enterprise level (that is where respondents provide answers relating to their organisation as a whole, rather than at branch or site level)
- There are margins of error around the survey data quoted in this report and some apparent trends in charts may not be statistically significant
- Written commentary focuses on findings where significance testing indicates that we can be confident that the survey data show change in relation to previous waves
- The sample sizes of Waves 3 to 7 are larger than those of earlier waves (and the margins of error surrounding data from these later waves are, accordingly, smaller)
- For some regional analysis, aggregated regions are occasionally used: Northern Powerhouse (covering North West England, North East England and Yorkshire and the Humber), and Midlands Engine (covering East Midlands and West Midlands)

3.1 The objectives of the NSRB

The NSRB functions to support DIT's objectives. It is a strategic survey for the department, used by policy and strategy stakeholders across government to monitor businesses' exporting behaviours, plans, capabilities and attitudes towards exporting. It is also used as an evaluation tool for measuring the performance of DIT's communications campaigns.

Relating to the first of these aims, the NSRB is designed to:

- Measure the size of the opportunity and challenge for DIT in terms of the proportion and number of companies at different stages of the exporting journey
- Ascertain business attitudes to trade and exporting
- Give information on barriers to exporting and how they might be addressed
- Identify the level of business interest in, and engagement with, exporting support and advice

- Highlight skills, resource, and knowledge gaps among businesses
- Identify the barriers preventing or hindering businesses exporting goods and services
- Understand the perceived impact of Free Trade Agreements on businesses
- Understand the impact of COVID-19 and the UK's exit from the EU on businesses exporting

The most recent wave of the survey (Wave 7) includes several new questions designed to:

- Investigate whether businesses have a focus on the production and trade of goods and services designed to help meet environmental or climate protection goals
- Investigate in greater depth the reasons behind any barriers to trade mentioned by respondents
- Investigate business perspectives on the importation of goods and services and any related barriers to importing
- Understand awareness of World Expos and the UK's participation in the Dubai World Expo
- Measure the awareness of the 'Made in the UK, sold to the world', UK Export Academy, and Export Support Service campaign materials

3.2 Sample and fieldwork design

The sample for all 7 waves of the NSRB was drawn from the Inter-Departmental Business Register (IDBR). The IDBR provides the main sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and other government departments. It covers approximately 2.7 million businesses in all sectors of the UK economy, other than very small businesses (those without employees and with turnover below the tax threshold) and some non-profit making organisations. The 2 main sources of input are Value Added Tax (VAT) and Pay As You Earn (PAYE) records from HMRC. Additional input comes from Companies House, Dun and Bradstreet and ONS business surveys. When drawing the sample for the NSRB, it was specified that businesses with a turnover of less than £500,000 must also be VAT registered to be included in the sample.

£500,000+ turnover businesses were oversampled relative to their true proportion in the population of businesses, reflecting DIT's focus on high export potential (HEP) businesses. This allowed for more robust sub-group analysis when examining the £500,000+ businesses which are the primary focus of this report. However, this sampling approach has limited the analysis of the total sample of all businesses. The weighting scheme required to compensate for the smaller proportion of lower turnover businesses results in a lower effective base size and larger margins of error around the all-business estimates.

The sample was stratified, and quotas were applied to ensure that the required number of interviews were achieved with companies of various sizes and based in different regions across the UK.

The findings from all 7 waves are included in this report. At Wave 5, a new quarterly approach was introduced to the survey, which was continued for Wave 6 and Wave 7. This quarterly approach allowed the questionnaire design to be more flexible to DIT's changes of priority and to political and current affairs which may have very significant impacts on businesses' exporting attitudes and behaviours. In the most recent wave for 2022 (Wave 7), a minimum of 750 interviews were conducted per quarter. Similar to Wave 5, quarter 3 and quarter 4 were again combined to take

account of the slightly later fieldwork start time in 2022 and to ensure that all the interviews could be adequately completed before the end of the year. The timing of fieldwork for each wave was as follows:

- Wave 1: 20 October to 6 November 2015
- Wave 2: 1 April to 4 May 2016
- Wave 3: 26 July to 7 September 2017
- Wave 4: 23 October 2018 to 4 January 2019
- Wave 5 quarter 1: 3 February 2020 to 20 March 2020
- Wave 5 quarter 2: 5 June to 10 July 2020
- Wave 5 quarter 3/ quarter 4: 5 November 2020 to 14 December 2020
- Wave 6 quarter 1: 1 February 2021 to 11 March 2021
- Wave 6 quarter 2: 10 May 2021 to 14 June 2021
- Wave 6 quarter 3: 9 August to 17 September 2021
- Wave 6 quarter 4: 1 November to 15 December 2021
- Wave 7 quarter 1: 21 February to 7 April 2022
- Wave 7 quarter 2: 2 May to 16 June 2022
- Wave 7 quarter 3/ quarter 4: 20 September to 13 December 2022

In relation to DIT's communication campaigns, it is useful to understand campaign measures in line with the context below.

- Wave 1 was conducted prior to the launch of the Exporting is GREAT campaign. Subsequent waves have been conducted around bursts of campaign activity.
- Due to the variability of campaign activity, the relative timings of fieldwork have varied between waves
- Wave 2 was conducted immediately after the campaign had aired
- Wave 3 was conducted 3 months after the campaign had aired, which may have affected the recorded levels of campaign awareness
- Wave 4 was conducted during campaign activity, so there was no time lag. However, the amount of activity which took place prior to fieldwork was lower than for previous waves, which may also have impacted on campaign awareness
- Exporting is GREAT campaign activity paused while the first quarter of Wave 5 was in field and has not resumed since
- From Wave 2 through to Wave 5 quarter 1, respondents were directed to a website which allowed them to view campaign materials during the telephone interview
- In the time period covered by last half of Wave 5 and beginning of Wave 6, DIT's campaign activity was minimal to allow for the EU transition campaign in preparation for the UK's exit from the EU. In Wave 6 quarter 4 new campaign activity was launched to direct businesses to export support services and export advice/webinars
- For Wave 7, respondents were again directed to a website which allowed them to view campaign materials during the telephone interview

- ‘Made in the UK, Sold to the World’ launched in November 2021, prior to Wave 7 fieldwork start and since then has been the singular export promotion campaign for the department. Marketing ran across paid media channels until March 2022 and then resumed in October 2022, continuing beyond the close of Wave 7 fieldwork. Other services-based promotion such as that for the Export Support Service and UK Export Academy are included under the umbrella of the ‘Made in the UK, Sold to the World’ campaign

The survey data are not longitudinal – a separate sample of businesses was interviewed at each wave.

The NSRB collects enterprise level data whereby respondents give answers in relation to their organisation as a whole rather than focusing on smaller reporting units within the organisation. This means that the NSRB reports a higher incidence of exporters than is found in surveys which publish data based on reporting units (given that many businesses will comprise some reporting units which export and some reporting units which do not). The Annual Business Survey is the UK’s main structural business survey which provides reporting-unit level data.⁹

3.3 Sample size and effective base sizes

The unweighted sample sizes achieved in each wave are shown in Figure 3.1 and the quarterly breakdown for Wave 7 in Figure 3.2.

All waves of the survey were weighted to ensure that they matched the profile of businesses on the IDBR at the time the sample was drawn in terms of:

- Business turnover interlocked with number of employees
- Region
- Broad sector

Both sets of data that have been produced are weighted on the above factors. The first data set is based only on £500,000+ turnover businesses (the focus of Chapters 4-12). The second is based on the total population of registered businesses (the focus of Chapter 13).

The effective base sizes for each of these data sets are also shown in Figure 3.1.¹⁰ The effective base size takes account of the reduction in statistical reliability associated with weighting data and is the value which is used in any significance testing conducted throughout this report. See the accompanying technical report for further details of the weighting schemes.

⁹ See:

<https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/annualbusinesssurvey>

¹⁰ The effective base size is calculated as:

(sum of the weight factors applied to each record) squared / the sum of the squared weight factors

Figure 3.1: Unweighted and effective base sizes by data set

Sample	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5	Wave 6	Wave 7
£500,000+ businesses – unweighted base	1,160	1,139	2,535	2,448	2,557	2,485	2,405
£500,000+ businesses – effective base	922	909	1,617	1,319	1,457	1,080	1,422
All businesses – unweighted base	1,405	1,418	2,991	3,000	3,001	3,002	3,001
All businesses – effective base	347	405	550	635	529	674	855

Figure 3.2: Unweighted and effective base sizes by quarter, Wave 7

Sample	Quarter 1	Quarter 2	Quarter 3/ Quarter 4
£500,000+ businesses – unweighted base	642	630	1133
£500,000+ businesses – effective base	451	366	635
All businesses – unweighted base	751	750	1500
All businesses – effective base	168	185	544

3.4 Statistical significance

Survey data is subject to error. In most cases, the responses obtained from a survey sample will not perfectly reflect the wider population that the sample represents. For example, bias may be introduced depending on the unwillingness of certain respondents to participate in the survey.

The contact sample for this survey is originally drawn using a stratified sampling approach, then quotas are set for interviewers to fill to ensure that some sub-groups of the population are over-sampled, with the intention that base sizes for these subgroups can be sufficiently large to provide robust results. For example, businesses with a turnover of £500,000 are over-sampled.

Confidence intervals rely on statistical theory and a known probability of selection. With a quota sample, like this one, the probabilities of selection are not equal or known and so confidence intervals do not apply in the traditional sense. Similarly, formal significant tests cannot be used with quota sampling for similar reasons.

Despite this, we have still turned to confidence intervals to give an idea of the uncertainty around the results and significance testing has been used throughout this report to guide our

commentary.¹¹ Charts also highlight where differences across waves or between sub-groups are sufficiently large to note.

Confidence intervals and significance testing has been applied in the way that it would for data generated from a random probability sample. The effective base, which considers the reduction in statistical reliability associated with weighting the data, is used in the significance testing as opposed to the unweighted or weighted base. Significance tests considered in this report are two-tailed, that is, they test for a difference between two results at the 95% confidence level, rather than for an increase or a decrease. It must be made clear that since the data has been generated from a quota sample, none of the findings in this report are statistically significant in the conventional sense; that is, being able to assume to within a stated degree of probability that they also apply to the wider population. Where 'significance' is referenced, this is only intended as a guide as to which findings are notably different.

3.5 Segment definitions

DIT groups all UK businesses into 4 segments that reflect businesses' views on their potential to export. At Wave 5, some amendments were made to questions used to define the segments. These changes have enabled DIT to group businesses by segment more accurately and have substantially reduced the numbers of businesses unallocated to a segment whilst keeping proportions in each segment consistent. For more on this, please see the Wave 5 technical report.¹²

The 4 segments are outlined below:

- **Sustain:** this segment includes current exporters, defined as UK businesses that have exported goods or services in the past 12 months
- **Reassure:** this segment includes lapsed or intermittent exporters. These are UK businesses that had previously exported but have not done so in the past 12 months.
- **Promote:** this segment includes self-identified potential exporters. These are UK businesses that have never exported but who believe they have goods or services that could potentially be exported or developed for export.
- **Challenge:** this segment includes non-exporters, defined as UK businesses that have never exported and do not currently see their goods or services as suitable for export

¹¹ Commentary throughout the report focuses on data that, in an equivalent random probability sample, would be statistically significant at a 95 per cent confidence level. This means that if the survey were to be conducted 100 times, a finding of the same nature (for example sub-group A is more likely to respond in a certain way than sub-group B) would be found on at least 95 occasions.

¹² See: Department for International Trade, DIT National Survey of Registered Businesses Technical Report – Wave 5, 16 June 2021:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994096/dit-national-survey-of-registered-businesses-exporting-behaviours-attitudes-and-needs-2020-technical-report-wave-5.pdf

4. Current and future exporting behaviours – (£500,000+ turnover businesses)

This chapter examines whether UK businesses are currently exporting and, if not, whether they potentially could. It also investigates how this has changed over time, and whether businesses are planning to start exporting. Overall, the findings from this chapter are consistent with those from previous years.

Key findings

- Just over a third (34%) of businesses reported exporting¹³ in the last 12 months, while a further 1 in 10 (9%) reported exporting more than 12 months ago but not in the last 12 months. As such, a total of 43% of businesses had direct experience of exporting (whether current or past). This is consistent with findings in previous years: in 2021 45% of businesses had experience of exporting (current or past), whilst in 2020 this figure stood at 40%
- In line with previous years, businesses in Northern Ireland were more likely to be current exporters (59%) than those in the rest of the UK. These businesses' exports were primarily of goods flowing to the Republic of Ireland
- The sectors containing the largest proportion of current exporters were manufacturing, raw materials and energy (52%) and information and communication (47%). Wholesale and retail, professional and services, and transportation and storage sectors also contained at least 4 in 10 businesses (44%, 42%, and 40% respectively) that exported.
- A quarter (25%) of businesses had exported goods in the last 12 months, a slight decrease on the equivalent 2021 figure of 27%. On the contrary, 15% had exported services in the last 12 months, which was a slight rise on the 2021 figure of 12%. A smaller proportion (6%) had exported both goods and services.
- As in 2021, more exporting businesses reported a reduction rather than an increase in their exports over the past 12 months. This remained the case for exports of goods (43% of exporters of goods had reduced their exports of goods, while 26% had increased), although the gap narrowed for exports of services (29% of exporters of services had reduced their exports of services and 26% had increased). The main reasons given for reducing exports were EU Exit (29%), reduction in demand (26%) and COVID-19 (22%)
- Levels of passivity towards exporting were consistent with 2021. Almost 3 in 4 businesses (72%) who had exported before reported that they respond to orders from abroad, but do not specifically target customers in other countries (73% in 2021). Nearly a quarter (24%) took a more active approach, intentionally targeting customers in specific countries (23% in 2021)

¹³ This was self-reported by respondents, who stated that they had exported either goods or services outside of the UK. Goods are defined as physical, consumable items that are exchanged/transferred between a buyer and a seller. Services are defined as transactions in which knowledge, actions or skills are provided by the seller to the buyer, and no physical goods are transferred. Services include intangible goods, such as digital goods, where the consumer does not own the intellectual property but is instead accessing it via a digital platform (such as music streaming).

- Almost 6 in 10 (58%) exporters had exported to at least one of the core export markets in the past 5 years. These core export markets were defined in 2022 as the USA, UAE, Canada, India or Mexico. In line with previous years, 45% had exported to the USA and 30% to the United Arab Emirates (UAE)
- There continued to be a large pool of businesses in the ‘Promote’ and ‘Reassure’¹⁴ segments that were potentially able to export but were not currently doing so. The majority of these, however, did not have plans to start exporting (77% and 76% respectively)

4.1 Current exporting behaviours

This section focuses on the exporting segments outlined in Figure 4.1. These segments provide a summary of where businesses currently sit on the pathway to exporting. In 2020, the exporting segments were measured using a new set of questions in the NSRB questionnaire, which improved the allocation of respondents to segments, leaving fewer respondents unallocated. Questions have remained consistent since then. Most respondents were allocated to one of the 4 exporting segments outlined in Figure 4.1, with a small number of unallocated businesses being those who reported being unsure of exporting behaviour, or who refused to answer questions necessary for the segmentation.

Figure 4.1: Exporting segments

Sustain (current exporters): businesses that have exported goods or services in the past 12 months
Reassure (lapsed exporters): businesses that have not exported in the past 12 months, but had exported previously
Promote (potential exporters): businesses that have never exported but self-identify as having goods or services that could potentially be exported or developed for export
Challenge (non-exporters): businesses that have never exported and do not currently see their goods or services as suitable for export

As shown in Figure 4.2, a third (34%) of businesses had exported either goods or services in the past 12 months and fell into the ‘Sustain’ segment. A further 9% were lapsed exporters, who had exported before but not in the past 12 months, known as the ‘Reassure’ segment. As such, a total of 43% of businesses had direct experience of exporting (whether current or past). This was similar to the 2021 figure of 45%.

In addition, 15% of businesses had never exported but self-identified as having goods or services that were suitable, or which could be developed, for export – constituting the ‘Promote’ segment. This is the group from which new exporters are most likely to come and the size of the group suggests that more UK businesses *could* export than currently *do* export. Given that the population of registered businesses with a turnover of at least £500,000 is 440,000,¹⁵ the number of businesses in the ‘Promote’ segment is estimated to be between 57,000 and 74,000 in 2022.¹⁶ In 2021, there were between 58,300 and 77,300 businesses in the segment.

¹⁴ See section 3.5 ‘Segment Definitions’ for a full explanation

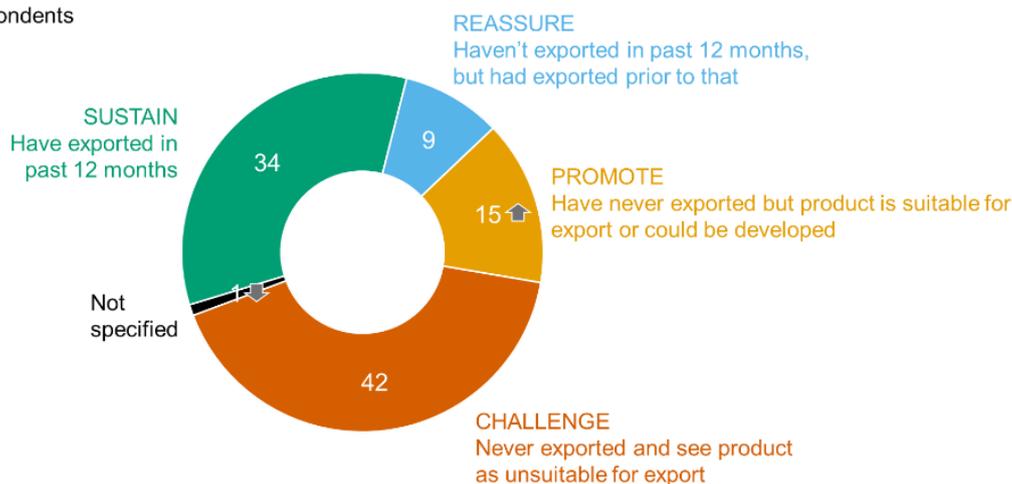
¹⁵ Population count taken from the Inter-Departmental Business Register (IDBR) which was drawn by DIT and provided to Kantar Public on 12 January 2022

¹⁶ The unrounded proportion of businesses in the ‘Promote’ segment was 14.89%. There is a margin of error of ±1.852% associated with the survey estimate at a 95% confidence level and so

The 'Challenge' segment, comprising businesses that have never exported and who view their product or service as unsuitable for export, accounted for around 4 in 10 of all businesses (42%). The remaining 1% of businesses fell outside the segment definitions and were typically uncertain of their exporting potential or history.

Figure 4.2: Proportion of businesses in each exporting segment

% all respondents



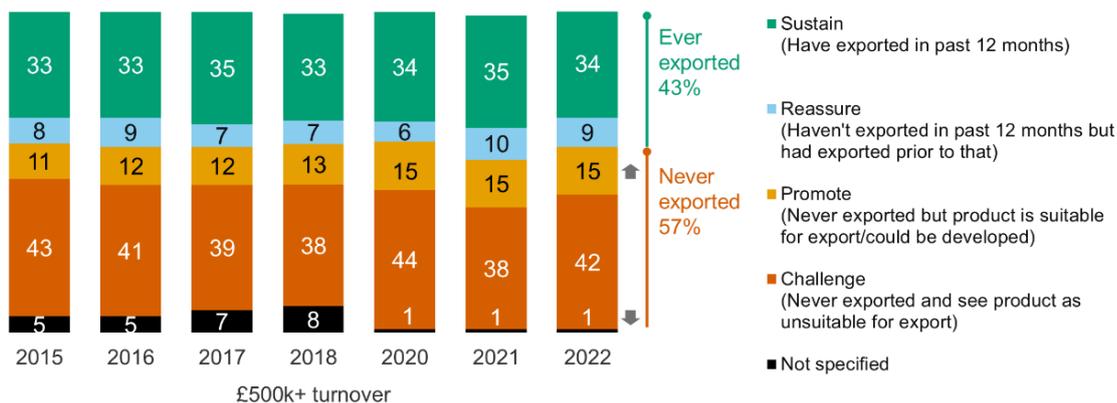
Source: Composite measure merging data from several variables
Base : All respondents: £500k+ turnover 2022 Wave 7 (2405)

▲ Significant increase/decrease from 2015 Wave 1
▼ Significant increase/decrease from 2021 Wave 6

Figure 4.3 shows that, aside from a small step change arising because of changes to the questions used to define the segments in 2020, the proportion of respondents falling into each segment has remained stable across all 7 waves of the NSRB.

Figure 4.3: Proportion of businesses in each exporting segment over time

% all respondents



Source: Composite measure merging data from several variables
Base : All respondents: 2015 Wave 1/2016 Wave 2/2017 Wave 3/2018 Wave 4/2020 Wave 5/2021 Wave 6/2022 Wave 7:
All £500k+ turnover (1160/1139/2535/2448/2557/2485/2405)

▲ Significant increase/decrease from 2015 Wave 1
▼ Significant increase/decrease from 2021 Wave 6

the proportion of businesses in this segment is estimated to lie between 13.04% and 16.74%. The lower estimate is therefore 13.04% of 440,000 and the upper estimate is 16.74% of 440,000, which give rounded values of 57,000 and 74,000 respectively. The provisos for the calculation of confidence intervals on quota samples outlined in chapter 3 also apply here.

The proportion of businesses in each segment by business size was consistent with previous years. Large businesses (with 250+ employees) were more likely than SME businesses (with 0-249 employees) to be exporters (54% compared with 42%) and to have exported within the last 12 months (45% compared with 34%). Micro businesses (with 0 to 9 employees) were more likely than small and medium businesses (with 10 to 249 employees) to have ever exported (46% compared with 39%). The proportion of SME (with 0-249 employees) businesses who have ever exported has remained consistent with 2021.

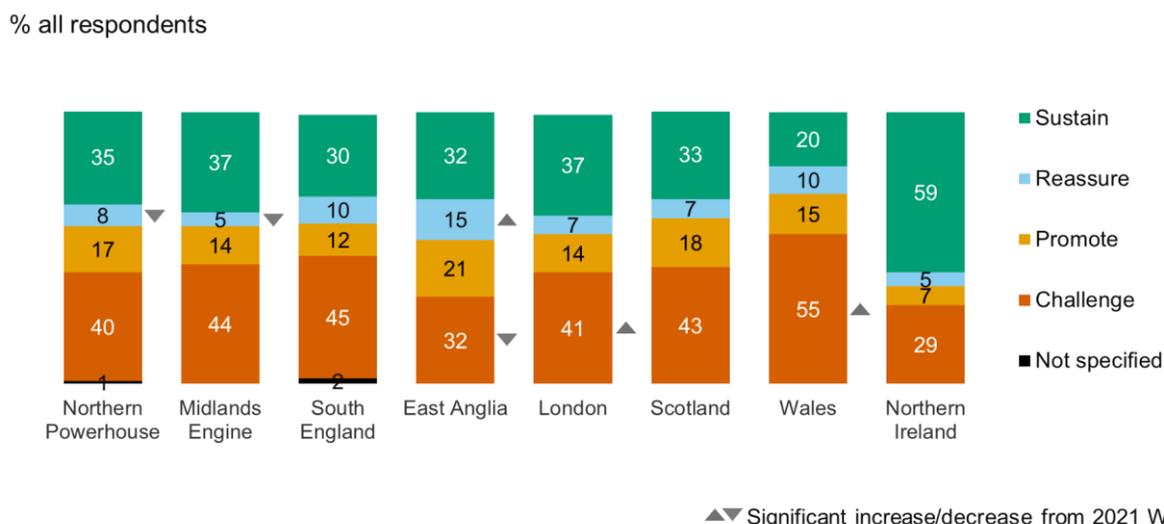
When looking at the results at the national and regional levels, some care is required when interpreting the results given smaller sample bases. What is evident is that, as in previous years, businesses in Northern Ireland (59%) were more likely to be current exporters (in the 'Sustain' segment) than those in other regions. Wales (20%) had the smallest proportion of current exporters, with all other regions having between 3 and 4 in 10 businesses in the 'Sustain' segment (Figure 4.4), which was the same as the previous year. In Wales, only 20% of businesses identified as 'Sustain', a drop from 31% in 2021 (note this is not a statistically significant drop).

It is worth noting that although exporting behaviour in Northern Ireland appears to be high in comparison with the rest of the UK, a sizeable proportion only export to the Republic of Ireland. In 2022, 3 in 10 (31%) Northern Irish businesses reported that they had exported in the past 12 months but only to the Republic of Ireland, a quarter (24%) said they exported both to the Republic of Ireland and overseas, and 4% exported to overseas destinations only. This is in line with previous years.

The proportion of businesses that had exported but not in the past 12 months (in the 'Reassure' segment) decreased in the Northern Powerhouse (13% in 2021 to 8% in 2022) and Midlands Engine (11% in 2021 to 5% in 2022) regions, returning to 2020 levels. In both regions, this corresponded with small (but not statistically significant) increases in the size of 'Promote' and 'Challenge' segments. In East Anglia, the proportion of 'Reassure' businesses increased from 6% in 2021 to 15% in 2022. This was also a higher level than in 2018 and 2020 (both also 6%).

In 2022, Northern Ireland (29%) and East Anglia (32%) had the smallest proportions of businesses with goods or services unsuitable for export (in the 'Challenge' segment). This reflected a decline in the proportion of such businesses in East Anglia, although a consistent trend in Northern Ireland. Except for Wales (55%), all other regions had between 4 and 5 in 10 businesses in the 'Challenge' segment. The proportion of business in the 'Challenge' segment increased in both London (29% in 2021 to 41% in 2022) and Wales (41% in 2021 to 55% in 2022).

Figure 4.4: Proportion of businesses in each exporting segment by super-region and region



Source: Composite measure merging data from several variables
 Base : All respondents: 2022 Wave 7: All £500k+ turnover (2405); Northern Powerhouse (381); Midlands Engine (325); South England (574); East Anglia (259); London (329); Scotland (180), Wales (171); Northern Ireland (186)

Businesses in the manufacturing, raw materials and energy sector (52%) were particularly likely to have exported in the last 12 months. This was down from 60% recorded in 2021. Further analysis revealed that between 40% to 50% of businesses in information and communication (47%), wholesale and retail (44%), professional and services (42%) and transportation and storage (40%) sectors also fell into the ‘Sustain’ segment. However, this was a decline in the proportion of ‘Sustain’ businesses for the information and communication sector (from 69% in 2021 to 47% in 2022), with a corresponding increase in the proportion of ‘Challenge’ businesses in this sector (from 6% in 2021 to 22% in 2022). There was low prevalence of current exporters in the construction and real estate (8%) and education and health (6%) sectors, with these businesses more likely to be in the ‘Challenge’ segment (70% and 82% respectively).

There were decreases in the proportion of businesses in the ‘Reassure’ segment from professional and services (from 18% in 2021 to 9% in 2022) and consumer discretionary (from 16% in 2021 to 3% in 2022) sectors.

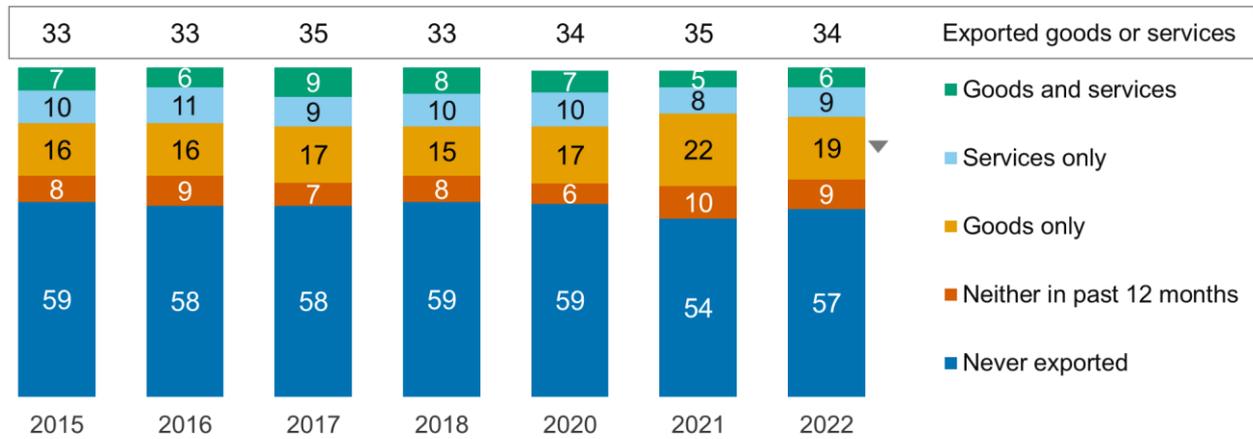
4.2 Exporting goods and services

In 2022, approximately 3 in 10 businesses (31%) stated that they had ever exported goods outside of the UK and 1 in 5 (20%) had ever exported services. 1 in 4 businesses (25%) had exported goods in the past 12 months and 15% had exported services in the past 12 months, in line with 2021.

In 2022, 1 in 5 businesses (19%) reported exporting only goods in the past 12 months, a decrease from 22% in 2021 but consistent with previous years. In addition, 9% had exported only services in the past 12 months, in line with previous years. The proportion who had exported both goods and services was 6% (Figure 4.5).

Figure 4.5: Whether exported goods and/or services in past 12 months

% all respondents



▲ Significant increase/decrease from 2015 Wave 1 ▲ Significant increase/decrease from 2021 Wave 6

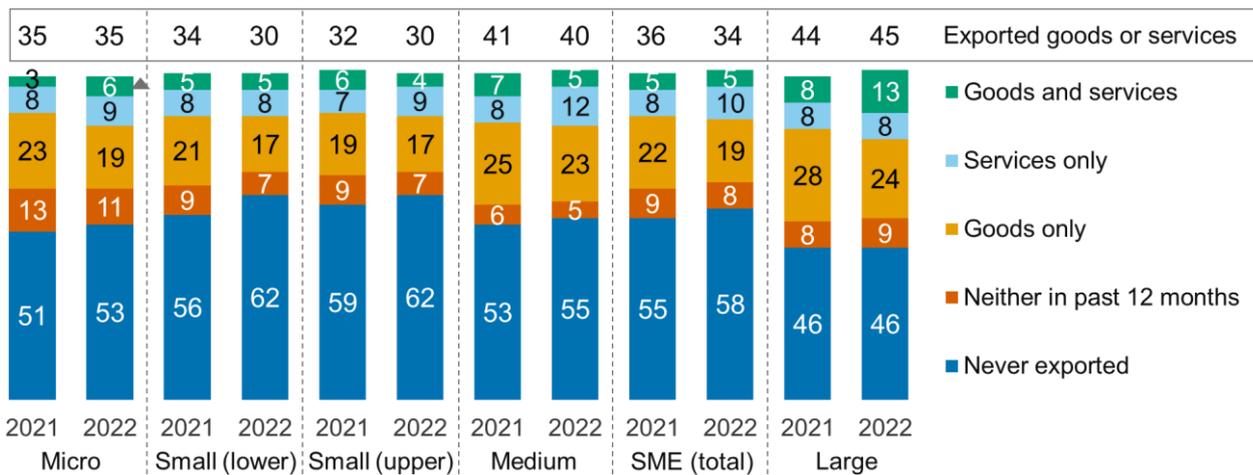
Source : Composite measure merging data from several variables (Q15A, Q15Ai, Q15B, Q15Bi, Q17A, Q17Ai, Q17B, Q17Bi)

Base : All respondents: 2015 Wave 1/2016 Wave 2/2017 Wave 3/2018 Wave 4/2020 Wave 5/2021 Wave 6/2022 Wave 7: All £500k+ turnover (1160/1139/2535/2448/2557/2485/2405) NB: 'Don't know' is not shown so this does not always add to 100%

As in previous years, large businesses (with 250+ employees) were the most likely to have exported goods (37%) or services (21%) in the past 12 months. Around 1 in 4 (24%) large businesses had exported only goods, 8% had exported only services and 13% reported exporting both goods and services in the past 12 months. More broadly, looking across the complete spectrum of businesses compared with 2021, there were no notable changes by business size in exporting of either goods or services in the past 12 months (Figure 4.6).

Figure 4.6: Whether exported goods and/or services in past 12 months - by business size

% all respondents



▲ Significant increase/decrease from 2021 Wave 6

Source : Composite measure merging data from several variables (Q15A, Q15Ai, Q15B, Q15Bi, Q17A, Q17Ai, Q17B, Q17Bi)

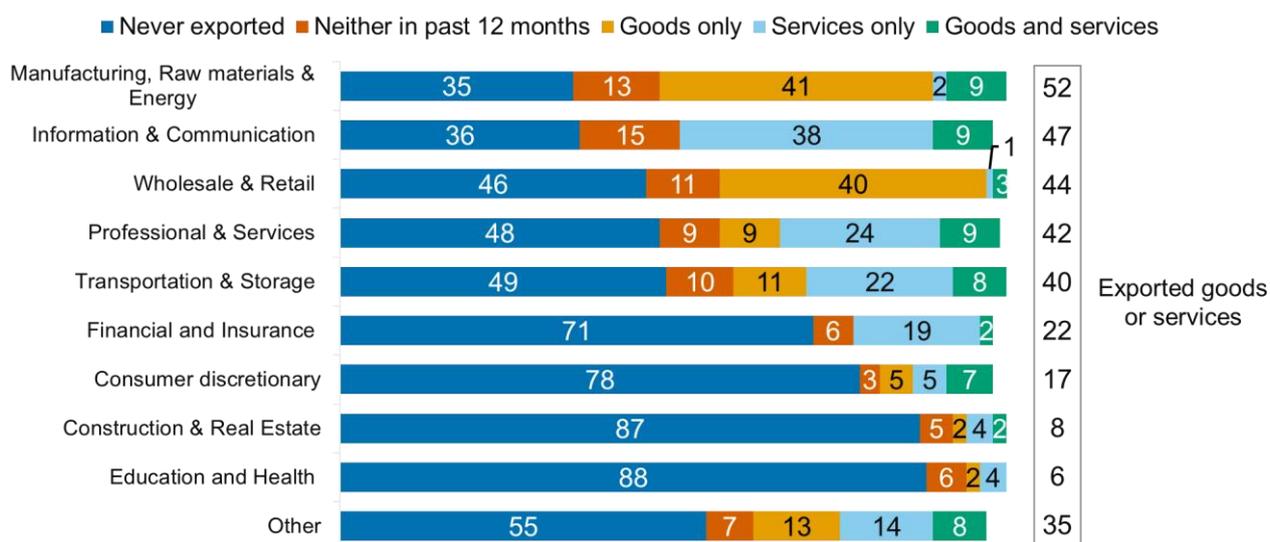
Base : All £500k+ turnover respondents: 2021 Wave 6/2022 Wave 7: Micro (778/832); Small (lower band) (473/453); Small (upper band) (480/473); Medium (571/449); Large (183/198) NB: 'Don't know' is not shown so this does not always add to 100%

In 2022, businesses in Northern Ireland (37%) were most likely to have exported goods in the past 12 months, followed by those in the Midlands Engine (31%) and Northern Powerhouse (29%) super regions. Businesses in Northern Ireland (33%, increasing from 19% in 2021, although not yet returning to the peak of 37% recorded in 2018) were also most likely to have exported services in the past 12 months, followed by those in London (21%). In 2022, the proportion of businesses exporting services in the past 12 months was lowest in Wales (5%, down from 15% in 2021).

Figure 4.7 shows differences in exports by sector. Those in the manufacturing, raw materials and energy sector were particularly likely to report exporting in the past 12 months (52%). This was primarily driven by the export of goods (50% of all businesses in this sector had exported goods in the past 12 months, with 41% reporting exporting goods only in the past 12 months). Exporting of goods was also relatively high among wholesale and retail businesses (43%), while those in the information and communication (47%), professional and services (33%) and transport and storage (30%) sectors had the highest levels of exports of services in the last 12 months.

Figure 4.7: Whether exported goods and/or services in past 12 months - by sector

% all respondents



Source : Composite measure merging data from several variables (Q15A, Q15Ai, Q15B, Q15Bi, Q17A, Q17Ai, Q17B, Q17Bi)

Base : All £500k+ turnover respondents: 2022 Wave 7: Construction & Real Estate (289); Consumer discretionary (140); Financial & Insurance (96); Education & Health (115); Manufacturing, Raw Materials & Energy (513); Information & Communication (63); Other (221), Wholesale & Retail (622); Professional & Services (248); Transportation & Storage (98)

NB: 'Don't know' is not shown so this does not always add to 100%

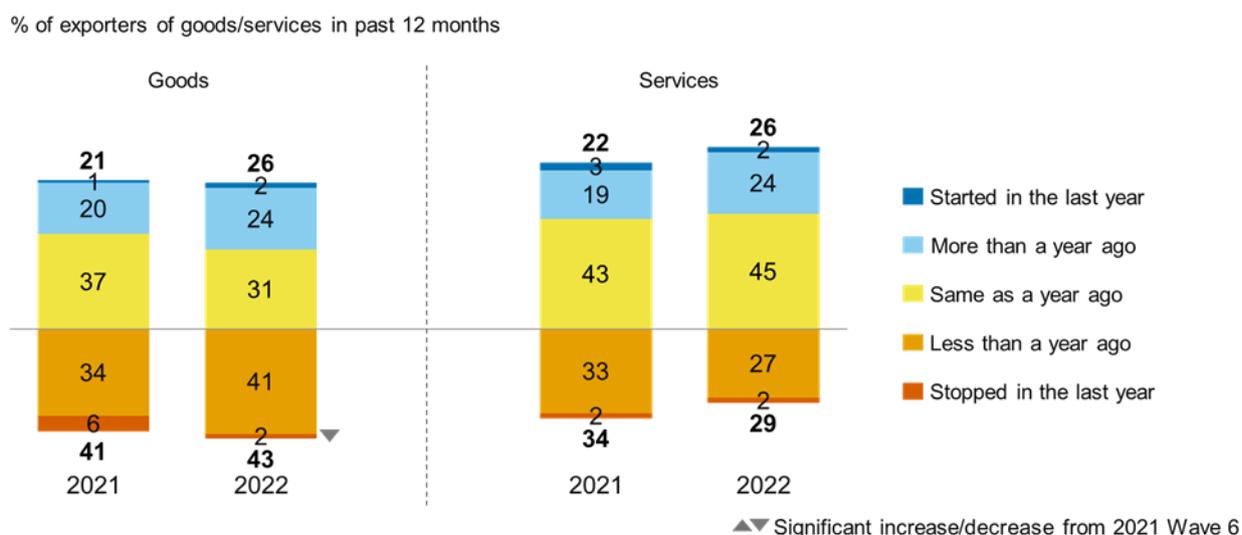
4.3 Export change in the last 12 months

Figure 4.8 shows the proportion of exporting businesses reporting growth, stability or contraction in their exports of goods and services over the past year. These figures have some caveats attached. Businesses in Northern Ireland were asked separate questions about their change in exports to each of the Republic of Ireland and elsewhere and the figures we use exclude responses from Northern Irish businesses who exported only to the Republic of Ireland, due to small sample sizes.

While the proportions of businesses exporting goods and/or services is holding steady, there have been changes in the reported volumes that are being exported. Overall, the proportion of exporting businesses reporting either an increase or a reduction in their exports of goods and services remained consistent with the findings from 2021. Among current exporters of goods (those who said they had exported in the past 12 months), 1 in 4 (26%) stated that their exports of goods had

increased in the past 12 months, while 4 in 10 (43%) stated that they had decreased. This equates to a net balance score¹⁷ of -17%. Among current exporters of services, 1 in 4 (26%) stated that their exports of services had increased in the past 12 months, while 29% stated that they had decreased. This equates to a net balance score of -3%. Overall, there remains a sizeable gap between the number of exporters of goods reporting a reduction rather than an increase in their exporting activity, but this gap is smaller for exporters of services.

Figure 4.9: Changes in exports over past year



Source: Q16A/C/Q18A/C. Thinking about the last 12 months or so, which of the following best describes your export of [goods/services]?

Base : All £500k+ businesses who have exported goods/services in past 12 months, excluding exports from NI to the ROI:

2021 Wave 6/2022 Wave 7: Goods (816/720) Services (314/334)

NB: 'Don't know' is not shown so this does not add to 100%

As in 2021, the reasons most likely to be given by businesses for a reduction in exports over the past year were general references to EU Exit (29%), a reduction of demand in the sector (26%) and general references to COVID-19 (22%). In 2022, increases in transportation costs (6%, down from 13% in 2021) and transport restrictions (4%, down from 10% in 2021) were less prominent as reasons for a reduction in exports than they had been in 2021.

Conversely, among businesses where there had been increase in exports, such movements were attributed to an increase in demand in the sector (41%) and an increase in international demand (23%). Looking over time, there were no significant changes in reasons given for increases in exports between 2021 and 2022. It should be noted that these modular questions¹⁸ were only asked in quarter 1 and quarter 2 of the 2022 survey and so are reflective only of the first half of the year.

¹⁷ The net balance score is calculated as the percentage of businesses that have increased their exports minus the percentage of businesses that have decreased their exports.

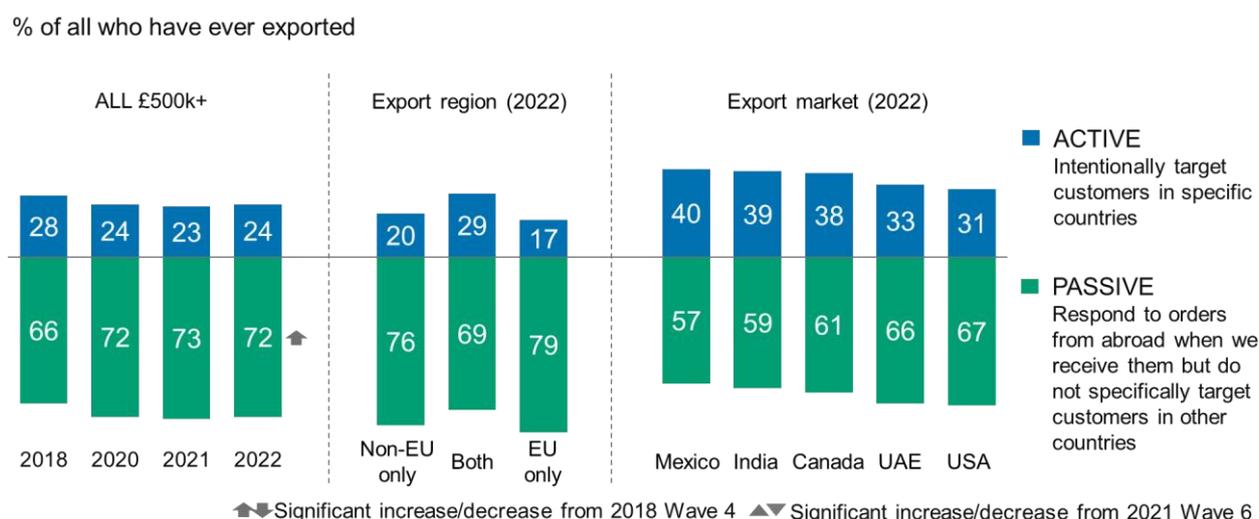
¹⁸ While a large proportion of the questionnaire remains the same from wave to wave, it is not possible to cover all areas of interest within the time available (so as not to place too much burden on participating businesses) and so some topical questions are switched in and out as required. This may be between waves or even between quarters within a wave.

4.4 Active and passive exporting

In 2022, almost 3 in 4 exporters (72%) said that they were essentially ‘passive’ in their exporting behaviours. Passive was defined as businesses who reported that they respond to orders from abroad when received, but do not specifically target customers in other countries. Around 1 in 4 exporters (24%) reported that they intentionally targeted customers in specific countries and would therefore be classified as ‘active’ exporters. The proportion of passive and active exporters in 2022 was in line with 2021 (Figure 4.9), although the proportion of active exporters was below that reported in 2018 (28%) when the question was first asked. Across different regions of the UK, differences were not particularly pronounced, other than in London, which had a higher (38%) proportion that stated they intentionally target customers.

As was the case in 2021, those who exported to both EU and non-EU countries over the past 5 years were slightly more likely to be active exporters (29%) than those who exported either to only EU (17%) or only non-EU (20%) countries. The proportion of active exporters was similar across exporters to Mexico, India and Canada (around 4 in 10). However, those who exported to the UAE and USA were slightly less likely to be active exporters (around 1 in 3).

Figure 4.10: Passive or active approach to exporting



Source : Q24A1. Thinking about countries that you have exported to, which of the following statements best describes the typical approach of your business to exporting?

Base : All £500k+ businesses who have exported 2018 Wave 4/2020 Wave 5/2021 Wave 6/2022 Wave 7 (1226/1173/1269/1170); Export region 2022 Wave 7: Non-EU only/Both/EU only (81*/714/325), Export market 2022 Wave 7:

Mexico/India/Canada/UAE/USA (157/238/294/374/532)

* Base size is below 100; treat with caution

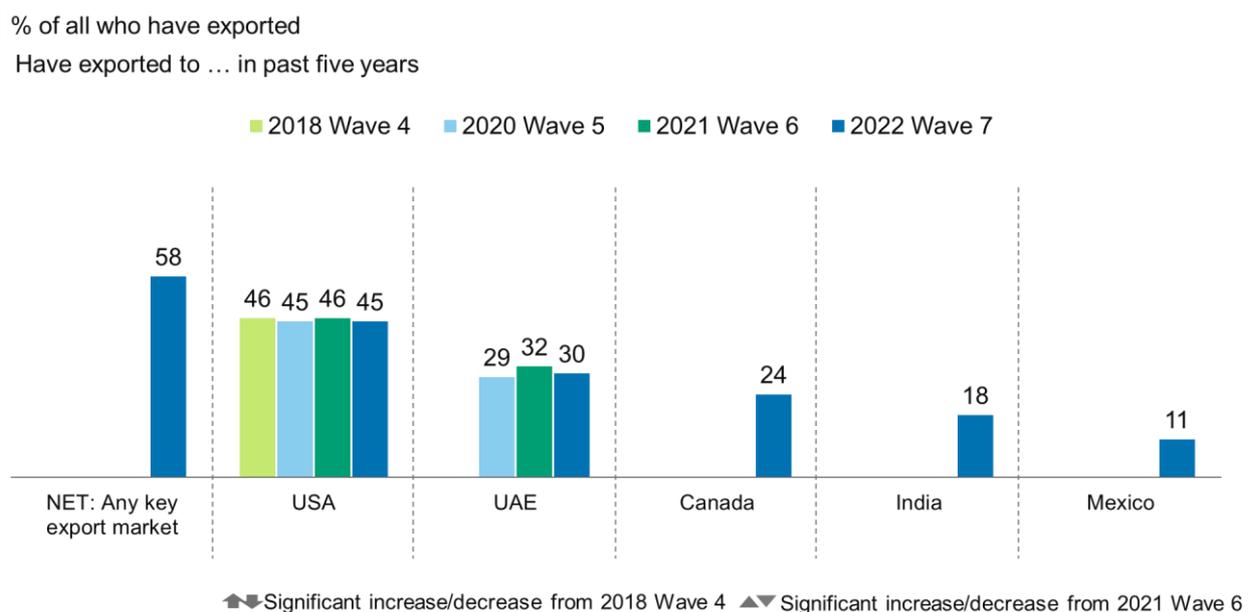
There were no differences by business size (in terms of number of employees) in whether an active or passive approach to exporting was more likely. However, businesses with a turnover of over £2,000,000 were more likely to take an active approach (30%) than those with a turnover under £2,000,000 (20%). Businesses with a turnover over £2,000,000 were also less likely to take a passive approach (66% compared with 77% of businesses with a turnover under £2,000,000).

By region, exporting businesses in London (38%) were more likely than those in other regions to take an active approach, while businesses in the Midlands Engine super region (79%) and Scotland (78%) were more likely than those in other regions to take a passive approach to exporting. Businesses in the ‘Reassure’ segment were more likely to be passive exporters (83%) than those in the ‘Sustain’ segment (70%).

4.5 Export markets and regions

The focus for core export markets changes from year to year and in 2022 DIT identified the USA, United Arab Emirates (UAE), Canada, India and Mexico as priorities for inclusion in the NSRB. These were chosen as they are of relevance to current DIT policies. Almost 6 in 10 (58%) exporters had exported to one of these markets in the past 5 years (Figure 4.10), with the USA being the most common export destination of these markets (45%). The USA has been included in the survey since the question was first asked in 2018 and over that time the number of exporters reporting exporting to this market has remained stable. In addition, 3 in 10 (30%) exporters reported exporting to the UAE in the past 5 years. This has also been also stable since it was added to the survey in 2020. However fewer exporters reported that they had, in the past 5 years, exported to Canada (24%), India (18%) or Mexico (11%), all of which were added to the survey in 2022.

Figure 4.1011: Involvement in exporting to core markets



Q25A. Which, if any, of the following countries have you exported to over the past five years?

Base : All £500k+ turnover businesses who have exported 2018 Wave 4/2020 Wave 5/2021 Wave 6/2022 Wave 7:
(1126/1173/1269/1170)

While there was no difference by business size in the proportion of exporting businesses exporting to any core market, large businesses (with 250+ employees) were more likely than SME businesses (with 0 to 249 employees) to have exported to the USA (60% compared with 45%), Canada (39% compared with 24%) or Mexico (23% compared with 11%) in the past 5 years.

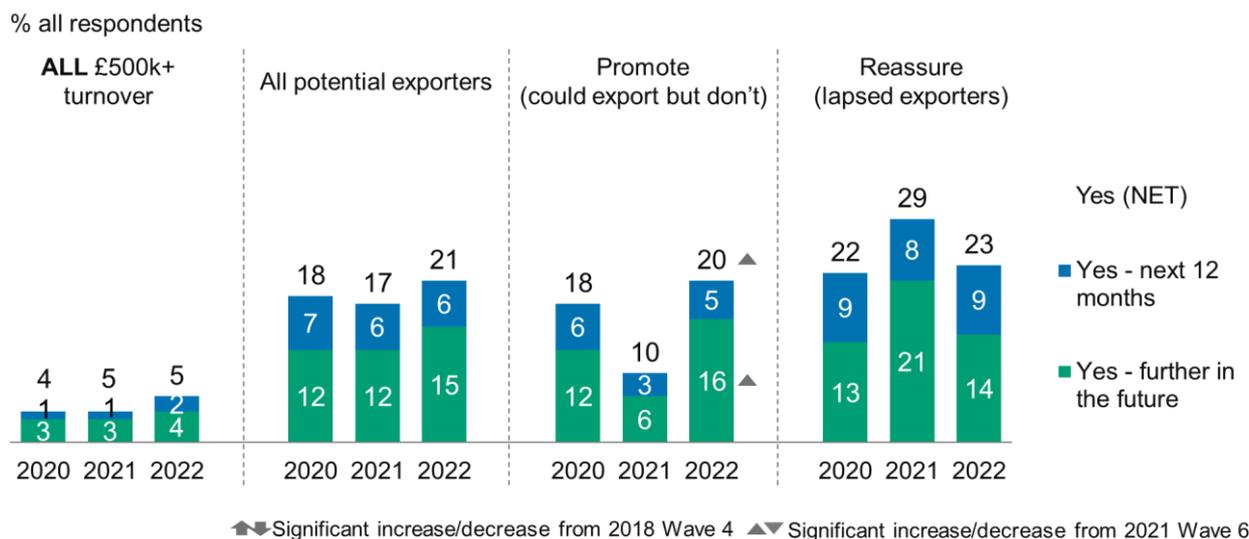
Exporters in Northern Ireland were less likely than those in other parts of the UK to have exported to any core market (32%), and to each of the core markets individually (USA: 22%, UAE: 13%), Canada: 16%, India: 9%, Mexico: 4%), in the past 5 years.

4.6 Future plans for exporting

As shown in Figure 4.11, around 1 in 5 (21%) of those who hadn't exported in the previous 12 months but had a suitable product or service were planning to start exporting at some point in the future. This has been at a consistent level since the question was added to the survey in 2020, and as in previous years, more businesses were planning to start exporting further than 12 months into the future (15%) than in the next 12 months (6%). This suggests that those looking to start or get

back into exporting need a longer period of planning before they begin to export. The proportion planning to export at some point in the future (be it in the next 12 months or longer) is equivalent to 5% of the whole £500,000+ business sample.

Figure 4.12: Whether plan to start exporting



Source : Q27. Do you have plans to start exporting or licensing your goods or services outside the UK? If yes: do you think this will be in the next 12 months or further in the future?

Base : All respondents 2020 Wave 5/2021 Wave 6/2022 Wave 7: £500k+ turnover (2557/2485/2405), All potential exporters who have not exported in past 12 months but could (539/590/556), Promote (368/351/341), Reassure (148/217/196)

Of those businesses who had plans to start exporting in the future, around 3 in 4 (73%) had already taken some action towards this (58% in 2021) with around half having done: a basic assessment of their company's export potential (56%), investigated the rules of doing business with a country (51%) or researched other aspects of an overseas market (47%). This follow up question was only asked in the first 2 quarters of the year and so the sample size is small (n=58). These findings should be used with caution and are indicative only.

When asked who or what had encouraged them to consider exporting, 26% said it was due to demand for their product, up from around 1 in 10 reported in the previous 2 years of surveys. The research indicated a further 3 in 10 (31%) felt that there was nothing or no one in particular that had encouraged them, in line with previous years.

5. Barriers to exporting – (£500,000+ turnover businesses)

This chapter examines what capabilities and capacity businesses have for exporting. In addition, it identifies the extent to which cost, knowledge, capacity, access to contacts, customers, networks, and time taken to comply with export procedures are barriers to exporting. All these questions were asked to businesses who self-reported that their product was at least suitable for export, even if they haven't exported before.

Businesses that had ever exported to a core market or had considered doing so but decided against it, were asked about the barriers to exporting to one of these countries specifically. Other businesses were asked about barriers to exporting more generally. In 2022, the core markets were the USA, UAE, Canada, India, and Mexico, which was a change from when these questions were last asked in 2020. For this reason, and due to changes in the criteria for selection of markets to follow up on, comparisons with previous waves are limited.

Key findings

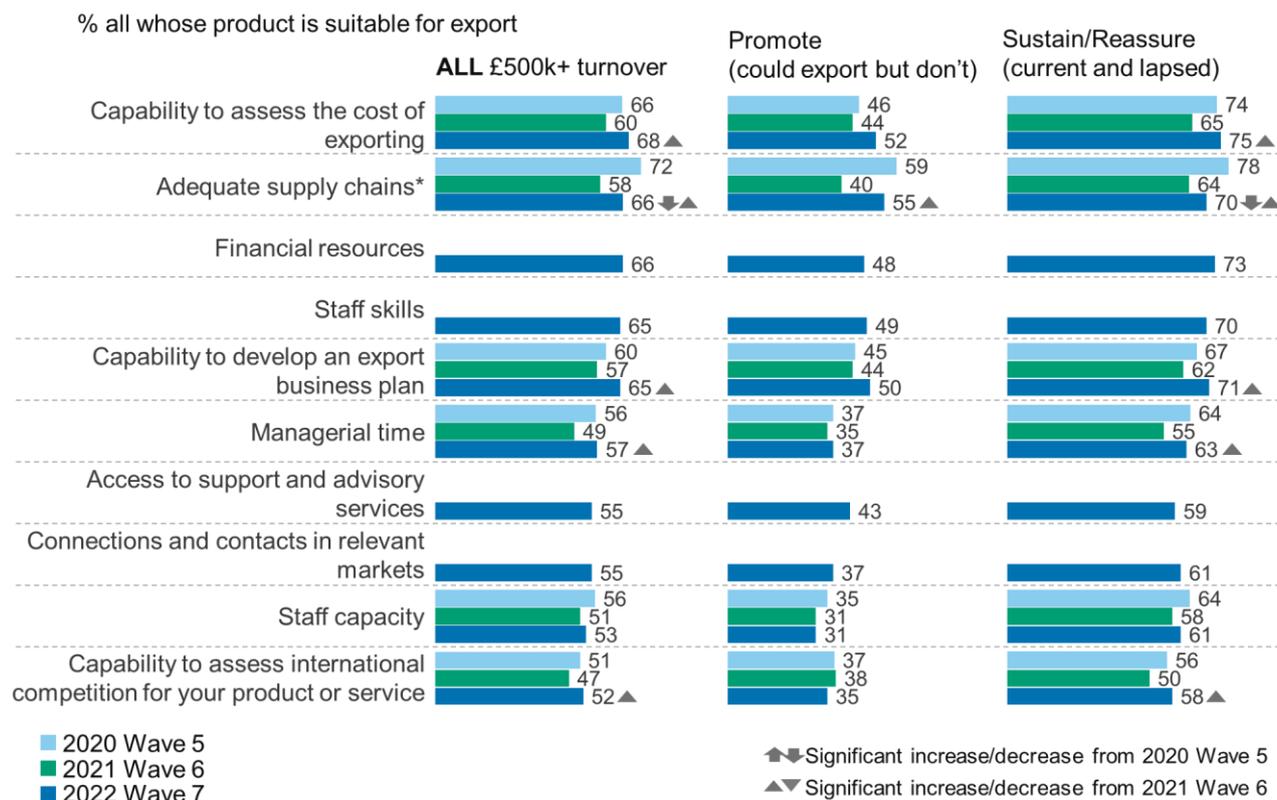
- In 2022, there was a recovery in how businesses felt about their capability and capacity to export, returning to levels observed in 2020, after a dip in 2021. This was mainly driven by current and lapsed exporters, with greater year on year stability (albeit at lower levels) among non-exporting businesses with the potential to export
- Around 2 in 3 businesses whose product was suitable for export felt they had the capability to assess the cost of exporting, adequate supply chains, sufficient financial resources, sufficient staff skills and the capability to develop an export business plan to enable them to focus on exporting
- Time and cost were the strongest barriers to exporting, both to core markets and more generally
- There was little change in barriers to exporting between 2020 and 2022, although fewer businesses felt that access to contacts, customers and networks was a strong barrier to exporting in 2022 than in 2020
- Current exporters were less likely to feel they faced strong barriers to exporting than businesses which were either lapsed exporters or which had never exported but whose products were suitable, with little difference between these latter 2 segments

5.1 Capabilities to focus on exporting

Businesses whose goods or services were suitable for export were questioned about the capabilities and capacity they possessed for exporting. This covered businesses in the 'Sustain' and 'Reassure' segments, which were current or previous exporters and made up 43% of all £500k+ businesses, and businesses in the 'Promote'¹⁹ segment, who had never exported but whose goods or services could be developed for export, accounting for a further 15% of businesses. Across almost all aspects of capabilities and capacity that had been measured in previous years, there was an improvement from 2021, with a recovery to levels observed in 2020 (Figure 5.1).

¹⁹ See section 3.5 'Segment Definitions' for a full explanation

Figure 5.1: Whether businesses have enough capability and capacity to focus on exporting (% 'yes')



Source : Q31a - Thinking about your business' ability to start or continue exporting, does your business have enough of each of the following?

Base : All businesses whose product is suitable for export 2020 W5/2021 W6/2022 W7 : £500k+ turnover businesses (1564/1642/1530), Promote (265/351/341), Sustain/Reassure (1173/1269/1170) * 2020 Q2-4 only

Around 2 in 3 felt they had:

- Capability to assess the cost of exporting (68%, up from 60% in 2021)
- Adequate supply chains (66%, up from 58% in 2021, although still below 2020 levels)
- Sufficient financial resources (66%) and staff skills (65%)
- The capability to develop an export business plan (65%, up from 57% in 2021)

Having sufficient managerial time (57%, up from 49% in 2021) and the capability to assess international competition for products or services (52%, up from 47% in 2021) also recovered to 2020 levels.

As seen in previous years, current and lapsed exporters (in the 'Sustain' and 'Reassure' segments) were more confident than those in the 'Promote' segment, about their capabilities and capacity for export across all areas. The 'Sustain' and 'Reassure' segments followed a similar pattern to that seen overall, with a recovery from 2021 back to 2020 levels. Comparatively, for 'Promote' businesses, most elements of capability and capacity were consistent with 2020 and 2021. The exception was having adequate supply chains, which recovered to 55% of 'Promote' businesses, up from 40% in 2021 (Figure 5.1).

Medium and large businesses (50+ employees) were more likely to report capabilities and capacity across the majority of areas than micro and small businesses²⁰, although small (upper band) businesses (with 20-49 employees) were as likely as their larger counterparts to report having the capability to assess the cost of exporting, enough staff skills and access to support and advisory services.

5.2 Barriers to exporting to core markets

As described in Section 4.5, the focus for core export markets changes from year to year and in 2022 covered the USA, UAE, Canada, India and Mexico. Businesses that had ever exported and had either exported to a core market or had considered doing so but decided against it, were asked a number of questions. These questions included rating several factors such as cost, knowledge, capacity, access to contacts, customers and networks, and time taken to comply with export procedures as potential barriers to exporting. If they had exported or considered exporting to more than one core market, then only one of these was asked about, with the priority going to markets which had been considered but decided against exporting to.

Businesses were asked to assess the extent to which each was a barrier on a 0 to 10 scale, with 0 meaning this element was no barrier at all and 10 meaning it was a very strong barrier. Responses have been grouped into 4 categories: a score of 7 to 10 has been classified as a strong barrier, a score of 4 to 6 is a moderate barrier, a score of 1 to 3 represents a weak barrier and a score of 0 means no barrier at all.

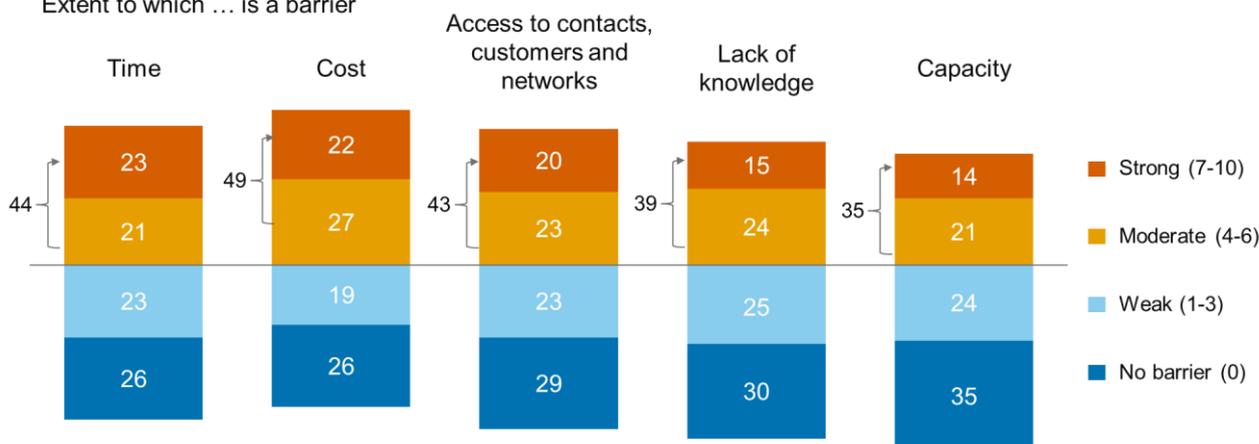
Figure 5.2 shows the combined responses across the 5 core export markets of interest in 2022. Time, cost, and access to contacts, customers and networks were seen as the greatest barriers to exporting to core markets, with 1 in 4 to 1 in 5 respondents feeling these were a strong barrier. Around 1 in 7 found their own lack of knowledge and capacity issues to be a strong barrier. Due to the change in core markets and the criteria with which respondents were selected to answer these questions²¹, when examining data collected between 2020 (when the question was last asked) and 2022, it is not advisable to make comparisons with previous years.

²⁰ Micro businesses have 0-9 employees and small businesses has 10-49 employees. These are sub-divided into small (lower band) with 10-19 employees and small (upper band) with 20-49 employees.

²¹ In 2020, respondents were selected to answer these questions if they had ever exported and had considered but decided against exporting to a core market. Unlike in 2022, it did not include those who were already exporters to these markets.

Figure 5.2: Barriers to exporting to core markets

% of all respondents who have ever exported and have exported to a key export market or have considered doing so but decided against it
Extent to which ... is a barrier



Source: Q24D. On a scale of 0 to 10, where 0 means it is not a barrier at all and 10 means it is a very strong barrier, how much of a barrier is each of the following when it comes to exporting to [KEY EXPORT MARKET]?
Base : 2022 Wave 7: All £500k+ turnover businesses which have ever exported and have exported to a key export market or have considered doing so but decided against it (712)

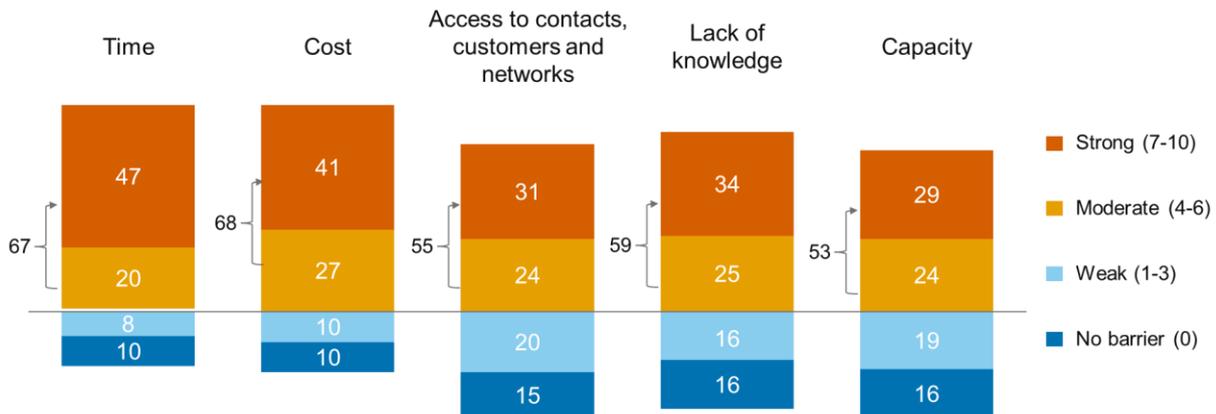
5.3 Barriers to exporting in general

All respondents who had ever exported or whose products or services could be developed for export, and who had not been asked about a specific core export market, were asked similar questions about the barriers they faced to exporting. Instead of being asked to think about a particular market, they were asked about the extent to which cost, knowledge, capacity, access to contacts customers and networks, and time taken to comply with export procedures were barriers to exporting in general. Again, due to changes in how respondents were selected for each set of questions, comparisons should not be made with previous years.

As with those asked about exporting to specific markets, time (47%) and cost (41%) were the factors most likely to be seen as a strong barrier to exporting in general (Figure 5.3). Across all areas, businesses that were asked about barriers to exporting in general were more likely to give a rating of a 'strong' barrier than those asked about barriers to core export markets. The reason for this difference is not fully clear as it could be due to differing levels of export experience, within the 2 respondent groups rather than the different emphasis of the questions.

Figure 5.3: Barriers to exporting in general

% of all respondents who have ever exported or whose products or services could be developed for export, and have neither exported to a core market nor have considered doing so
Extent to which ... is a barrier

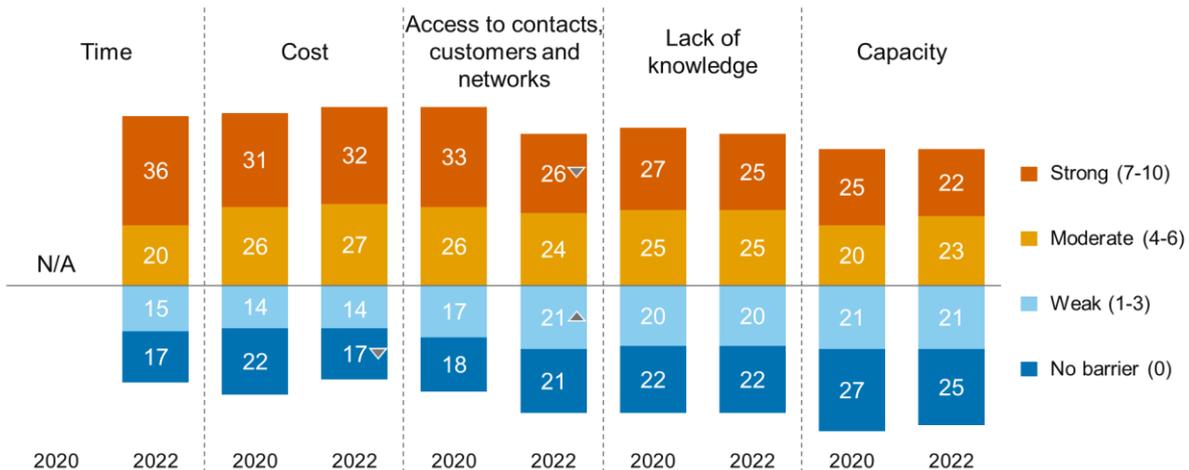


Source: Q24xE. On a scale of 0 to 10, where 0 means it is not a barrier at all and 10 means it is a very strong barrier, how much of a barrier is each of the following when it comes to exporting in general?
Base : 2022 Wave 7: All £500k+ turnover businesses which have ever exported or whose products or services could be developed for export, and have neither exported to a core market nor have considered doing so (799)

Combining the 2 questions into a single measure across all respondents who have ever exported or whose products or services could be developed for export allows comparisons to be made with when the questions were last asked in 2020. As shown in Figure 5.4, there was relatively little change overall, although the proportion of exporters and potential exporters who found access to contacts, customers and networks to be a strong barrier to exporting fell from 33% in 2020 to 26% in 2022, with a corresponding increase in the proportion who found this to be either a weak barrier or no barrier at all.

Figure 5.4: Overall barriers to exporting

% of all respondents who have ever exported or whose products or services could be developed for export
Extent to which ... is a barrier



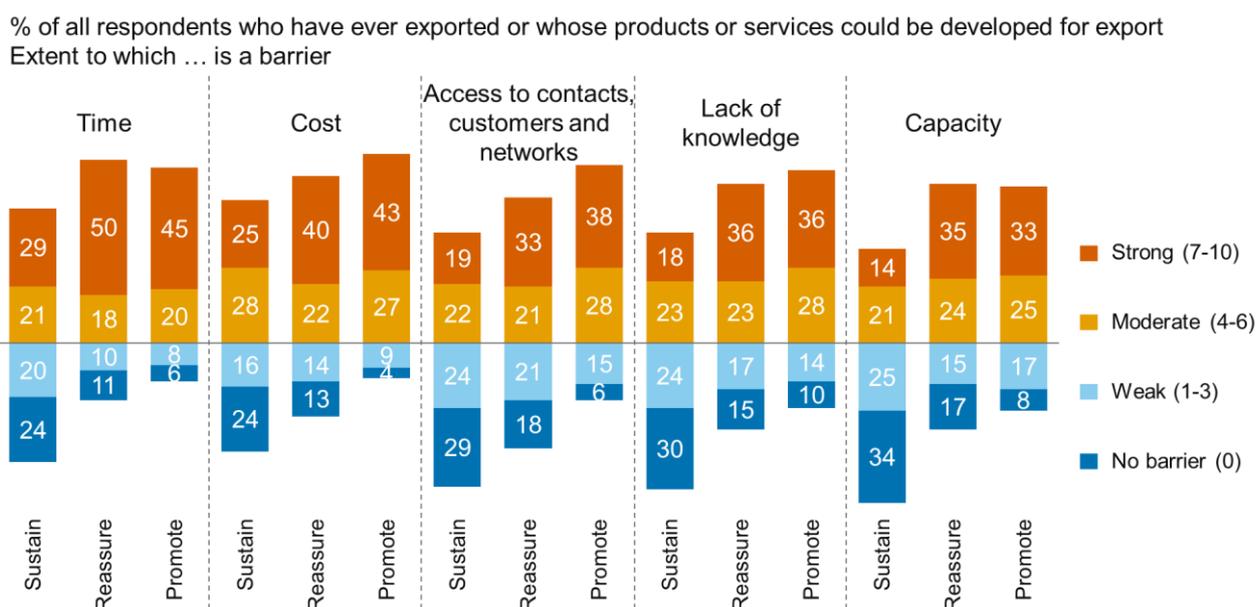
▲▼ Significant increase/decrease from 2020 Wave 5

Source: Q24D/Q24xE. On a scale of 0 to 10, where 0 means it is not a barrier at all and 10 means it is a very strong barrier, how much of a barrier is each of the following when it comes to exporting to [KEY EXPORT MARKET]/in general?
Base : All £500k+ turnover businesses which have ever exported or whose products or services could be developed for export 2020 W5/2022 Wave 7: (1271/1511)

Businesses that were current exporters (in the 'Sustain' segment) were less likely than lapsed or potential exporters to feel they were facing strong barriers to exporting (Figure 5.5). However, 3 in 10 (29%) current exporters still reported that the time taken to comply with export procedures was a strong barrier to exporting and 1 in 4 (25%) stated that cost was a strong barrier. Time and cost were the strongest barriers to exporting across all segments.

Businesses in the 'Reassure' segment (who had exported previously but not in the past 12 months) were as likely as those in the 'Promote' segment (who had the potential to export but had never done so) to state that each of the 5 areas was a strong barrier to exporting. However, across all areas except lack of knowledge, lapsed exporters in the 'Reassure' segment were more likely than potential exporters in the 'Promote' segment to feel these were no barrier at all to exporting.

Figure 5.5: Overall barriers to exporting - by segment



Source: Q24D/Q24xE. On a scale of 0 to 10, where 0 means it is not a barrier at all and 10 means it is a very strong barrier, how much of a barrier is each of the following when it comes to exporting to [KEY EXPORT MARKET]/in general?
Base : All £500k+ turnover businesses which have ever exported or whose products or services could be developed for export
2022 Wave 7: Sustain (974), Reassure (196), Promote (341)

SME businesses (with 0-249 employees) were more likely than large businesses (with 250+ employees) to state that the time taken to comply with export procedures (37% compared with 23%) and their own lack of knowledge (26% compared with 12%) were strong barriers to exporting. Likewise, micro and small businesses (with up to 49 employees) were more likely than medium and large businesses (those with at least 50 employees) to state that access to contacts, customers and networks was a strong barrier to exporting (28% compared with 14%). There were no differences by business size in cost or capacity being a strong barrier to exporting.

6. Free Trade Agreements (FTAs) – (£500,000+ turnover businesses)

The negotiation of Free Trade Agreements (FTAs) and supporting UK business to take advantage of these were key elements of DIT's 2021-22 objectives. Recent trade agreements signed by the UK include those with Australia and New Zealand (which entered into force May 2023)²².

In line with this, the NSRB asked businesses to predict the effects of negotiated FTAs on their business. Businesses that had exported to non-EU countries were asked about their awareness and use of reduced customs duties, which is one of the potential components of an FTA, as well as barriers to using reduced customs duties. This chapter explores these subjects in turn. It is important to note that these questions were asked at an overall level rather than focussing on specific negotiations or agreements.

Questions relating to these subjects were also asked in 2021 and form the basis for 2022 comparison. However, it is important to note that those questions exploring the barriers to using reduced customs duties were only asked in quarter 1 and 2, so comparison will focus on these quarters.

Overall, the findings from this chapter indicate that most businesses believed FTAs will not affect them. Almost a third (31%) predicted that FTAs will have a positive effect via the introduction of zero or lower tariffs. Only a very small proportion of businesses predicted any negative impacts from FTAs (3%). The findings suggest a knowledge gap on reduced customs duties, particularly on whether businesses are eligible and what requirements need to be met to comply. The evidence suggests that some businesses struggle to understand existing information on reduced customs duties and complying with requirements, therefore, improving the accessibility and clarity of this information should be a priority for the department.

In Spring 2023, DBT launched multi-channel communications activity in partnership with businesses and intermediaries, to encourage businesses to use trade agreements and signpost them to practical support. This activity includes domestic and international advertising under the existing 'Made in the UK, Sold to the World' and 'GREAT Global Trade' brands respectively, social media activity and stakeholder and parliamentary engagement. The communications provide businesses with practical, action-oriented information to help them utilise the new Australia and New Zealand deals.

Key findings

- Among businesses overall (irrespective of export status), 58% expected FTAs to have no effect on their business and 31% expected them to have a positive effect. Only 3% of businesses anticipated any negative effects from FTAs
- Among businesses anticipating a positive effect from FTAs, 4 in 5 (83%) reported that lower or zero tariffs to pay on exports or imports may benefit their business

²² For further information on trade agreements signed and being negotiated by the UK, visit the GOV.UK webpage <https://www.gov.uk/government/collections/the-uks-trade-agreements>

- Current exporters were more likely to anticipate positive impacts from FTA negotiations compared with the wider respondent population, with over a third (37%) of the 'Sustain' segment anticipating a positive effect
- Just over a third of businesses (37%) who had ever exported to non-EU countries were aware that their top exports were eligible for reduced customs duties. Among this group, only a quarter (27%) reported that their top export goods always or almost always benefited from reduced customs duties
- The most common barriers to taking advantage of reduced customs duties, among businesses who were aware of the advantages, were: difficulties in understanding (38%) or finding (30%) information on how to obtain reduced customs duties and ensuring compliance with export market standards (36%)

6.1 Expected effects of FTAs

All businesses were asked to provide their predictions for the effects that negotiated FTAs would have on their business, namely whether they expect them to have a positive effect, no effect, or negative effect.

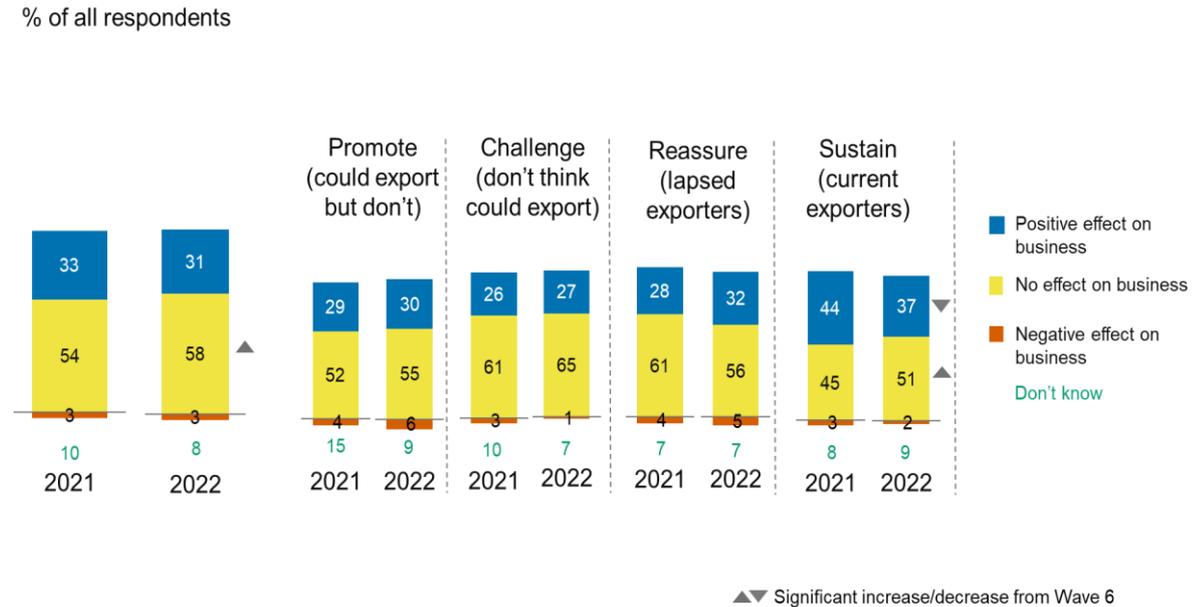
As shown in Figure 6.1, 3 in 5 (58%) of businesses expected FTAs to have no effect on their business, marking a moderate but significant increase since 2021 (54%). Nearly a third (31%) believed that FTAs would have a positive effect, which is similar to 2021 (33%). Among current and lapsed exporters, over half (52%) expected FTAs to have no impact and 36% expected FTAs to have a positive impact. Similarly, over half (55%) of businesses who have the potential to export but don't, expected FTAs to have no effect on their business, and 3 in 10 (30%) expected them to have a positive impact.

In 2022, 'Sustain' businesses were less likely to think FTAs will have a positive impact on their business than in 2021 (37% vs 44%). 'Sustain' businesses were also more likely to think FTAs will have no effect on their business in 2022 (51%) than in 2021 (45%).

Nonetheless, out of all segments, 'Sustain' businesses were still the most optimistic about the positive effects of FTAs, with over 1 in 3 (37%) expecting a favourable impact. In contrast, those without an exportable product or service were the least optimistic, with 1 in 4 (27%) expecting a positive impact. In turn, 'Challenge'²³ businesses were most likely to expect FTAs to have no impact on their business (65%) compared with the other business segments (56% of 'Reassure', 51% of 'Sustain', and 55% of 'Promote'). 'Promote' businesses were most likely to believe FTAs will have a negative impact on their business (6%) compared with 'Sustain' (2%) and 'Challenge' (1%) businesses, though these percentages remain very low across the board.

²³ See section 3.5 'Segment Definitions' for a full explanation

Figure 6.1: Perceived impact of FTAs on business



Source: Q54c. The UK is currently negotiating free trade agreements with other countries. Do you expect that these will...
 Base: All £500k+ turnover businesses: 2021 Wave 6 (2485), 2022 Wave 7 (2,405)

Businesses that anticipated positive impacts from FTAs were asked about the specific benefits they expected. Responses remained consistent between 2021 to 2022. The most commonly mentioned outcome reported by 4 in 5 (83%) businesses, was the reduction or elimination of tariffs on exports or imports (see Figure 6.2). Additionally, over half of businesses expected benefits from increased transparency on product standards for exports (61%), increased legal certainty or fewer legal barriers when exporting services (60%), reduced risk of unfair foreign competition (52%), fewer checks to ensure compliance with export market standards (56%) and increased access to export markets (63%).

Figure 6.2: Potential outcomes of FTAs that may benefit business



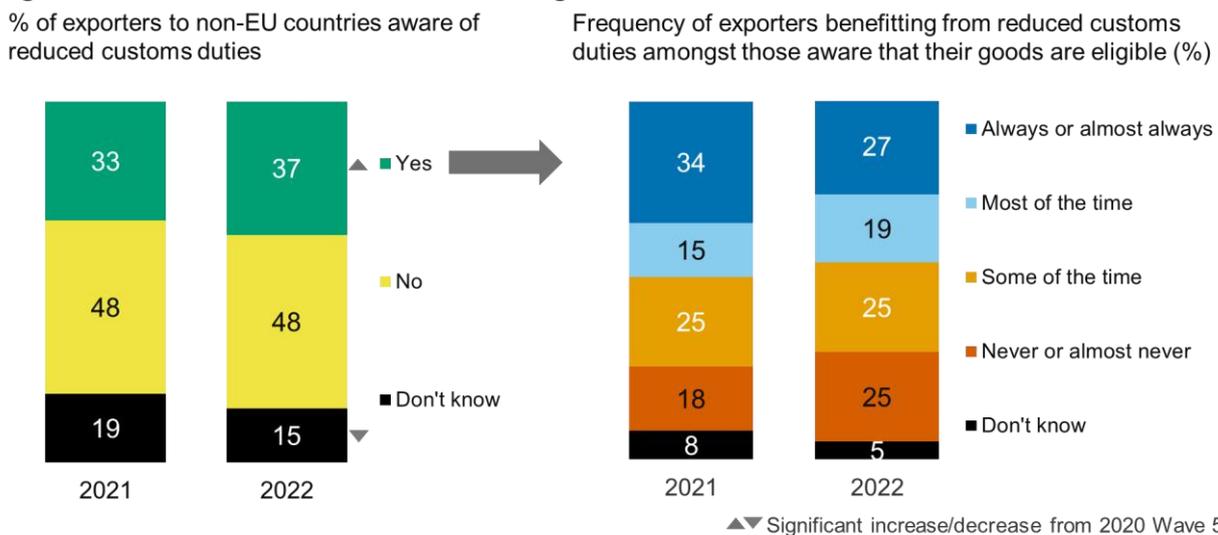
Source: Q54d. Which [of the following possible outcomes of Free Trade Agreements], if any, might benefit your business?
 Base: All who expect Free Trade Agreements will have a positive effect on their business: £500k+ turnover 2021 W6 (875), W7 (439)
 'Increased access to export markets' was a new code added in Wave 7.

6.2 Awareness and use of reduced customs duties

Businesses that had exported to non-EU countries were asked if they were aware whether their top exports (whether this be goods or services) were eligible for reduced customs duties. Almost 4 in 10 (37%) said they were aware and almost 5 in 10 (48%) said that they were not aware. This was similar to 2021 when 33% responded they were aware and 48% were not aware. To note, follow-up questions were not asked to those who said they were not aware whether their top exports were eligible for reduced customs duties, and it's therefore not possible to directly comment on reasons for lack of awareness. However, it's worth considering that although this lack of awareness may be down to not researching the relevant information or difficulties in finding or understanding it, it may also be the case that some respondents use a customs intermediary and so don't involve themselves with this part of the exporting process. Their products may be taking advantage of reduced duties, but the business may not know this. 'Sustain' businesses were more likely to be aware of the eligibility of their top exports for reduced customs duties (39%) than 'Reassure' businesses (24%).

Among businesses who were aware of eligibility for reduced customs duties, 1 in 4 (27%) said their top exports to non-EU countries benefit from these always or almost always. For other respondents, this was most of the time (19%) or some of the time (25%). These results are broadly consistent with 2021 results (see Figure 6.3).

Figure 6.3: Awareness of, and benefitting from, reduced customs duties outside EU



Source: Q54. Thinking about the goods you most frequently export to non-EU countries, are you aware of whether they are eligible for reduced customs duties? / Q54a. How often do the goods you most frequently export to countries outside of the EU benefit from reduced customs duties?

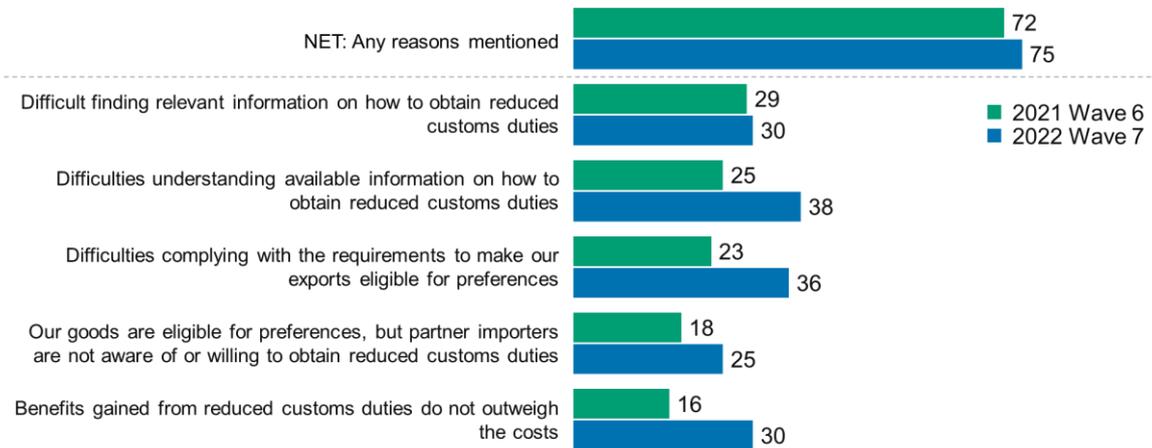
Base : All respondents who export to non-EU countries: £500k+ turnover 2021 Wave 6/2022 Wave 7 (860/795); All respondents aware whether the goods they most frequently export out of the EU are eligible for customs duties: £500k+ turnover 2021 Wave 6/2022 Wave 7 (315/319)

6.3 Barriers to using reduced customs duties to non-EU countries

Reasons given for low uptake of reduced customs duties included difficulties in understanding (38%) and finding available information on how to obtain reduced customs duties (30%) and complying with the requirements to make exports eligible for preferences (36%). These results are broadly consistent with 2021 findings, with no significant changes. Note that this question on barriers to obtaining reduced customs duties was only asked in the first 2 quarters of Wave 7, meaning that the sample size is smaller than if it had been asked across all 4 quarters.

Figure 6.3: Factors preventing exports from obtaining reduced customs duties

% of all who are aware of eligibility for reduced customs duties but whose goods obtain reduced customs duties some of the time, never, or almost never: main reasons which prevent exports from obtaining reduced customs duties



⬆️⬇️ Significant increase/decrease from 2020 Wave 5 ⬆️⬇️ Significant increase/decrease from 2021 Wave 6

Source: Q54b. Generally, what are the main reasons which prevent your exports from obtaining reduced customs duties?
 Base: All who are aware of eligibility for reduced customs duties but whose goods obtain reduced customs duties some of the time, never, or almost never: £500k+ turnover 2021 Wave 6 /2022 Wave 7 (147/76)

7. Supply Chains – (£500,000+ turnover businesses)

Understanding the supply chain issues facing businesses and the impact they have on ability to export is a priority for DIT, particularly so in the context of COVID-19, EU Exit and global challenges.

This chapter focuses on the role of supply chains in plans for growth and predicted reductions in demand for British products or services. It explores whether businesses felt they had adequate supply chains to support their exporting activities. Questions previously added in 2020 were amended in 2021 to focus on understanding supply chain issues in relation to COVID-19 and EU Exit.

Overall, the findings from this chapter indicate that two thirds of businesses (66%) have experienced 'significant'²⁴ disruption to supply chains over the course of 2022. Those experiencing issues were asked whether this was attributable mostly to COVID-19, mostly to EU Exit, an equal mix of both, or to another cause. Overall, 17% of businesses attributed supply chain issues mostly to COVID-19 and 16% attributed them mostly to EU Exit. A further 28% regarded both events as equally causing their supply chain issues. As the year progressed, businesses increasingly cited EU Exit as a cause, and decreasingly cited COVID-19. DIT should therefore continue to focus on supporting businesses to adapt to EU Exit, specifically in relation to securing adequate supply chains.

Key findings

- The proportion of current, lapsed, and potential exporters that reported having adequate supply chains to focus on exporting has declined since 2020 (66% in 2022 and 58% in 2021, compared with 72% in 2020). In 2022, 7 in 10 current exporters (71%) and 6 in 10 lapsed exporters (63%) were more likely to report having enough adequate supply chains to focus on exporting than potential exporters (55%)
- Two thirds of those who had exported in the last year (66%) reported experiencing supply chain issues in 2022, which were attributed to both COVID-19 and the UK's exit from the EU. The proportion of businesses attributing supply chain issues to COVID-19 was greater in the first half of the year (21%) than the second half (11%). This corresponded with an increase in those attributing their supply chain issues to EU Exit, with an attribution of 12% across quarters 1 and 2 and 21% across quarters 3 and 4. The proportion of businesses unable to use alternative supply chains has remained stable with previous waves
- The proportion of businesses spontaneously reporting that 'improving their supply chains' was a part of their plan to grow their business was low (3%). Similarly, only a small proportion reported that problems with accessing supply chains was a reason for the perceived reduction in demand for British products and services (3%)

²⁴ In this instance and throughout, 'significance' in inverted commas is referring to the question wording (Have you experienced any significant supply chain issues) rather than statistical significance

7.1 The role of supply chains in plans for growth

Businesses that were aiming to grow their business were asked the main ways they intended to do this over the next 12 months. Only 3% of businesses (4% in 2021) spontaneously reported improving or refreshing their supply chain as part of their plan to grow their business in the next year (see Figure 7.1).²⁵ The most common themes reported in plans for growth were finding new customers in the UK (27%) and developing new products and services (18%). Both figures are broadly in line with Wave 6.

Figure 7.1: Main ways businesses intended to grow business in the next 12 months

% of respondents who intend to grow their business: main ways to grow in next 12 months



Source: Q11A. What do you see as the **main** ways of growing your business over the next 12 months?
 Base : All respondents who intend to grow their business: £500k+ turnover 2021 Wave 6/ 2022 Wave 7 Q1-Q2 (1764/917)

7.2 The role of supply chains in predicted reductions in demand for British products and services

Businesses that agreed that demand for UK products and services had decreased due to COVID-19 or EU Exit were asked about the factors that contributed to this reduction in demand for UK exports. Only 3% mentioned problems with accessing supply chains. Instead, businesses were more likely to mention EU Exit (36%, down from 40% in 2021²⁶), issues surrounding documentation or paperwork (18%), or COVID-19 (15%) as either the main or a contributing factor to the reduced demand.

As we see in Section 7.4, both the UK's exit from the EU and COVID-19 heavily affected businesses' access to supply chains. Therefore, businesses may place the responsibility on these events rather than issues accessing supply chains specifically.

²⁵ This proportion may be low because the survey did not specifically prompt businesses about whether supply chain improvement was part of their plan for growth

²⁶ In 2022 the wording of the EU Exit response code was "Brexit (unable to give more detail)" but in 2021 it was "Brexit and general uncertainty"

7.3 Having adequate supply chains to start and continue exporting

All businesses (excluding those that could never export, in the 'Challenge²⁷' segment) were asked whether they felt they had adequate supply chains, among other capabilities, enabling them to focus on exporting (see Figure 5.1). In 2020, respondents were more likely to report having adequate supply chains for exporting (72%) than any other capability. In 2022, this fell to 66%, although it is still one of the capabilities businesses were most likely to report having (see Section 5.1). Unsurprisingly, current (71%) and lapsed exporters (63%) were more likely to report having enough adequate supply chains to focus on exporting than potential exporters (55%).

From 2020 to 2021 there were large decreases in those reporting adequate supply chains among micro (with 0 to 9 employees, 68% in 2020 down to 58% in 2021) and small (with 10 to 49 employees, 77% in 2020 to 53% in 2021) businesses. There was improvement for both of these groups in 2022, with proportions increasing significantly, though they were still lower than 2020 levels (66% for micro businesses and 64% for small). In 2022, medium businesses (50 to 249 employees) were more likely to have adequate supply chains than smaller businesses (10 to 49 employees; 74% versus 64%). Comparing 2020 with 2022, there was little change in the proportion of medium (78% in 2020, 74% in 2022) and larger (250 or more employees; 69% in 2020, 63% in 2022) businesses reporting adequate supply chains.

Businesses in the West Midlands were less likely to report having adequate supply chains (49%) than those in the East (74% East Midlands, 68% East Anglia, 67% South East and 67% London). Across the combined regions (63% Northern Powerhouse, 62% Midlands Engine, 67% South England), the proportion of businesses reporting adequate supply chains was similar.

Businesses in information and communication (75%) and the manufacturing, raw materials, and energy sector (74%) were more likely to say they have adequate supply chains than those in the construction and real estate (54%) and professional and services (63%) sectors.

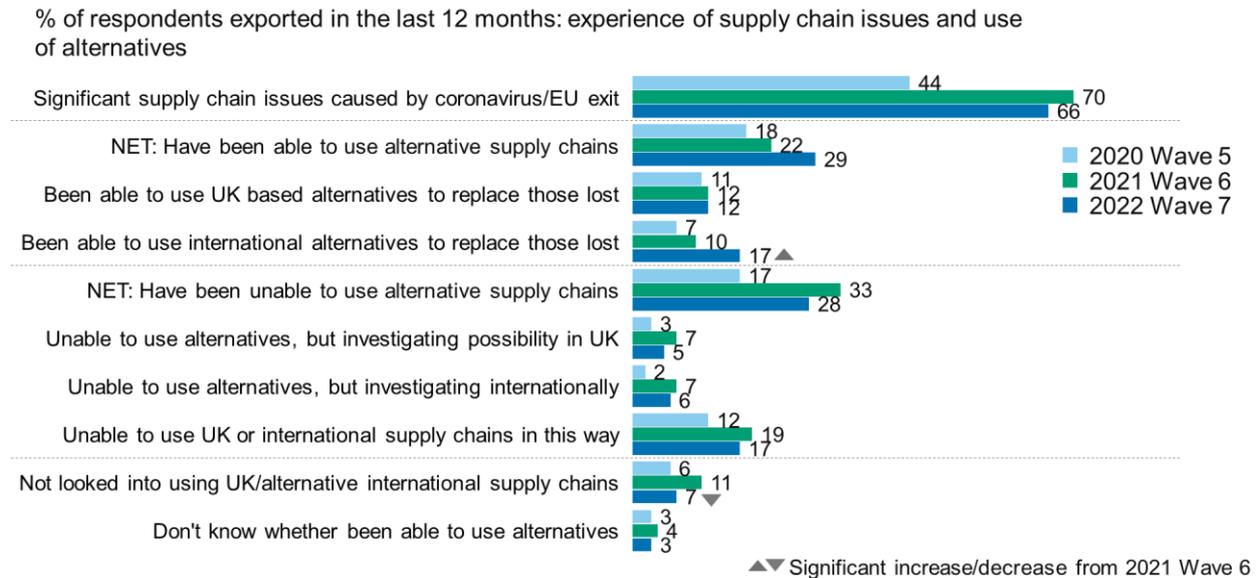
7.4 Impact of COVID-19 and EU Exit on supply chains

Businesses that had exported in the last 12 months were asked whether they had experienced any 'significant' issues with supply chains relating to COVID-19 or EU Exit and their use of alternatives, if any (Figure 7.2). Note that in 2020, this question only focussed on COVID-19, and did not prompt businesses to consider EU Exit, so direct comparison should be made with caution given questionnaire changes.

Overall, 66% of current exporters (exported in the past 12 months) had experienced 'significant' supply chain issues in 2022, slightly down on 2021 (70%). Both years are an increase compared with 2020, when only 44% reported similar issues. However, this increase may be a result of EU Exit being added as a consideration for this question, rather than a rise in businesses experiencing supply chain issues. Of those experiencing issues, 25% attributed them to COVID-19, compared with 25% attributing them mostly to EU Exit. Both events were regarded as equally responsible for supply chain issues by four in ten (41%).

²⁷ See section 3.5 'Segment Definitions' for a full explanation

Figure 7.2: Supply chain issues and use of alternatives



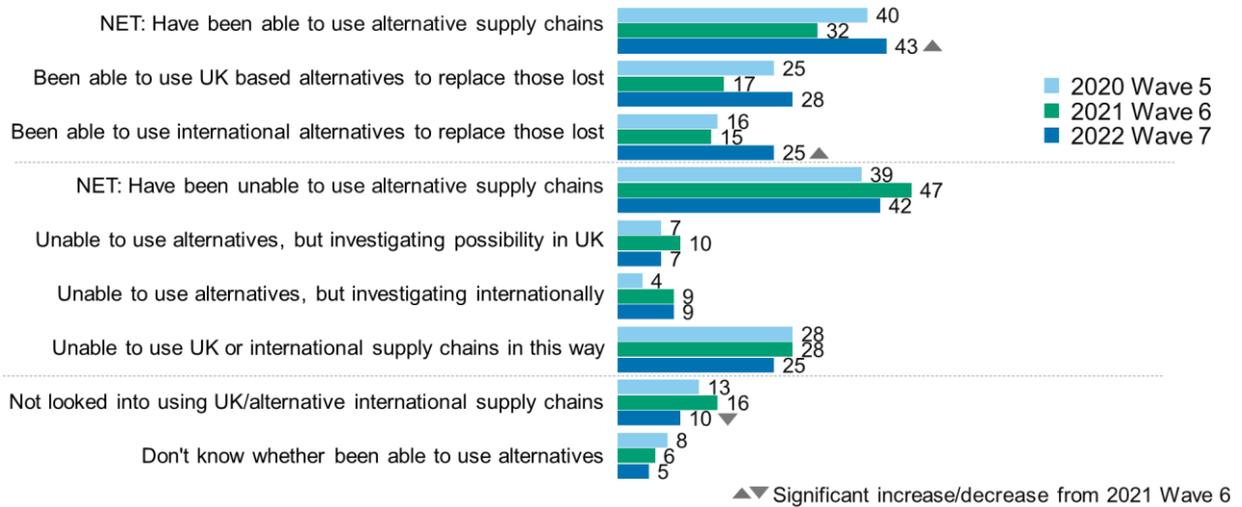
Source: COVID5. Have you experienced any significant supply chain issues for your business caused by the coronavirus outbreak or the EU exit? COVID6. Have you been able to use alternative supply chains to replace those lost?
 Base : All respondents who have exported in the last 12 months: £500k+ turnover 2020 Wave 5 Q2-Q4/2021 Wave 6/2022 Wave 7 (752/1052/974)

The proportion of current exporters experiencing ‘significant supply chain issues’ and attributing these mostly to COVID-19 remained steady across quarter 1 and quarter 2 (quarter 1: 21%, quarter 2: 21%) and dropped significantly in quarter 3 and quarter 4 (11%). Businesses were less likely to report supply chain issues caused mostly by EU Exit in the first half of the year (quarter 1: 9% and quarter 2: 16%), increasing to 21% in quarter 3 and quarter 4. The proportion of businesses attributing supply chain issues to both events equally fell steadily across 2022 (quarter 1: 33%, quarter 2: 28%, quarter 3 and quarter 4: 24%).

Of those who reported a disruption to their supply chain, (Figure 7.3) 18% were able to use UK based alternatives to replace those lost and a further 25% were able to use other international alternatives.

Figure 7.3: Use of alternative supply chains by businesses experiencing supply chain issues

% of respondents that experienced supply chain issues caused by coronavirus or Brexit: use of alternative supply chains



Source: COVID6. Have you been able to use alternative supply chains to replace those lost?

Base : All respondents who said that they experienced significant supply chain issues caused by the coronavirus outbreak or Brexit in the last 12 months: £500k+ turnover 2020 Wave 5 Q2-Q4/2021 Wave 6/2022 Wave 7 (330/779/643)

8. Knowledge, information and support – (£500,000+ turnover businesses)

In order to export, businesses need good levels of knowledge about exporting, and knowledge of where to go for help, information and support. It is also necessary for businesses to be willing to seek advice and support. This chapter looks at knowledge levels for exporting-related topics as well as use of and interest in using support and advice from DIT, the government, and other sources.

Overall, the findings from this chapter substantiate conclusions from previous chapters that businesses have knowledge gaps in relation to exporting, including how to export and where to go for information, help or advice. Businesses have continued to use internet searches, government websites and personal connections (including friends, colleagues, business associates and informal connections) to source information.

Key findings

- Nearly a quarter of businesses had a high level of knowledge of how to export (24%), in line with 2021 (21%). A similar level (23%) reported low knowledge, a significant decrease from 2021 (30%)
- Less than a quarter of businesses exporting only to the EU reported a high level of knowledge of how to export (23%), compared with 29% of businesses exporting to only non-EU countries, and 37% of businesses exporting to both non-EU and EU countries
- Of businesses who have exported or could export, 2 in 5 (42%) reported having sought advice or information about exporting, a significant increase from 2021. Compared with 2020, a smaller proportion of businesses said they would not know where to get such information (17% compared with 22%)
- The UK government was the primary source of advice and support about exporting in 2022, consistent with previous years. Businesses reported using a wide range of sources to stay informed about exporting, with websites and internet searches used most often, but business and informal contacts (friends and colleagues) were also key
- Almost 8 in 10 businesses (78%) were aware of any UK government trade support services, a higher proportion than in 2021 (67%). Over half of businesses had used any of these services (52%), with GOV.UK tools being the most popular (used by 46% of businesses)
- Businesses in the 'Promote'²⁸ segment (those that have not exported before but have a suitable product) were more likely to rate their knowledge on where to go for information or help and support with exporting as low. Businesses with turnover under £2 million were more likely to report low or no knowledge of where to go for exporting information (20%) or help and support (23%) compared with businesses with a turnover of or above £2 million (13% and 15%). These subgroup differences suggest a need for DBT to make these services known for these business groups

²⁸ See section 3.5 'Segment Definitions' for a full explanation

8.1 Current knowledge about exporting

Businesses that had exported or saw their goods or services as suitable for export were asked to self-assess their level of knowledge about various aspects of exporting on a 0 to 10 scale. In this section their responses have been grouped into 3 bands:

- A score of 8 to 10 has been classified as a 'high level of knowledge'
- A score of 3 to 7 is classified as a 'moderate knowledge level'
- A score of 0 to 2 represents 'poor or no knowledge'

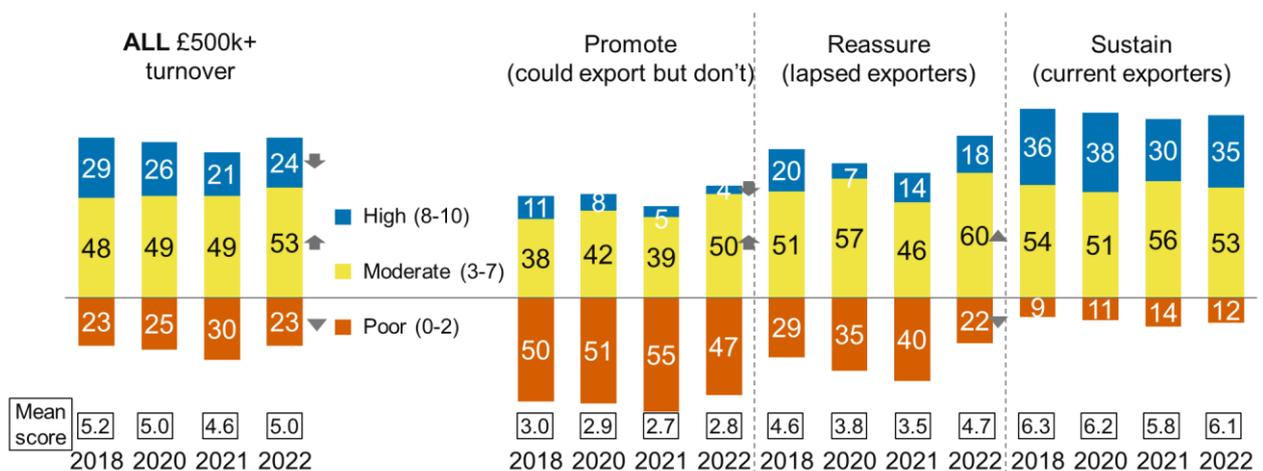
As shown in Figures 8.1 and 8.2, around 1 in 4 businesses who do or could export felt they had a high level of knowledge about how to export (24%) which is a small increase from 2021 but remains below the peak in 2017 when 35% reported high knowledge. Conversely, just under a quarter (23%) reported having poor knowledge of how to export in 2022, which is a significant decrease from 2021 (30%). In line with this, there has been an increase in the proportion of businesses reporting moderate levels of knowledge: 53% in 2022 compared with 48% in 2018.

Less than a quarter (23%) of those exporting only to the EU reported having high level knowledge, in line with 2021 (19%) and 2020 (27%). In 2022, this compared with 29% of businesses exporting only to non-EU countries, and 37% of businesses who exported both to non-EU and EU countries. Notably, businesses in the transportation and storage sector (51%) stated that they had much higher overall level of knowledge than all other sectors, whilst businesses in construction and real estate (10%) had the lowest level of knowledge.

In 2022, the mean score for ratings of knowledge on how to export increased overall and across all applicable segments when compared with 2021, though is still generally slightly below 2018 levels.

Figure 8.1: Description of current knowledge about how to export

% of all who could export: knowledge about HOW to export ...



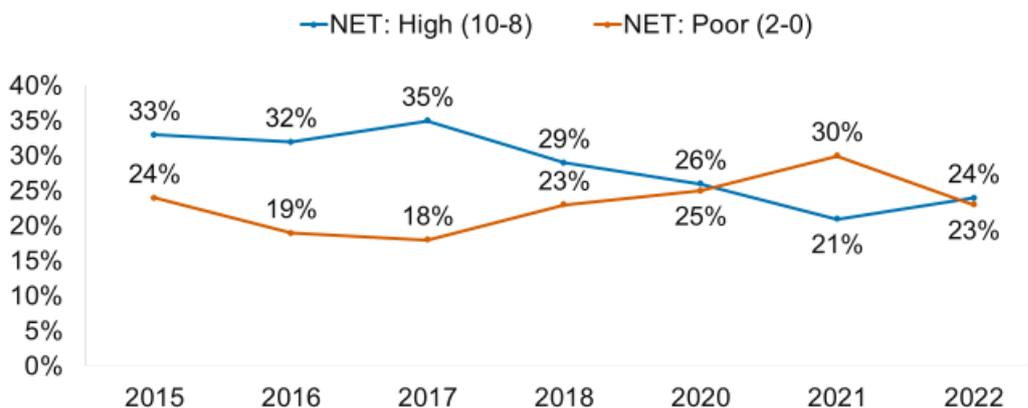
▲ Significant increase/decrease from 2018 Wave 4 ▲ Significant increase/decrease from 2021 Wave 6

Source: Q30 (EXP_KNOW). On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge of HOW to export

Base : All £500k+ turnover businesses for whom exporting is possible 2018 Wave 4/2020 Wave 5/2021 Wave 6/2022 Wave 7: (1510/1564/1642/1530); Promote (283/368/351/341), Reassure (126/148/217/196), Sustain (917/1025/1052/974)

Figure 8.2: Time series for description of current knowledge about how to export

% of all who could export: knowledge about HOW to export ...



Q30: EXP_KNOW: On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge about HOW to export
 Base: All respondents with an annual turnover of £500k+ – excluding those whose products / services would never be suitable for export: 2015 Wave 1 (650), 2016 Wave 2 (656), 2017 Wave 3 (1575), 2018 Wave 4 (1510), 2020 Wave 5 (1564), 2021 Wave 6 (1642), 2022 Wave 7 (1530)

Self-assessed knowledge around where to go for information about exporting and where to go for help and support with exporting has remained mostly stable since 2018. As shown in Figures 8.3, 8.4, and 8.5 below, in 2022 around a third of businesses felt they had a high level of knowledge about where to go for information on exporting (33%) or help and support (30%). Conversely 17% businesses reported a low level of knowledge of where to go for information. This represented a significant decline since 2018 (22%). In addition, 1 in 5 (20%) reported a low level of knowledge of where to go for help and support, in line with previous years.

Large businesses (over 250 employees; 43%) were more likely to report high levels of knowledge of where to go for information than small businesses (10-49 employees; 30%). This was also seen for knowledge on where to go for help and support with exporting, with large businesses being more likely to report high levels (42%) than small businesses (26%). For knowledge about **how** to export, medium businesses (50-249 employees) gave a higher mean score (5.5) than small businesses (10-49 employees; 4.7).

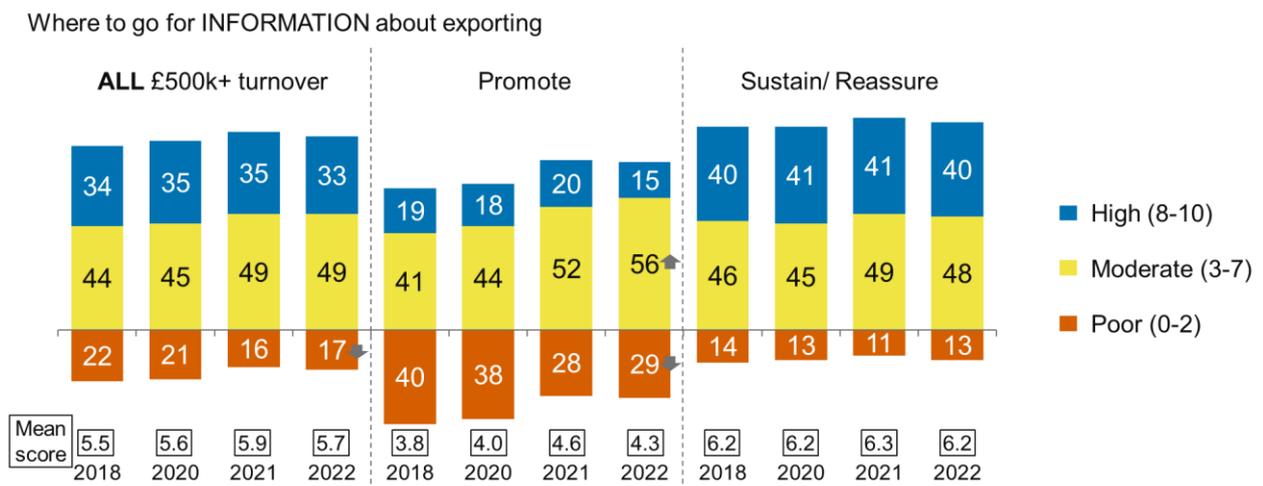
Among the 'Promote' segment, the growth seen across the period 2018 to 2021 in the proportion of businesses who reported **moderate** knowledge of where to go for information and get help and support on exporting has continued. For example, in 2018, 2 in 5 (41%) of 'Promote' businesses described their knowledge of where to go for information on exporting as moderate. In 2022, the figure stood at 56%.

However, those in the 'Promote' segment remained more likely to rate their knowledge of where to go for information or help and support as lower than those in the 'Sustain²⁹' and 'Reassure'³⁰ segments. 'Sustain/Reassure' businesses were more than twice as likely to report a high level of knowledge of where to go for information on exporting than those in the 'Promote' segment (40% compared with 15%).

Likewise, businesses with a turnover of £2 million or more were more likely to report having higher levels of knowledge (38% for information, 34% for help and support) compared with those with turnovers under £2 million (31% and 27% respectively). For knowledge on how to export, businesses with a turnover of £2 million or more were more likely to report higher levels of knowledge (29%) than those with a turnover of £500,000 - £1,999,999 (21%).

Mean scores for both measures remained stable across the years for both overall figures and figures by segment. See Figure 8.3 and Figure 8.4.

Figure 8.3: Description of current knowledge about: where to go for information about exporting



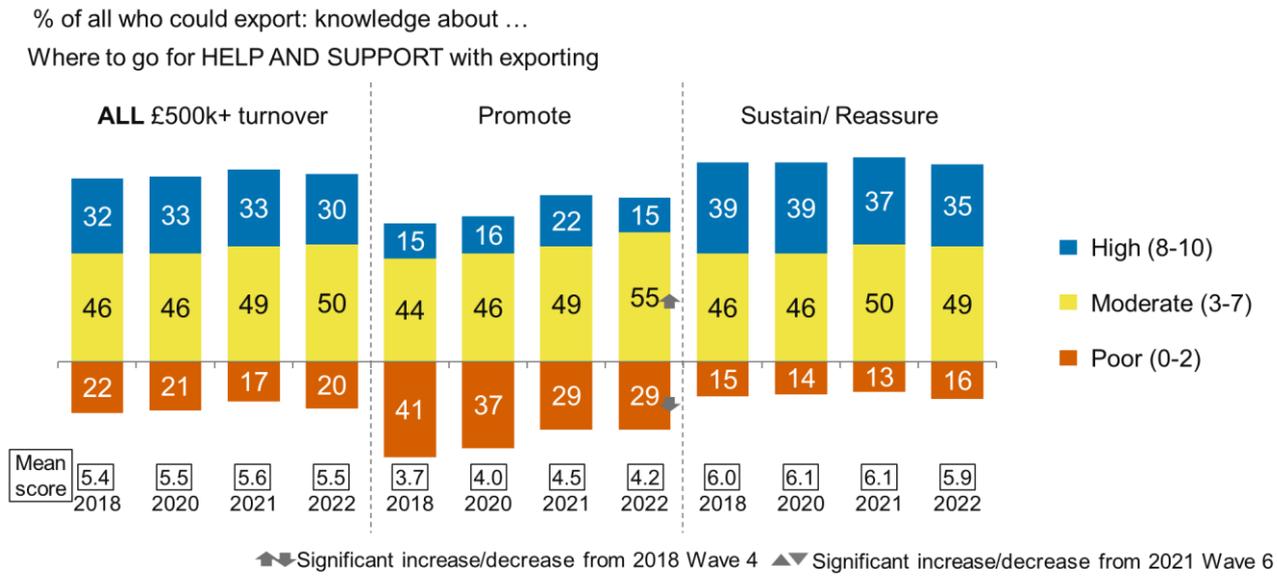
▲ Significant increase/decrease from 2018 Wave 4 ▲ Significant increase/decrease from 2021 Wave 6

Source: Q30 (EXP_KNOW). On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge of where to go for INFORMATION about exporting

Base : All £500k+ turnover businesses for whom exporting is possible 2018 Wave 4/2020 Wave 5/2021 Wave 6/2022 Wave 7: (1510/1564/1642/1530); Promote (283/368/351/341), Sustain/Reassure (10431173/1269/1170)

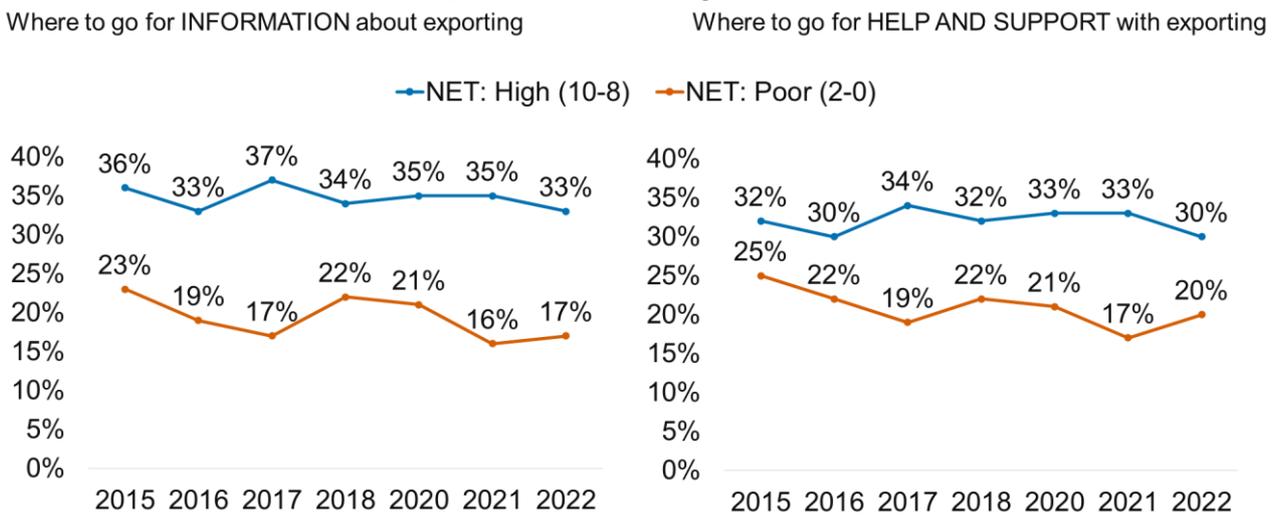
²⁹ See section 3.5 'Segment Definitions' for a full explanation

Figure 8.4: Description of current knowledge about: where to go for help and support with exporting



Source: Q30 (EXP_KNOW). On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge of where to go for HELP AND SUPPORT with exporting
Base : All £500k+ turnover businesses for whom exporting is possible 2018 Wave 4/2020 Wave 5/2021 Wave 6: (1510/1564/1642/1530); Promote (283/368/351/341), Sustain/Reassure (10431173/1269/1170)

Figure 8.5: Time series for description of current knowledge about: where to go for information about / help and support with exporting



Source: Q30 (EXP_KNOW). On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge of where to go for INFORMATION about exporting / Your knowledge of where to go for HELP AND SUPPORT with exporting
Base: All respondents with an annual turnover of £500k+ excluding those whose products / services would never be suitable for export: 2015 Wave 1 (650), 2016 Wave 2 (656), 2017 Wave 3 (1575), 2018 Wave 4 (1510), 2020 Wave 5 (1564), 2021 Wave 6 (1642), 2022 Wave 7 (1530)

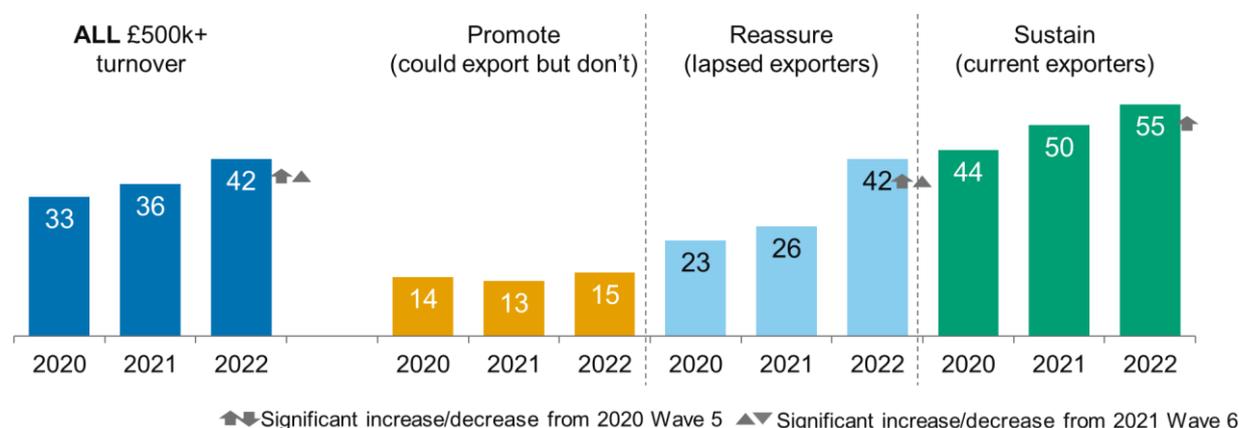
8.2 Interest in support and advice about exporting

Among businesses that had previously exported or who identified their goods or services as suitable for export, over 2 in 5 (42%) said they had previously sought advice about exporting. This represents a significant increase from 2020 and 2021 (see Figure 8.6).

The percentage of businesses seeking advice and support was greatest in the 'Sustain' segment compared with the other segments, having risen since 2020 (44% to 55%). Likewise, the proportion of businesses accessing information and support within the 'Reassure' segment has also significantly increased, (42%) compared with both 2021 (26%) and 2020 (23%). Within the 'Promote' segment, the proportion of businesses seeking advice has been relatively stable since 2020 (14% in 2020, 15% in 2022).

Figure 8.6: Whether businesses have ever sought advice and support about exporting

% of all who could export: have sought advice and support about exporting



Source: Q33 (EXPAD_B). Have you ever sought advice and support about exporting?

Base : All £500k+ turnover businesses for whom exporting is possible 2018 W4/2020 W5/2021 W6/2022 W7:
(1510/1564/1642/1530); Promote (283/368/351/341), Reassure (126/148/217/196), Sustain (917/1025/1052/974)

All businesses in quarters 1 and 2 of Wave 7 were asked to say where they would go for support or advice on exporting (see Figure 8.7)³¹. Overall, 1 in 10 (10%) were not interested in finding out more information.

Businesses that have never exported (in the 'Promote' or 'Challenge'³² segments) were more likely to say they were not interested in finding out more about exporting (16%) than those who have exported (in the 'Sustain' or 'Reassure' segments; 3%).

Of all businesses, 17% reported that they did not know where they would go to get exporting support or advice. Those who have never exported were also more likely to say they did not know where they would go (23%) compared with those who have exported (11%).

UK government sources continue to play an important role as a potential source of advice on exporting, with 1 in 3 (33%) businesses (up from 28% in 2020) reporting that they'd use a

³¹ Businesses were not asked this question in quarters 3 and 4 in order to manage questionnaire length

³² See section 3.5 'Segment Definitions' for a full explanation

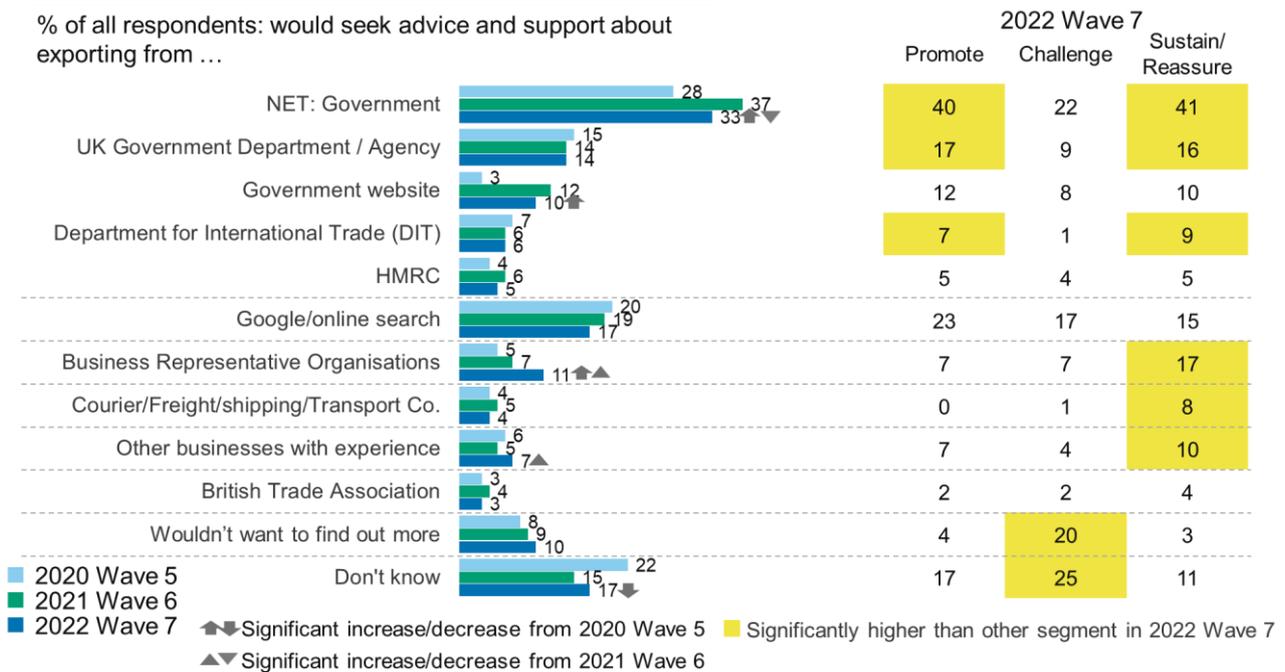
government source. However, this is a significant decrease from 2021 (37%). The most popular non-government sources remained online searches (17%) and Business Representative Organisations (11%). Overall, 10% stated that they wouldn't want to find out about exporting advice, and 17% said that they didn't know.

The proportions of businesses using various sources for help and support among segments have remained stable with 2021, but there have been significant differences compared with 2020. There was a continued increase in mentions of government as a potential source for advice and support among the 'Promote' (40% up from 26% in 2020) segment. The 'Promote' segment remained most dependent on online searches (23%) and became increasingly reliant on government websites (from 4% in 2020 to 12%), underlining the need to continue signposting to GOV.UK websites. From GOV.UK, these businesses can in turn be signposted to more specific information or support networks. The 'Challenge' segment remained most likely to say they did not know where to go for advice or support (25%) or to not want further information (20%). This is in line with their lack of engagement with exporting. The latter had increased significantly since 2020 (from 15%). Increasing proportions of businesses report they would source support or advice from a government website (10% in 2022, compared with 3% in 2020), or Business Representative Organisation (11%, compared with 5% in 2020).

SME businesses (0-249 employees) were more likely to say they would use Google or online search if they needed exporting support or advice (17%) than large businesses (250+ employees, 5%). Large businesses were more likely to say they would seek advice from within their own company (20%) than SME businesses (2%).

The sources businesses would approach for advice and support were similar across sectors. However, those in the manufacturing, raw materials and energy sector were particularly likely to say they would use Business Representative Organisations (16%).

Figure 8.7: Where businesses would go for advice and support about exporting



Source : Q34a (ADV_EXP_A). And where, if anywhere, would you go if you needed exporting support or advice? (TOP SOURCES)
 Base : 2020 W5/2021 W6/2022 W7 (Q1Q2 only): All £500k+ turnover businesses (2557/2485/1272); 2022 W7 (Q1Q2 only): Promote (183), Challenge (446), Sustain/Reassure (632)

Respondents who said they believe their products and services can be exported and are open to finding out more about exporting were asked about their interest in using information and business support services to assist with exporting. Just under half (47%) stated that they are interested in using these services. Businesses in the 'Sustain' segment were more likely to say they were interested (56%) than those in the 'Reassure' (29%) and 'Promote' (35%) segments.

8.3 Channels and sources of information

Businesses were asked about the channels they used to **stay informed about exporting or business products**, and about their own industry (see Figure 8.8). In 2022, this was only asked of businesses in quarter 1 and quarter 2.

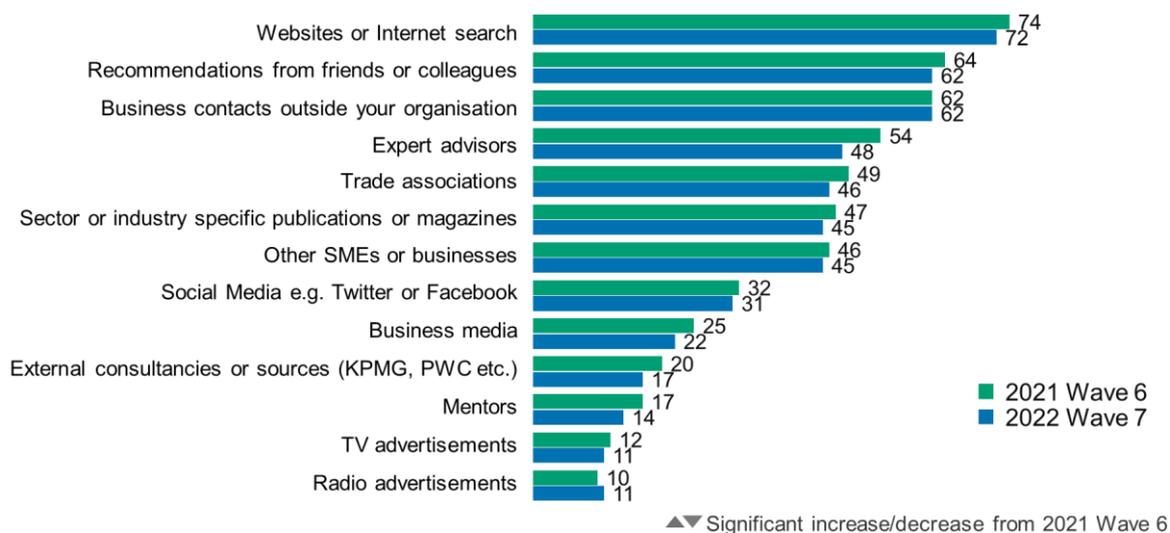
Overall, websites and internet sources remained the most popular source among businesses, with nearly 72% saying they used these to stay informed and 31% using social media.

Informal connections were an important source for staying informed about exporting or business products, with approximately 6 in 10 (62%) reporting that they used recommendations from friends or colleagues. Other businesses were also key sources of information, with just over 6 in 10 reporting using business contacts outside of their organisation (62%) and almost half using other SMEs or businesses (45%). Tailored sector expertise was also used by a substantial proportion of businesses, with just under half using expert advisors (48%), trade associations (46%) and sector specific publications (45%), and 17% using external consultancies.

The reported use of each channel has remained relatively stable when compared with 2021. There was also little change within 2022 from quarter 1 to quarter 2.

Figure 8.8: Channels used to stay informed about exporting or business products

% of respondents reporting using ... to stay informed about exporting or business products



Source: F1. Which of the following channels do you use to find out about exporting or business products.

Base : All respondents (randomised half sample in 2021/2022): £500k+ turnover 2021 Wave 6/2022 Wave 7 (1224/624)

Answer codes <10% in 2022 are not shown.

Businesses that have ever exported were more likely to use business contacts outside their organisation (70% in the 'Sustain' or 'Reassure' segments) than those who have never exported (55% in the 'Promote' or 'Challenge' segments). This group were also more likely to use business media (29% compared with 17%).

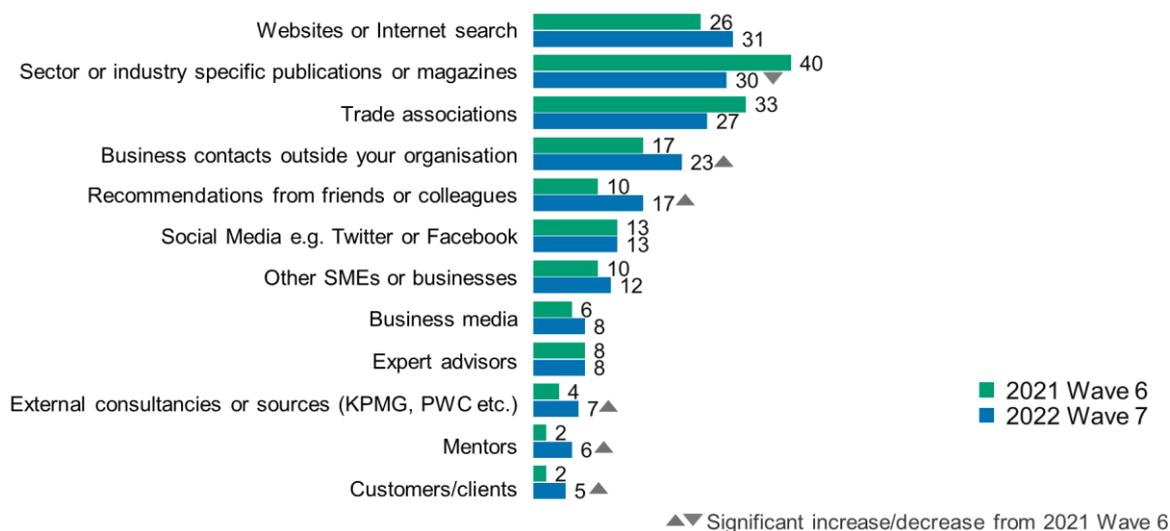
Geographically, businesses in the Northern Powerhouse were more likely to say they use business contacts outside of their organisation (76%) than those in in the Midlands Engine (56%) and South England (55%). They were also more likely to use social media (41% compared with 19% and 24% respectively).

SME businesses (0-249 employees) were less likely to use trade associations (46%), sector or industry specific publications (45%), external consultancies (16%), and mentors (13%) than large businesses (over 249 employees; 65%, 64%, 38%, and 28% respectively). Businesses with an annual turnover greater than £2,000,000 were more likely to use business media (31%) than businesses with a turnover under £2,000,000 (17%). This group were also more likely to use external consultancies (27% compared with 11%).

Compared with the sources used to stay informed about exporting, a narrower range of sources were used by businesses to stay informed about their own industry, as shown in Figure 8.9. The use of websites or internet searches was reported by 1 in 3 businesses (31%). A similar proportion reported using sector specific publications (30%), a decrease from 2021 (40%). This compares with an increase in businesses using contacts outside their organisation (23% compared with 17%) and recommendations from friends or colleagues (17% compared with 10%). In addition, there has been an increase in those using external consultancies (7% compared with 4%), mentors (6% compared with 2%) and customers/clients (5% compared with 2%).

Figure 8.9: Channels used to stay informed about own industry

% of respondents reporting using ... to stay informed about their industry



Source: F2. Which sources do you use to stay informed about your industry?

Base : All respondents (randomised half sample in 2021): £500k+ turnover 2021 Wave 6/2022 Wave 7 (1236/624)

Answer codes <5% in 2022 are not shown.

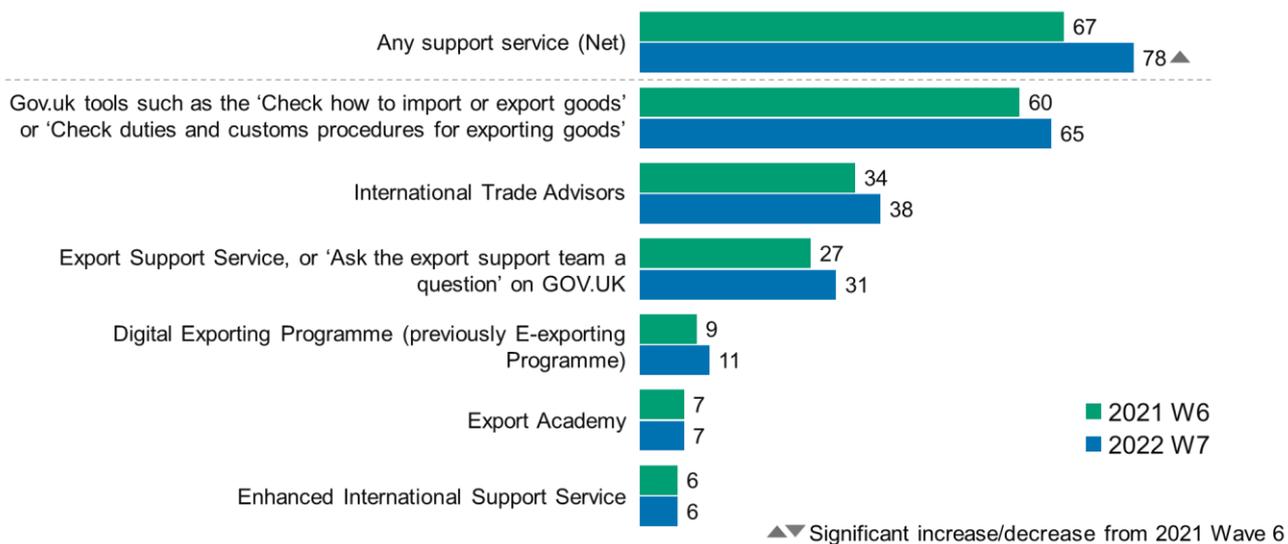
8.4 Awareness and usage of DIT export services

In the last quarter of 2021, a new question was introduced for all businesses, (excluding those whose products would never be suitable for export) designed to assess which government support services they were aware of (Figure 8.10). In 2022, over three quarters of such businesses reported being aware of at least one support service (78%), a significantly larger proportion than in the last quarter of 2021 (67%). In line with last year, the most common of these were GOV.UK

tools (65%)³³. Just under 2 in 5 mentioned International Trade Advisors (38%) and 3 in 10 mentioned the Export Support Service on GOV.UK (31%).

Figure 8.10: Awareness of UK government trade support services

% of businesses excluding those whose products/services would never be suitable for export: awareness of UK Government trade support services



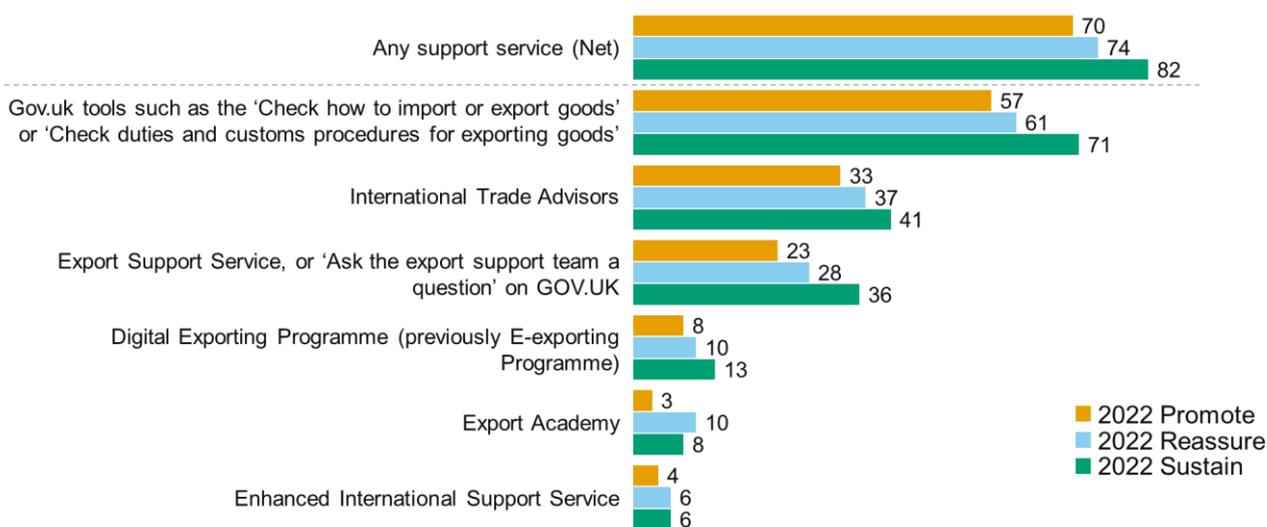
Source : Q34B. Which, if any, of the following UK Government trade support services are you aware of?
 Base : All £500k+ businesses excluding those whose products/services would never be suitable for export 2021 W6 Q4/2022 W7 (369/1530)

Businesses who had exported in the past 12 months were more likely to be aware of any UK government trade support service (82% in the 'Sustain' segment) compared with those that had exported over 12 months ago (74%) or those who haven't exported but could (70%). The 'Sustain' segment group were most likely to be aware of GOV.UK tools (71%) such as check how to important/export goods or to check duties and customs procedures.

³³ GOV.UK tools include 'Check how to import or export goods' and 'Check duties and customs procedures for exporting goods'.

Figure 8.11: Awareness of UK government trade support services by exporting segment

% of businesses excluding those whose products/services would never be suitable for export: awareness of UK Government trade support services



Source : Q34B. Which, if any, of the following UK Government trade support services are you aware of?
 Base : All £500k+ businesses excluding those whose products/services would never be suitable for export 2022 W7:
 Promote (341), Reassure (196), Sustain (974)

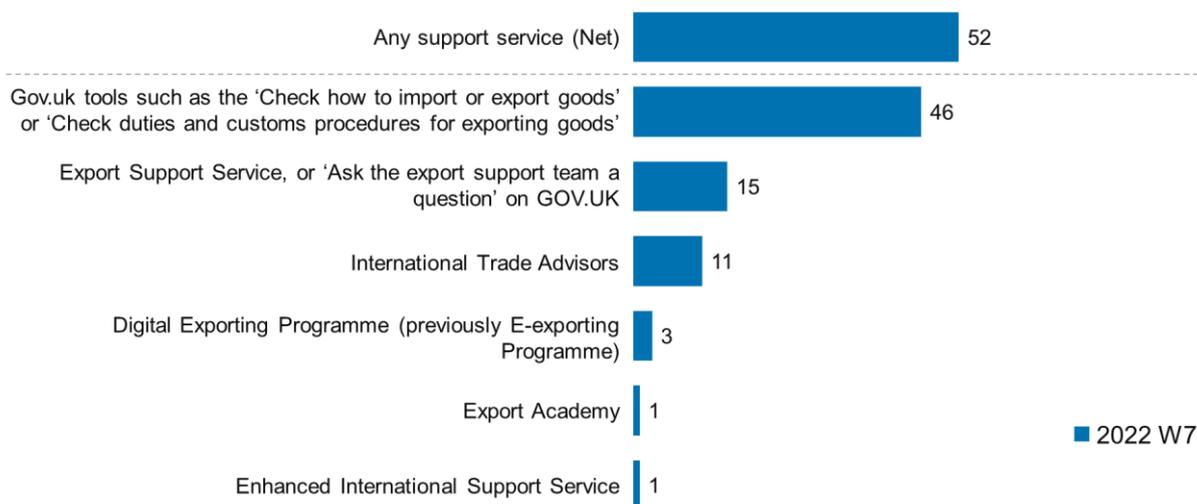
A new question added in 2022 asked all respondents (excluding those businesses whose products/services would never be suitable for export) whether they had used any government trade support service (see Figure 8.12). Over half reported that they had used a support service (52%). GOV.UK tools were again the most cited service, selected by over 2 in 5 (46%). The second most used service was the Export Support Service (15%), followed by International Trade Advisors (11%).

Micro businesses (with fewer than 10 employees; 43%) were less likely to have used GOV.UK tools than businesses with 20 or more employees (51%). Medium and large businesses (with more than 50 employees) were more likely to have used International Trade Advisors than small businesses (with 10-49 employees; 18% compared with 10%). Medium and large businesses were also more likely to have used the Export Support Service (21%) than small businesses (14%).

Businesses who have ever exported ('Sustain' or 'Reassure' segments) were more likely to have used any support service (60%) than those who had not exported ('Promote' or 'Challenge' segments; 30%). In particular, businesses who had exported were more likely to have used GOV.UK tools (52% compared with 28%).

Figure 8.12: Use of UK government trade support services

% of businesses excluding those whose products/services would never be suitable for export: use of UK Government trade support services



Source : Q34C. And which, if any, of these have you used?

Base : All £500k+ businesses excluding those whose products/services would never be suitable for export 2022 W7 (1530)

8.5 Knowledge and skills gaps picked up throughout the survey

This section gathers and summarises knowledge and skills gaps that became apparent throughout the survey, to highlight groups for DBT to target.

Around 1 in 7 businesses found their own lack of knowledge and capacity issues to be a strong barrier in relation to exporting to core markets (Chapter 5.2), but there were no specific subgroups that suggested they had lower levels of knowledge than others. However, in terms of exporting generally, SME businesses (with 0-249 employees) were more likely than large businesses (with 250+ employees) to state that their own lack of knowledge (34% compared with 12%) was a strong barrier to exporting. This highlights a group with a knowledge gap for DBT to target.

9. Expectations for growth and trade – (£500,000+ turnover businesses)

Positive attitudes and interest in exporting are the starting points for businesses embarking on their exporting journey. This chapter looks at business innovation and plans for growth, trends in attitudes related to exporting, and expectations for growth in UK exports.

Overall, the findings from this chapter indicate that the proportion of businesses aiming to grow has remained stable. There were signs of increasing business confidence around export opportunities. However, there remained some concerns, especially in relation to the EU Exit.

Key findings

- Around 7 in 10 (69%) businesses were aiming to grow their business. A further 1 in 5 (19%) were aiming for consolidation and just over 1 in 8 (13%) felt they needed to return to profitability. These findings were broadly in line with 2021, but there was some evidence of a shift away from businesses just aiming to returning to profitability and more towards consolidation, with the gap between these widening
- Attitudes towards exporting indicate that businesses were starting to feel more positive about their exporting prospects, with an increase in the proportion who agreed that there was a lot of opportunity for their business to grow internationally (58%, up from 52% in 2021). Furthermore, there has been a reduction in the proportion who felt that there would not be enough demand for their business overseas to make it worthwhile (26%, down from 33% in 2021)
- However, perceptions of there being a lot of demand for UK products and services has continued to decline, from 73% in 2017 to 55% in 2022. It is likely that exiting the EU has at least contributed to this, with 49% agreeing that since the UK left the EU there has been less global demand for UK products and services, up from 39% in 2021
- Issues associated with the COVID-19 pandemic appeared to be receding, with a decline in the number of businesses agreeing that coping with the COVID-19 pandemic had been their priority and so their business had not been able to focus on exporting (from 42% in 2021 to 35% in 2022). Compared with 2020, there was a significantly smaller proportion of businesses feeling that demand for UK products and services had decreased because of the COVID-19 pandemic, though the figure is in line with 2021
- The balance of opinion on expectations for a growth in UK exports over the next 5 years remained positive, with more businesses expecting an increase (41%) than a decrease (22%). Short term confidence also remained positive, with 31% expecting a growth in exports in the next 12 months and 26% expecting a decline in this period
- However, over the course of the year expectations for growth in UK exports declined. Businesses expecting a decrease over the next 5 years increased from 19% in Quarter 1 and 2 to 24% in Quarter 3 and 4. Those expecting a decrease over the next 12 months increased from 19% in Quarter 1 and 2 to 34% in Quarter 3 and 4.

9.1 Business thinking about growth

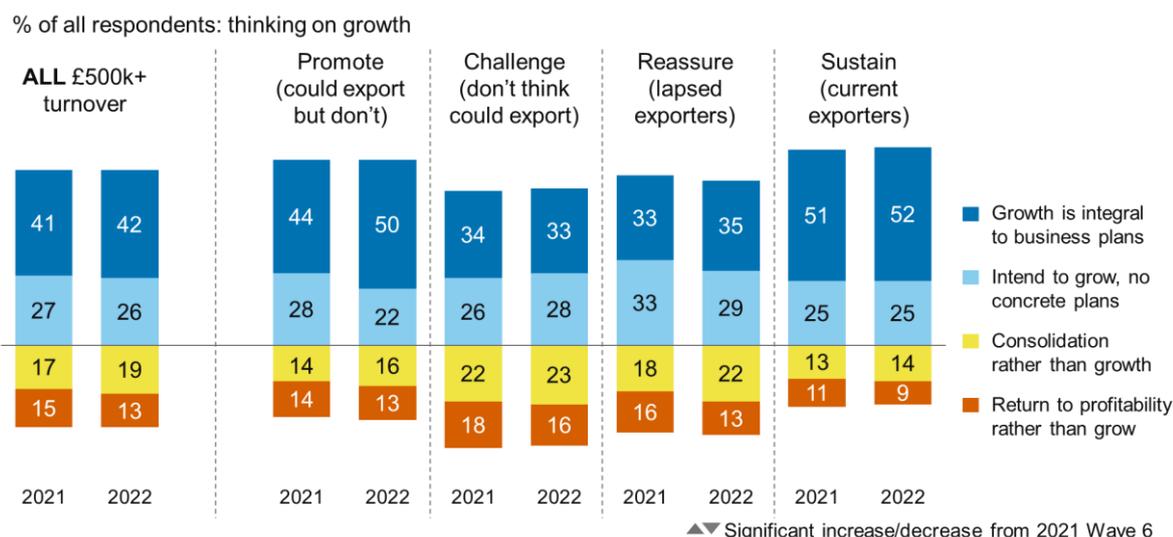
The question on growth was updated between 2020 and 2021 to reflect the potential impact of COVID-19 on businesses profitability. This reflected the fact that returning to profitability may be a

key challenge for many businesses as they embarked on a road to recovery. The introduction of an additional response option covering the return to profitability reduces the ability for direct year-on-year comparisons to be made with data collected prior to 2021, although the responses reflecting growth are broadly comparable with earlier years.

Overall, around 7 in 10 businesses (69%) reported that they were aiming to grow their business. This figure was in line with 2020 and 2021, but down from 2018 (73%). Growth was seen as integral to business plans for 2 in 5 (42%), while 1 in 4 (26%) intended to grow but had no concrete plans to achieve this. At the other end of the scale, around 1 in 5 (19%) stated that they were aiming for consolidation rather than growth and just over 1 in 10 (13%) felt they needed to return to profitability (Figure 9.1). Although there were no significant changes between 2021 and 2022, there is evidence of a shift away from businesses just aiming to returning to profitability and more towards consolidation, with the gap between these widening from 2 percentage points in 2021 to 6 percentage points in 2022.

Businesses in the ‘Sustain’³⁴ segment (current exporters) and those in the ‘Promote’³⁵ segment (who had never exported but whose products or services were suitable for export) were the most likely to state that growth was an integral part of their business plans (52% and 50% respectively). ‘Reassure’³⁶ businesses (who had exported previously, but not in the last 12 months) and ‘Challenge’³⁷ businesses (whose products or services were not suitable for export) were less likely to report that growth was an integral part of their business plan (35% and 33% respectively). As such they were more likely than those in other segments to be aiming to consolidate their business (22% and 23% respectively). Those in the ‘Challenge’ segment were more likely than those in other segments to be aiming to return to profitability (16%). There were no significant changes in thinking on growth in any of the segments between 2021 and 2022.

Figure 9.1: Current thinking on growth



Source: Q11 (GROWATT). Which of these best describes your thinking on growth?
 Base : 2021 Wave 6/2022 Wave 7: All £500k+ turnover businesses (2485/2405), Promote (351/341), Challenge (843/875), Reassure (217/196), Sustain (1052/974)

³⁴ See section 3.5 ‘Segment Definitions’ for a full explanation

As in previous years, intentions to grow were much stronger among larger businesses (72% of large businesses and 47% of SME businesses (0-249 employees) said growth was an integral part of their business plans, compared with 35% of micro businesses). Smaller businesses were more likely to be aiming for either consolidation or a return to profitability (37% of micro businesses (0-9 employees) placed themselves in one of these categories, compared with 11% of large businesses (250+ employees)).

Geographically, businesses in Yorkshire and The Humber were more likely than those in other regions to state that growth was integral to their business plans (53%). Those in London and the Midlands Engine super-region were more likely than others to be intending to grow but with no concrete plans to do so (33% and 32% respectively).

By sector, businesses in information and communication were more likely than others to state that growth was integral to their business plans (68%). At the other end of the scale, aiming for a return to profitability was more likely among businesses in consumer discretionary (21%) and transportation and storage (20%) than in other sectors.

In 2021, those who were intending to grow their business were asked for the first time what they intended to do to achieve this over the next 12 months. This question was also asked in the first half of 2022. As in 2021, the most frequently mentioned growth objective was to find new customers, although this increased from 30% in 2021 to 37% in 2022. The UK market was a clear business priority, as finding new customers inside the UK (27%) was the top response, given by almost twice as many as who said they would find new customers outside the UK (15%). Similarly, 11% stated that they intended to sell more to existing UK customers, compared with 4% who had the intention of selling more to existing customers outside the UK. Overall, 16% mentioned something to do with exporting as one of the main ways in which they intended to grow their business.

Growth by finding new customers was more likely to be mentioned by those in the 'Sustain' (42%) and 'Promote' (47%) segments, although those in the 'Sustain' segment were more likely to be looking to find new customers outside the UK (29%). 1 in 3 (32%) 'Sustain' businesses mentioned something to do with exporting as a key priority for growth, compared with fewer than 1 in 10 in any other segment. 'Promote' businesses were more likely than those in other segments to be looking to grow by selling more to existing customers within the UK (18%).

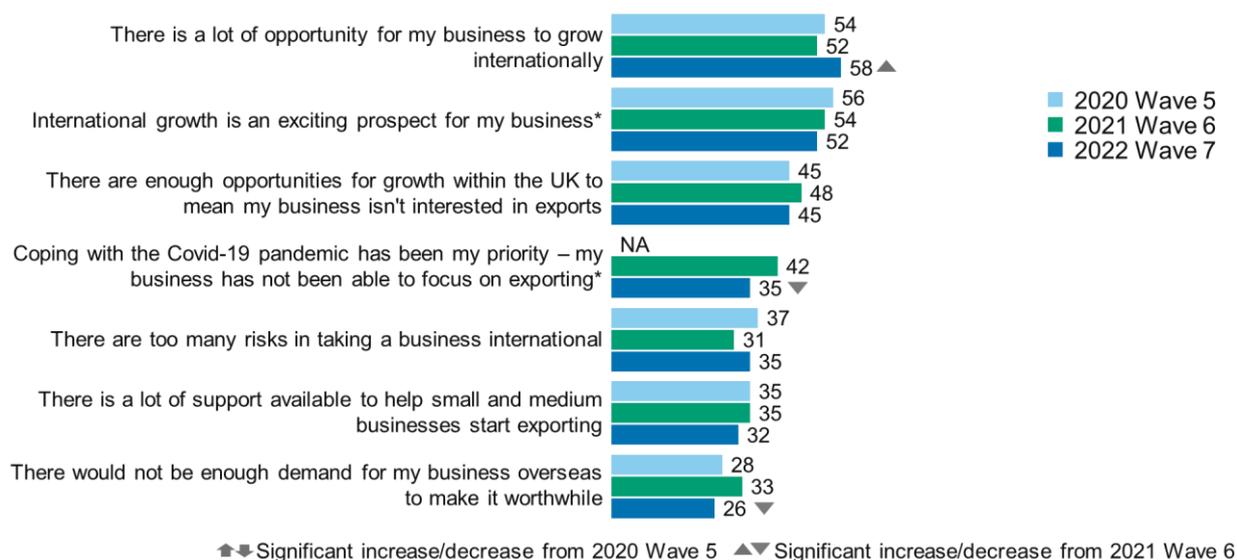
Other frequently given responses to achieving growth were around the areas of developing new products and services (18%), profile raising, marketing activities and networking (17%) and hiring new staff (15%).

9.2 Attitudes to exporting, and demand for UK products

Businesses with either experience of or potential for exporting were asked a series of questions about their attitudes towards exporting. The proportion who agreed with each statement (either strongly or slightly) is shown in Figure 9.2. Overall, the picture is similar to the previous 2 years, although there is some evidence that businesses are starting to feel a little more positive about their exporting prospects, with an increase in the number who agreed that there is a lot of opportunity for their business to grow internationally (58%, up from 52% in 2021) and a reduction in the number who felt that there would not be enough demand for their business overseas to make it worthwhile (26%, down from 33% in 2021). Furthermore, the proportion who agreed that coping with the COVID-19 pandemic had been their priority and so their business had not been able to focus on exporting fell from 42% in 2021 to 35% in 2022.

Figure 9.2: Attitudes to exporting

% of respondents who could/do export – agree that ...



Source: Q31(EXP_STAT). To what extent do you agree or disagree that...

Base : All who export or could potentially export: £500k+ turnover 2020 Wave 5/2021 Wave 6/2022 Wave 7 (1564/1642/1530)

* In W7, asked Q1 & Q2 only, base: 826

Current exporters, in the 'Sustain' segment, were more likely than lapsed or potential exporters, in the 'Reassure' or 'Promote' segments, to agree with the more positive statements, including:

- That there is a lot of opportunity for their business to grow internationally (69%)
- That international growth was an exciting prospect for their business (62%)
- That there is a lot of support available to help small and medium businesses start exporting (35%)

Conversely, businesses in the 'Reassure' and 'Promote' segments were more likely to feel they did not need to export or to have concerns; that is, they were more likely than 'Sustain' businesses to agree that:

- There are enough opportunities for growth in the UK (71% 'Reassure', 66% 'Promote')
- Coping with COVID-19 had prevented them from focussing on exporting (49% 'Reassure', 48% 'Promote')
- There are too many risks in taking a business international (50% 'Reassure', 45% 'Promote')
- There would not be enough demand for their business overseas to make it worthwhile (41% 'Reassure', 34% 'Promote')

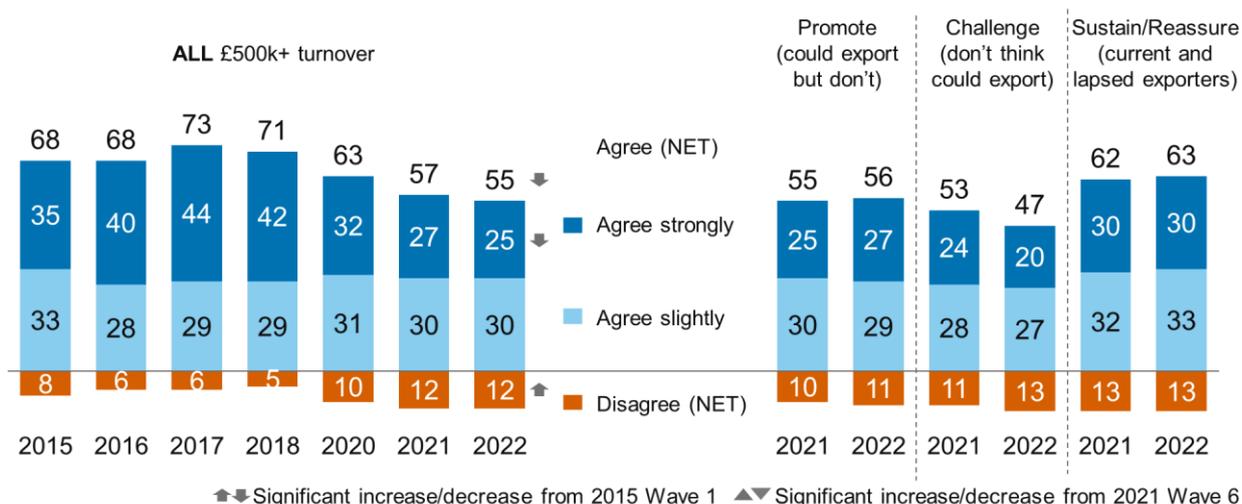
All businesses were asked a series of broader attitudinal questions covering their opinions on demand for UK products and services around the world. These were applicable to both those with and without exporting experience, including those whose products or services were not suitable for export.

Agreement that there is a lot of demand for UK products or services around the world has been declining since 2017, down from 73% to 55% in 2022, with strong agreement down from 44% to 25% (Figure 9.3). The pattern of decline is apparent across all segments, although current and lapsed exporters remain the most likely to agree there is a lot of demand (63%).

Although agreement held steady between 2021 and 2022 overall, this was largely due to a more positive outlook in the first half than the second half of 2022 (61% in 2022 Quarter 1 and 2, falling to 50% in 2022 Quarter 3 and 4).

Figure 9.3: Agreement that there is a lot of demand for UK products or services around the world

% of all respondents: agreement that there is a lot of demand for UK products or services around the world



Source: Q14 (EXPSTAT_ALL). To what extent do you agree or disagree that: There is a lot of demand for UK* products or services around the world

* Prior to W7: British products or services

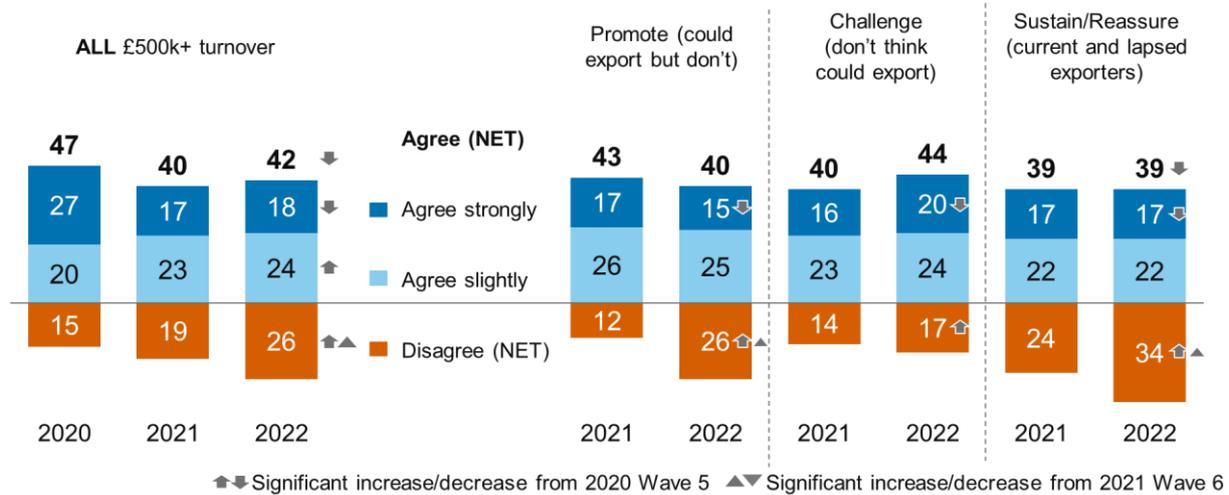
Base : 2015 W1/2016 W2/2017 W3/2018 W4/2020 W5/2021 W6/2022 W7: All £500k+ turnover

(1160/1139/2535/2448/2557/2485/2405); 2021 W6/2022 W7: Promote (351/341), Challenge (843/875), Sustain/Reassure (1269/1170)

In 2022, 2 in 5 (42%) businesses agreed that demand for UK products or services around the world had decreased because of the COVID-19 outbreak. This is in line with 2021, but an improvement from 2020 (47%). However, the number who disagreed continued to increase year on year, to 26% in 2022, up from 15% in 2020 and 19% in 2021 (Figure 9.4). Although agreement was at similar levels across all segments in 2022, the improvement from 2020 has largely been driven by 'Sustain' and 'Reassure' businesses (from 45% in 2020 to 39% in 2022). In addition, disagreement was highest among businesses in the 'Sustain' and 'Reassure' segments (34%), although has increased among all segments since 2020.

Figure 9.4: Agreement that in general, demand for UK products or services around the world has decreased because of the COVID-19 outbreak

% of all respondents: agreement that in general, demand for UK products or services around the world has decreased because of the coronavirus outbreak



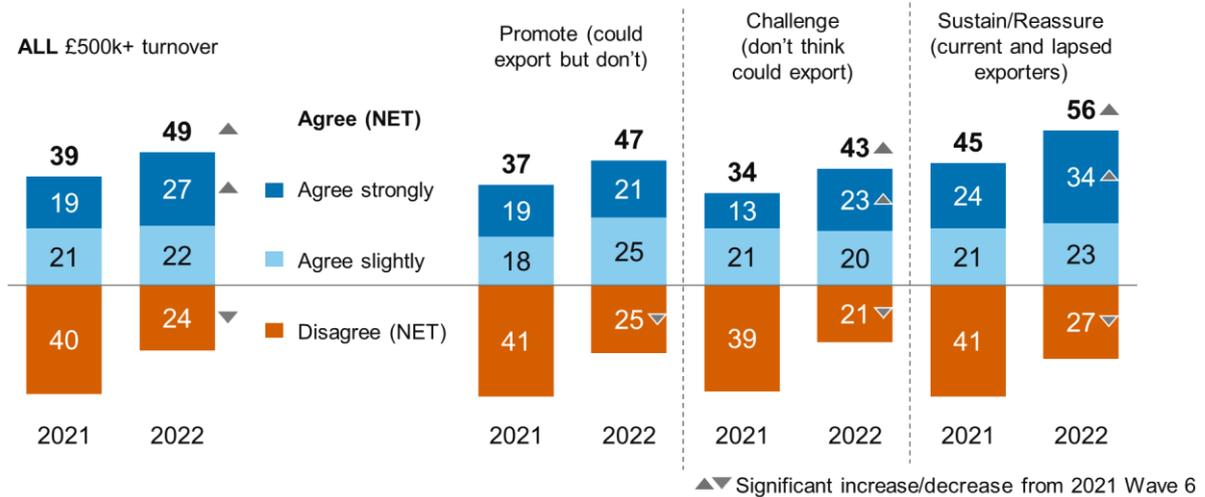
Source: Q14 (EXPSTAT_ALL). To what extent do you agree or disagree that: W7 – In general, demand for UK products or services around the world has decreased because of the coronavirus outbreak; W5-W6 – In general, demand for British products or services around the world has decreased since the coronavirus outbreak
 Base : 2020 Q2-4 W5/2021 W6/2022 W7: All £500k+ turnover (1931/2485/2405); 2021 W6/2022 W7: Promote (351/341), Challenge (843/875), Sustain/Reassure (1269/1170)

While there has been a decline in agreement that demand for UK products or services has decreased because of the COVID-19 outbreak, there has been an increase in agreement that there has been less demand for UK products and services **due to EU Exit**, from 39% in 2021 to 49% in 2022. Furthermore, current and lapsed exporters were more likely to agree (56%) than those in ‘Promote’ and ‘Challenge’ segments, 47% and 43% respectively, that there has been less general demand for UK products and services since the UK left the EU, see Figure 9.5.

Agreement that since the UK left the EU there has been less demand for UK products and services continued to increase throughout 2022, from 46% in Quarter 1 and 2 to 52% in Quarter 3 and 4. It was also higher in London (56%), Scotland (54%), Northern Ireland (54%) and the Northern Powerhouse super-region (53%), as well as in consumer discretionary (59%) and wholesale and retail (54%) sectors.

Figure 9.5: Agreement that since the UK left the EU in January 2020, there has been less demand for UK products and services

% of all respondents: agreement that since the UK left the EU in January 2020, there has been less demand for UK products and services

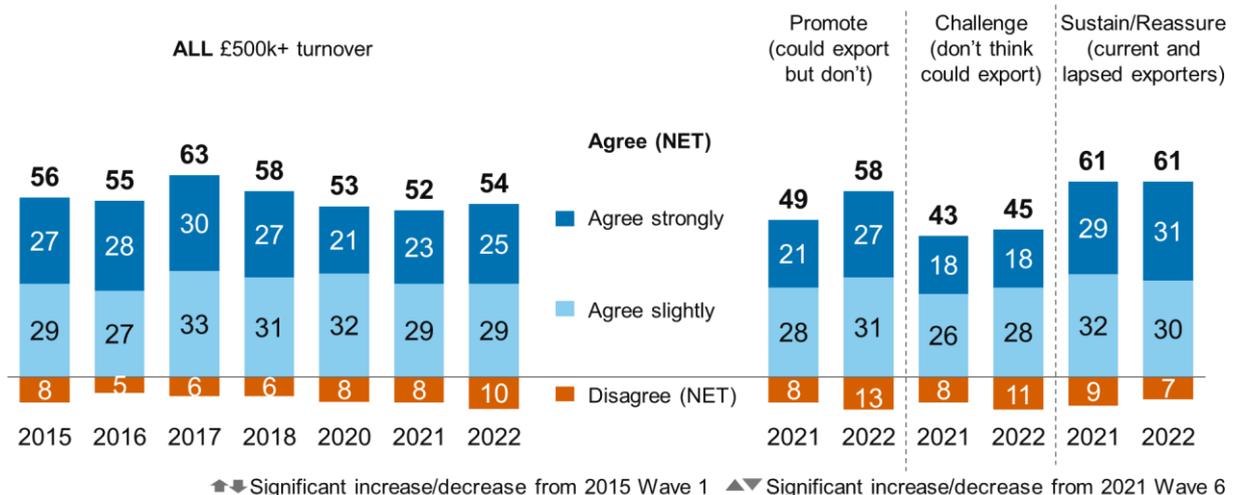


Source: Q14 (EXPSTAT_ALL). To what extent do you agree or disagree that: W7 – Since the UK left the EU in January 2020, there has been less demand for UK products and services; W6 – Now we have left the EU, there will be less demand for British products and services
 Base : 2021 W6/2022 W7: All £500k+ turnover (2485/2405), Promote (351/341), Challenge (843/875), Sustain/Reassure (1269/1170)

Apart from a peak in 2017 (63%), agreement that a lot more businesses could export than do export has remained relatively consistent at just over half (54% in 2022) since first being asked in 2015 (Figure 9.6). Those in the 'Challenge' segment, with no exportable product or service, were less likely to agree (45%) than those who had experience of exporting (61%), or whose products or services were at least suitable for export (58%), likely reflecting their own experiences.

Figure 9.6: Agreement that a lot more businesses could export than do export

% of all respondents: agreement that a lot more businesses could export than do export



Source: Q14 (EXPSTAT_ALL). To what extent do you agree or disagree that: A lot more businesses could export than do export
 Base : 2015 W1/2016 W2/2017 W3/2018 W4/2020 W5/2021 W6/2022 Q1-2 W7: All £500k+ turnover (1160/1139/2535/2448/2557/2485/1272); 2021 W6/2022 Q1-2 W7: Promote (351/183), Challenge (843/446), Sustain/Reassure (1269/632)

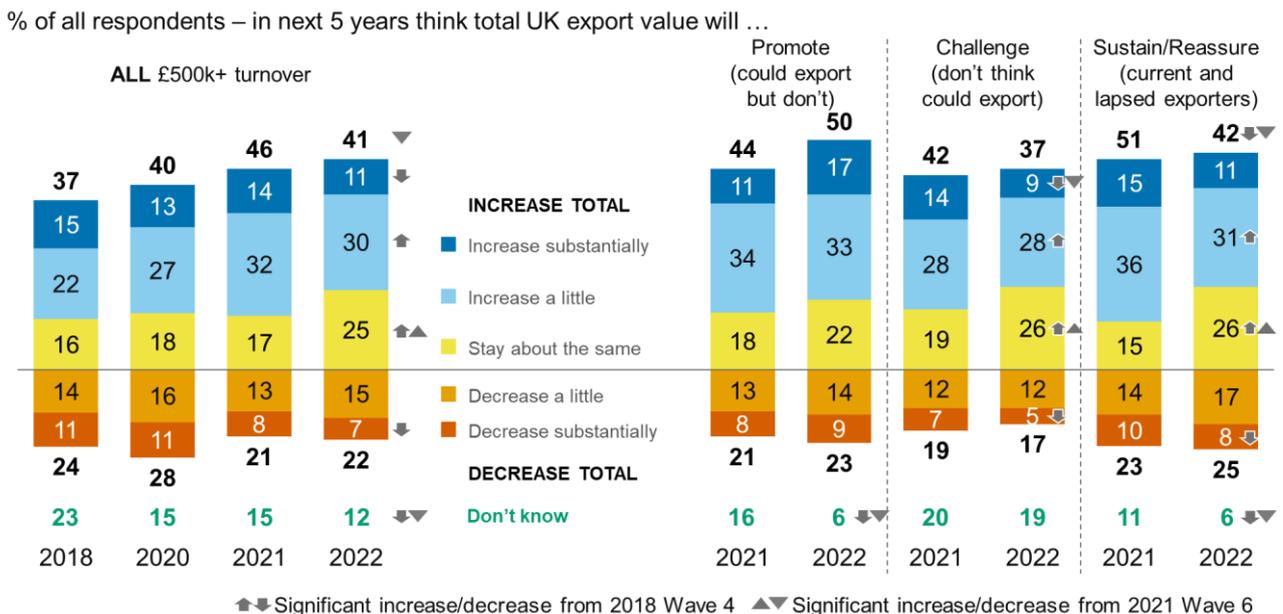
As in 2021, businesses in Northern Ireland were particularly likely to agree that a lot more businesses could export than do export (68%). This most likely reflects strong trade links with the Republic of Ireland.

9.3 Expectations for growth over the next 5 years and next 12 months

To get a sense of business confidence in the prospects for UK exports, all businesses were asked whether they believed the value of UK exports would increase, decrease or stay the same over the next 5 years. As in previous years, the balance of opinion was positive, with more businesses expecting an increase (41%) than a decrease (22%) in export value (Figure 9.7). The proportion of businesses expecting an increase fell from a peak of 46% in 2021, although this corresponded with an increase in the proportion expecting UK export values to stay about the same (25%, up from 17%), rather than any change in the number anticipating a decrease.

With regards to change from 2021, ‘Promote’ businesses (who had the potential to export but had not done so) were most likely to believe that UK exports would increase in value (50%). Among those who were current or lapsed exporters, in the ‘Sustain’ and ‘Reassure’ segments, belief in increasing values of UK exports over the next 5 years fell from 51% in 2021 to 42% in 2022.

Figure 9.7: Whether businesses believe UK exports will increase or decrease over the next 5 years

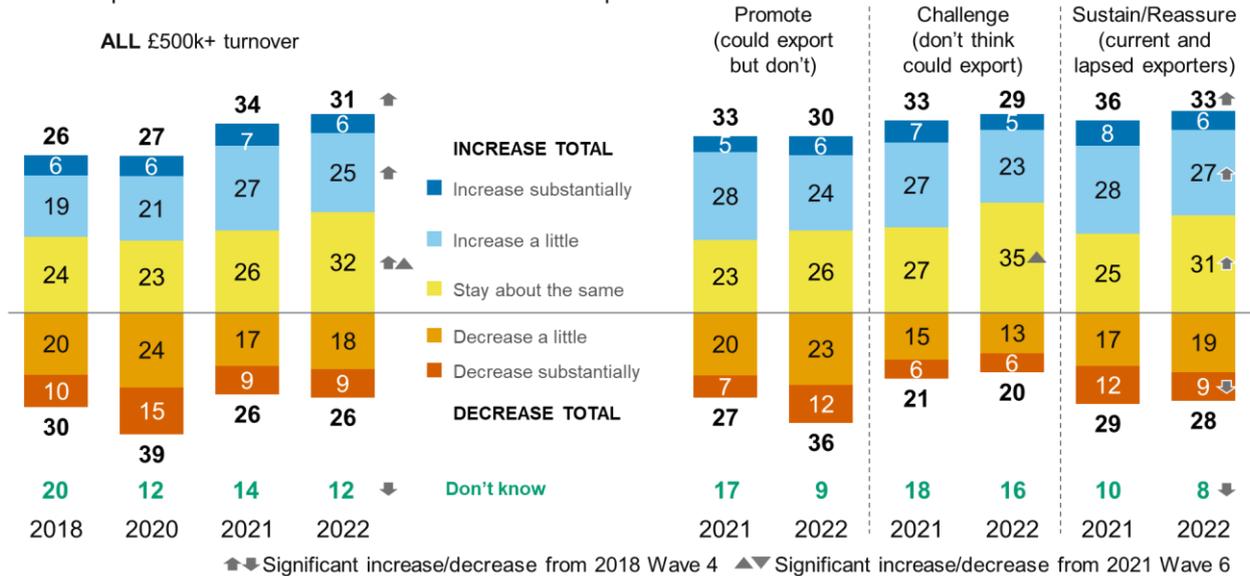


Source: Q40a. Moving to a different topic now, thinking about UK exports over the next 5 years or so, do you think that the total value of exports by UK businesses will...
 Base : All respondents 2018 W4/2020 W5/2021 W6/2022 W7*: £500k+ turnover (2448/2557/2485/1199); 2021 W6/2022 W7*: Promote (351/166), Challenge (843/451), Sustain/Reassure (1269/574)
 * Half sample selected at random in W7

To provide a shorter-term view of business confidence, businesses were also asked whether they believed the value of UK exports would increase, stay the same, or decrease over the next 12 months. Overall, the picture was very similar to 2021, but more positive than 2018 and 2020, with around 1 in 3 (31%) businesses believing the value of UK exports would increase over the next 12 months. Conversely 1 in 4 (26%) believed it would decrease (Figure 9.8). There was relatively little difference in outlook by segment, business size, region or sector.

Figure 9.8: Whether businesses believe UK exports will increase or decrease over the next 12 months

% of all respondents – in next 12 months think total UK export value will ...



Source: Q40b. And over the next 12 months or so, do you think that the total value of exports by UK businesses will...
 Base : All respondents 2018 W4/2020 W5/2021 W6/2022 W7*: £500k+ turnover (2448/2557/2485/1199); 2021 W6/2022 W7*:
 Promote (351/166), Challenge (843/451), Sustain/Reassure (1269/574)
 * Half sample selected at random in W7

There was no difference across 2022 in the proportion of businesses expecting an increase in UK exports, either over the next 5 years or the next 12 months. However, the number expecting a decrease in UK export value over the next 5 years increased from 19% across quarter 1 and 2 to 24% across quarter 3 and 4, while the number expecting a decrease over the next 12 months increased from 19% in quarter 1 and 2 to 34% in quarter 3 and 4.

10. Importing – (£500,000+ turnover businesses)

This chapter covers businesses' importing activity, the countries they have imported or have considered importing from, and barriers they face to doing so. These questions on importing were added in 2022 and mainly focus on recent importing activity (apart from when thinking about importing barriers, as these questions have no timeframe).

Key findings

- Over 2 in 5 businesses were currently importing (43%) while more than half of businesses had never imported (54%). A third of businesses were importing the same or importing more than the previous 12 months (33%)
- Almost half of importing businesses had imported from one of the core markets (USA, UAE, Canada, India, Mexico; 47%). Businesses in the 'Sustain'³⁸ or 'Reassure' segments were more likely to have imported from any core markets (53%) than those in the 'Promote'³⁹ or 'Challenge' segments (31%)
- Time and cost were seen as the greatest barriers to importing, with around a third of respondents saying these were a strong barrier (33% and 36% respectively). Access to contacts, lack of knowledge, capacity, and different standards were said to be strong barriers by less than 1 in 5 businesses

10.1 Importing change

All businesses were asked about their levels of importing over the past 12 months in terms of value (Figure 10.1). Please note, as the questionnaire referred to change in importing value, the increasing inflation rates experienced in 2022 must be considered. We would expect export values to increase due to inflation even if the volume of exports remained stable.

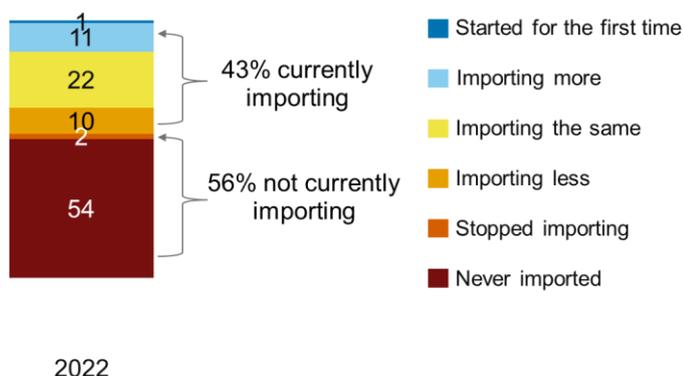
Over half of businesses (54%) asked had never imported. More than 1 in 10 (12%) of businesses had been importing less or stopped importing over this period, and a third (33%) were importing the same or importing more than previously. Only 1% of businesses had started importing for the first time over the past 12 months.

In terms of size of business, two thirds of large businesses (over 250 employees) were currently importing (66%), much higher than SMEs (0-249 employees; 42%). In terms of sectors, wholesale and retail (61%) and manufacturing, raw materials, and energy (64%) businesses were more likely to be currently importing. These sectors were also more likely to be importing more than they were previously (20% and 15% respectively).

³⁸ See section 3.5 'Segment Definitions' for a full explanation

Figure 10.1: Importing change over the past 12 months

% of importers of goods/services in past 12 months



Source: QIMP16A. Thinking about the last 12 months or so, which of the following best describes your importing in terms of value?

Base : All £500k+ businesses: Wave 7: 1,272

NB: 'Don't know' is not shown so this does not add to 100%

10.2 Countries imported from and the regions decided against importing from

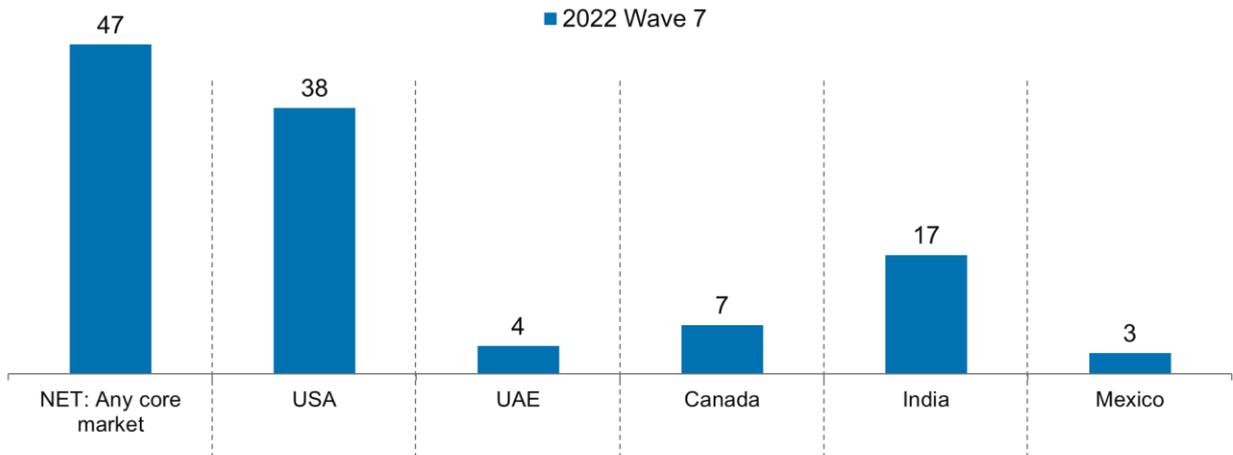
Businesses that had imported before were subsequently asked from which countries they had imported. Almost half of these businesses (47%) had imported from any of the core markets (USA, UAE, Canada, India, Mexico). Just under 2 in 5 of importing businesses had imported from the USA (38%) and 17% had imported from India.

Businesses who have ever exported (in the 'Sustain' or 'Reassure' segments) were more likely to have imported from any core market (53%) than those who have never exported (in the 'Promote' or 'Challenge' segments (31%). Compared with those who hadn't, businesses that had exported before were more likely to have imported from China (43% compared with 31%), the USA (43% compared with 25%), and India (20% compared with 10%).

Over 9 in 10 businesses in the 'Midlands Engine' region had imported from the EU (93%) and were more likely to have done so than those in the 'Northern Powerhouse' region (76%) or South England (78%).

Figure 10.2: Countries imported from in past 5 years

% of all who have imported
Have imported from... in past five years

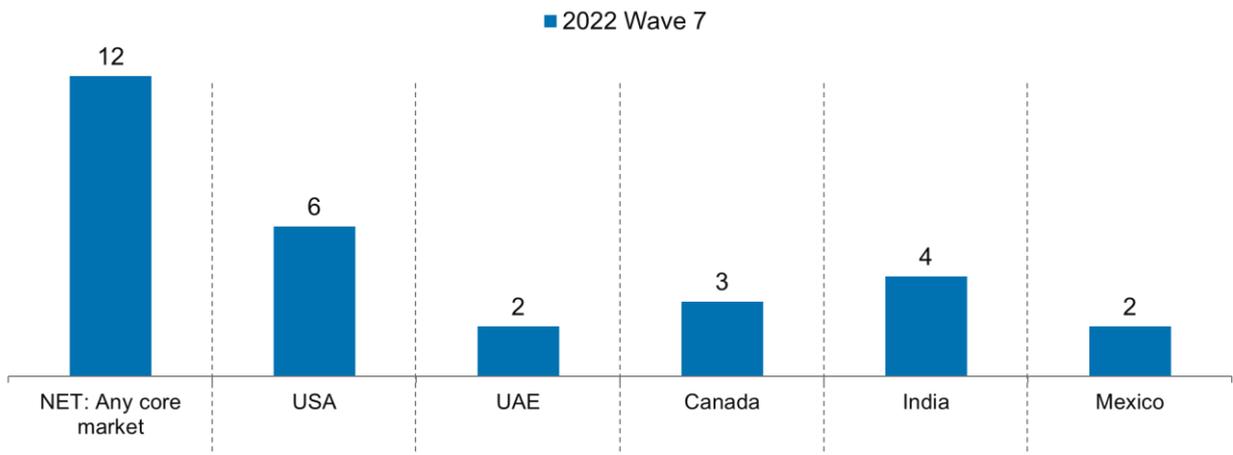


QIMP25A. Which, if any, of the following countries or regions have you imported from over the past five years?
Base : All £500k+ turnover businesses who have imported Wave 7: 656

Businesses that had not said they imported from all the countries listed were asked which countries they had seriously considered importing from but decided against doing so. USA was the most frequently cited country (6%), followed by India (4%).

Figure 10.3: Countries considered importing from in past 5 years

% of all who have imported
Have considered importing from... in past five years



QIMP25B. Which, if any, of the following countries or regions have you seriously considered importing from in the last five years, but decided against?
Base : All £500k+ turnover businesses who have imported Wave 7: 656

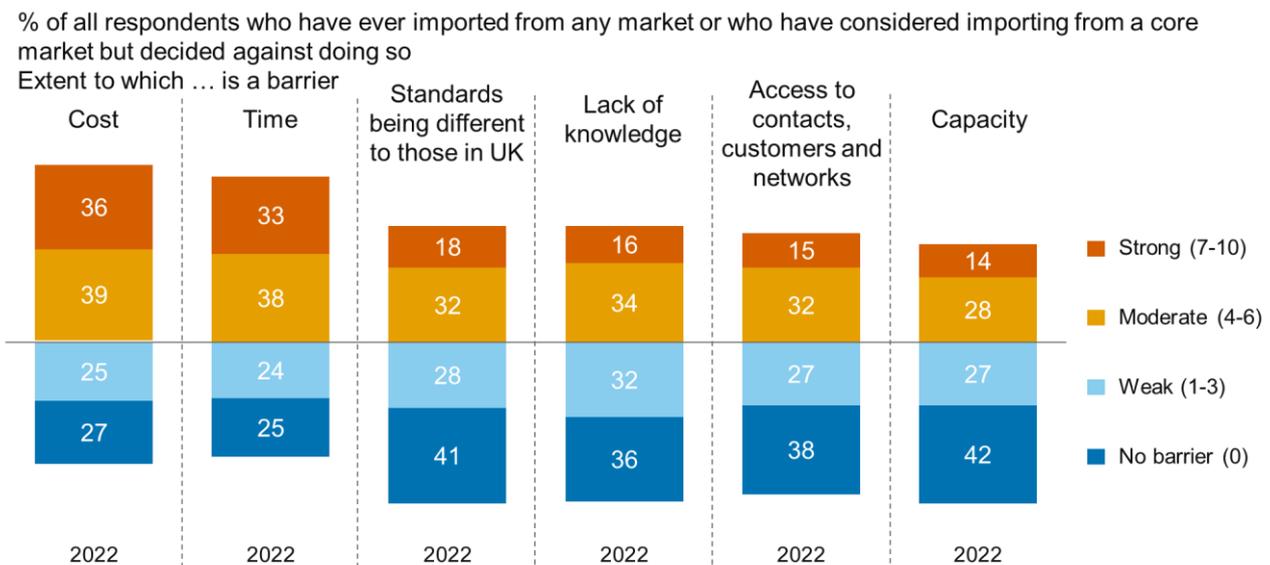
10.3 Import Barriers

Businesses that had ever imported or had considered doing so but decided against it were asked to rate the extent to which different factors were barriers to importing. These factors included cost, knowledge, capacity, access to contacts, customers and networks, time taken to comply with export procedures, and standards being different to those in UK.

Businesses were asked to assess the extent to which each factor was a barrier on a 0 to 10 scale, with 0 meaning this element was no barrier at all and 10 meaning it was a very strong barrier. Responses have been grouped into 4 categories. A score of 7 to 10 has been classified as a strong barrier, 4 to 6 is a moderate barrier, 1 to 3 represents a weak barrier and a score of 0 means no barrier at all.

Figure 10.4 shows the combined responses across all markets in 2022. Time and cost were seen as the greatest barriers to importing, with around a third of businesses feeling these were a strong barrier (33% and 36% respectively). Access to contacts, lack of knowledge, capacity, and different standards were seen as strong barriers by less than 1 in 5 businesses. Over 2 in 5 viewed capacity and different standards as no barrier at all (42% and 41% respectively).

Figure 10.4: Barriers to importing



Source: QIMP24D/QIMP24xE. On a scale of 0 to 10, where 0 means it is not a barrier at all and 10 means it is a very strong barrier, how much of a barrier is each of the following when it comes to importing from [CORE MARKET]/in general?
 Base: 2022 Wave 7: All £500k+ turnover businesses who have ever imported from any market or who have considered importing from a core market but decided against doing so (323)

11. Advertising and campaign metrics – (£500,000+ turnover businesses)

The UK entered a year-long transition period on 31 January 2020, which allowed for the negotiation of a trade agreement between the UK and EU (and for businesses to prepare for any new rules arising from that trade agreement). As such, there was considerable government campaign activity from July 2020 and into early 2021 aimed at making businesses aware of when the transition period was ending and the need to prepare for the new rules. Over this period, DIT was only running relatively light-touch campaigns relating to exporting, or none at all. This was to allow for the EU transition messaging to be communicated to businesses while minimising ‘noise’ from any other campaigns focusing on different aspects of international trade. Messaging on multiple trade topics might have confused business leaders or shifted their focus away from the pressing need to prepare for the end of the transition period.

In the final quarter of 2021, new campaign materials designed to direct businesses to export support services and export advice webinars were launched. The ‘Made in the UK, Sold to the World’ campaign was also launched during International Trade Week 2021. Although the launch of the new campaign would have played a role in boosting awareness of advertising and publicity on the topic of exporting at the end of 2021, spend was relatively low at this time and so the increases in awareness recorded in 2021 was likely to be attributable largely to the EU transition campaign. In 2022, the impact of DIT’s ‘Made in the UK, Sold to the World’ campaign was more clearly measurable, although there was still evidence that recall of publicity from the EU transition period remains (4% of those who were spontaneously aware of advertising or publicity cited references to “Brexit or preparing for Brexit” in the advertising they had seen).

The aim of the ‘Made in the UK, Sold to the World’ campaign is to shift attitudes towards exporting by making it feel possible and desirable for businesses. It is hoped that this will then encourage businesses to pursue international opportunities and increase the number of first-time exporters and businesses exporting into new markets. The campaign showcases real stories from successful exporters in a variety of sectors across the UK and demonstrates the range of opportunities that are available.

Alongside the core ‘Made in the UK, Sold to the World’ campaign, adverts for the UK Export Academy and Export Support Service continued to signpost businesses towards these specific export services to enable them to find any help or support they required to start or grow their exports.

Key findings

- High profile information and publicity around the EU Exit transition period contributed to raising levels of awareness of communications activity around exporting in 2021. In 2022, awareness returned to the lower levels more typically seen in recent years (28%). Mentions of exporting advice, webinars and workshops have begun to displace mentions of EU Exit when businesses describe what they were able to recall about any information and publicity around exporting which they had seen
- Government remains the main source to which businesses attribute publicity around exporting, although in 2022 there was a shift away from general mentions of the UK government (54%, down from 69%) and towards more specific mentions of the Department for International Trade (15%, up from 6%)

- The 'Made in the UK, Sold to the World' campaign was recognised by 17% of businesses and 8% recognised adverts for either the UK Export Academy or Export Support Service. For both campaign strands, recognition was higher among 'Promote'⁴⁰ businesses. Higher recognition of 'Made in the UK, Sold to the World' was also seen among 'Sustain'⁴¹ businesses, while the UK Export Academy and Export Support Service ads were also well recognised by those in the 'Reassure'⁴² segment
- The 2022 DIT campaigns were seen as clear (84%) and a trusted source of information (76%). Just over half (55%) felt that the ads stood out, a higher proportion than for the 'Exporting is GREAT' campaign in 2018 (37%), though 1 in 4 (24%) felt the 2022 campaigns were relevant to them, lower than for the 2018 'Exporting is GREAT' campaign (29%). The 2022 campaign was more likely to be seen as relevant to current exporters (the 'Promote' segment: 38%) and for lapsed exporters (the 'Reassure' segment: 29%) than for those who could export but do not (the 'Challenge'⁴³ segment: 24%)
- The campaigns were seen to contain new information by 6 in 10 (62%) businesses, although this was higher among those who had not previously exported. The messages that businesses most frequently took from the ads were that the government can help with exporting and in signposting where to go for exporting information. Recall of messages around the opportunities created by trade deals was at much lower levels, which corresponds with the fact that the department was running limited FTA advertising at the time
- Overall, the campaigns performed particularly well among businesses in the 'Promote' segment. These were businesses which have not previously exported but have products or services suitable for export. As such they offer significant opportunities for export growth and were a key target for campaign activities. 'Promote' businesses were more likely than those in other segments to say the campaigns increased their interest in finding out more about exporting, agree that the adverts stood out and told them something new, and to recall key messages around government help with exporting and the opportunities created by trade deals. 'Promote' businesses were also more likely than those in other segments to agree that the ads made them think about exploring exporting options
- In total, 22% of those who recognised the ads had either taken some action as a result of seeing the ads, planned to take action, or would consider doing so in future. The main actions either taken, planned or considered were looking into exporting or doing some general research, visiting the 'Made in the UK, Sold to the World' website, or visiting the great.GOV.UK website. 1 in 20 (5%) of those recognising the ads had already taken action at the time of interview, while 20% stated that there were actions (including additional actions) they planned to take or would consider taking in the future

11.1 Awareness of advertising and information about exporting

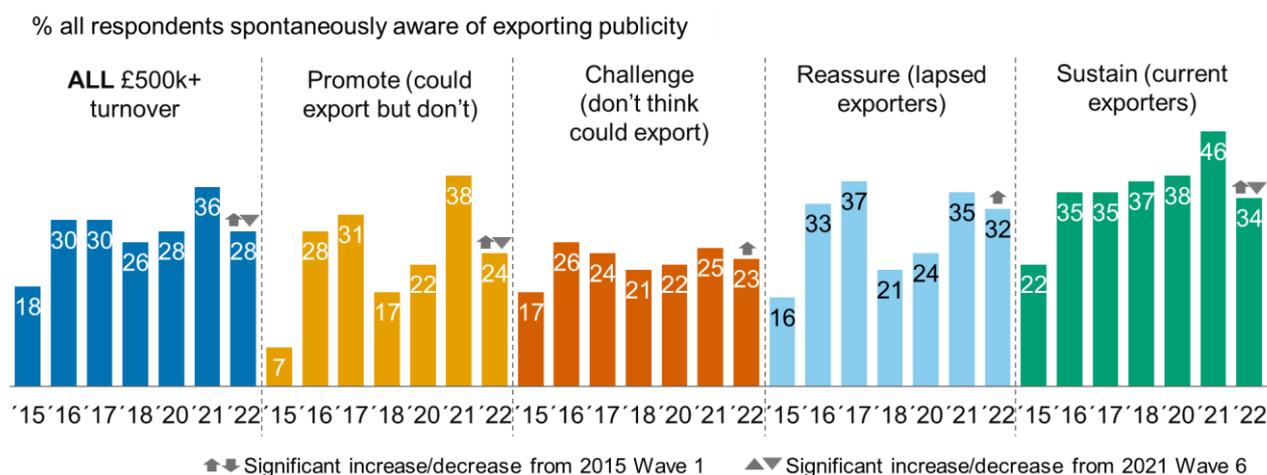
Spontaneous awareness of "any advertising, publicity or other types of information encouraging businesses to think about exporting" was first asked to all businesses in 2015. This created a baseline against which the potential impact of subsequent campaign activities could be measured. Spontaneous awareness increased in the year following the baseline (from 18% in 2015 to 30% in 2016), reflecting the launch of DIT's 'Exporting is GREAT' campaign. It then remained broadly

⁴⁰ See section 3.5 'Segment Definitions' for a full explanation

consistent up until 2020, supported by ongoing bursts of campaign activity. From 2020 to 2021 there was a significant increase from 28% to 36%, returning to 28% in 2022 (Figure 11.1). The uplift in awareness in 2021 is likely to be at least partly attributable to the high-profile HM government campaign relating to the end of the EU Exit transition period, with a return to more typical levels of awareness in 2022.

There has been variation over the years in spontaneous awareness of advertising and publicity about exporting between segments, although awareness has typically been higher in the exporting segments ('Sustain' and 'Reassure') than for those who had never exported ('Promote' and 'Challenge'). In both the 'Sustain' and 'Promote' segments there was a significant increase in awareness of advertising and publicity about exporting between 2020 and 2021, falling back to 2020 levels in 2022. In 2022, awareness stood at 34% in the 'Sustain' segment and 24% in the 'Promote' segment). Awareness of advertising and publicity about exporting also increased in the 'Reassure' segment of lapsed exporters between 2020 and 2021 (from 24% to 35%) but then remained at the uplifted level (32%) in 2022. Within the 'Challenge' segment (those whose product or service is not suitable for export) awareness of publicity about exporting has remained at around 1 in 4 in the years since the 2015 baseline (23% in 2022).

Figure 11.1: Spontaneous awareness of exporting publicity



Source: Q39. In the last [2015 W1/2016 W2: 6 months] [2017 W3: 9 months] [2019 W4 onwards: year], have you seen or heard any advertising, publicity or other types of information encouraging businesses to think about exporting?
 Base : All respondents 2015 W1/2016 W2/2017 W3/2018 W4/2020 W5/2021 W6^/2022 W7:
 All £500k+ turnover (1160/1139/2535/2448/2557/1243/2405), Promote (127/130/294/283/368/165/341), Challenge (466/426/874/840/993/429/875), Reassure (89*/99*/192/175/148/100/196), Sustain (421/429/1001/957/1025/536/974)
 * Base size is below 100; treat with caution ^ Random half sample at 2021 W6

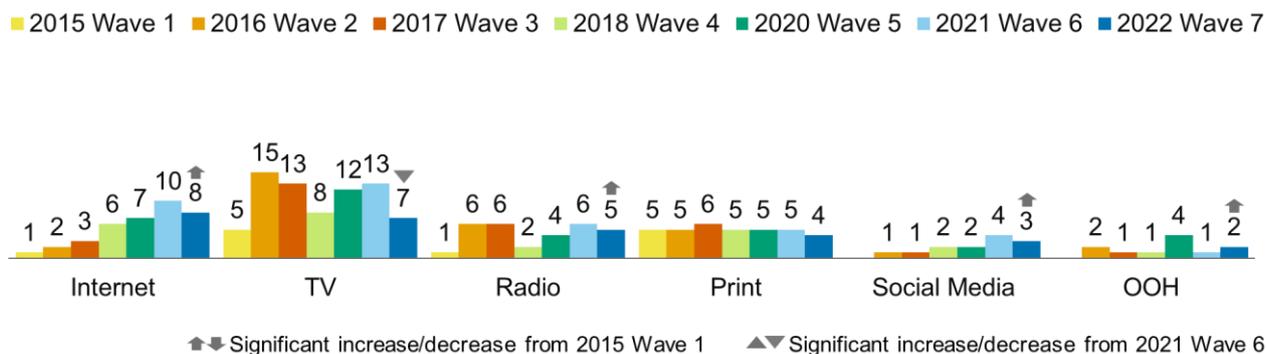
In 2022, spontaneous awareness of advertising or publicity about exporting was higher among large businesses with 250+ employees (38%) and micro businesses with up to 9 employees (31%), compared with small and medium businesses with 10-249 employees (24%). Awareness among micro businesses held up well in 2022 after an increase between 2020 and 2021. By region, awareness was highest in the Northern Powerhouse super region (35%) and lowest in Wales (22%). By sector, businesses in manufacturing, raw materials and energy (33%) and wholesale and retail (32%) were more likely to be aware of advertising or publicity about exporting than those in finance and insurance (23%), professional and services (22%) and the education and health (18%) sectors.

Businesses were also asked to specify where they had seen or heard information or advertising about exporting. For the first time since the baseline, TV was no longer the most mentioned source (7% in 2022), overtaken by internet (8%), as shown in Figure 11.2. This reflects the different media focus of the 'Made in the UK, Sold to the World' campaign, which has not run on

TV. This contrasts with the previous ‘Exporting is GREAT’ campaign and EU Exit campaigns, for which TV played an important role.

Figure 11.2: Source of awareness of information and advertising about exporting

% all respondents spontaneously aware of exporting publicity on ...



Q40. Where did you see or hear this information or advertising?

Base : All respondents 2015 W1/2016 W2/2017 W3/2018 W4/2020 W5/2021 W6^/2022 W7:

All £500k+ turnover (1160/1139/2535/2448/2557/1243/2405) ^Random half sample at 2021 W6

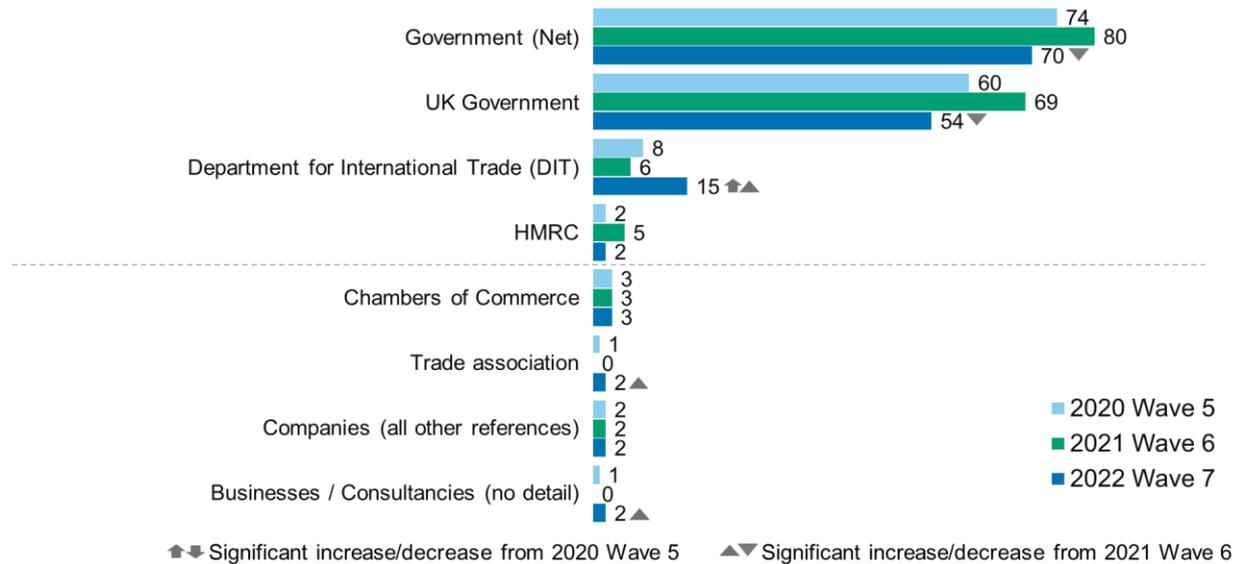
Businesses with experience of exporting (in the ‘Sustain’ and ‘Reassure’ segments) were more likely than non-exporters (in the ‘Promote’ and ‘Challenge’ segments) to be aware of publicity about exporting from the internet (10% compared with 7%), social media (4% compared with 2%) and in out of home (OOH) locations such as billboards (3% compared with 1%).

Businesses that were aware of advertising or publicity were asked who they believed was responsible for what they saw. As in previous years, the government (net measure of all government bodies, campaigns and general reference to UK government) was the main source to which businesses attributed advertising awareness (70%, down from 80% in 2021). However, within this measure, there was a shift away from general attributions to the UK government (54%, down from 69% in 2021) and towards the Department for International Trade (15%⁴⁴, up from 6% in 2021), as shown in Figure 11.3.

⁴⁴ In 2022, mentions of Department for Trade and Industry (DTI) were combined with those for Department for International Trade (DIT) for the first time. DTI is a predecessor department to DIT and has not existed under that name since 2007. However, combining these mentions together is unlikely to have caused the large increase in attribution to DIT in 2022 as mentions of DTI had fallen to 2% in 2021.

Figure 11.3: Who businesses thought was responsible for information or advertising they saw

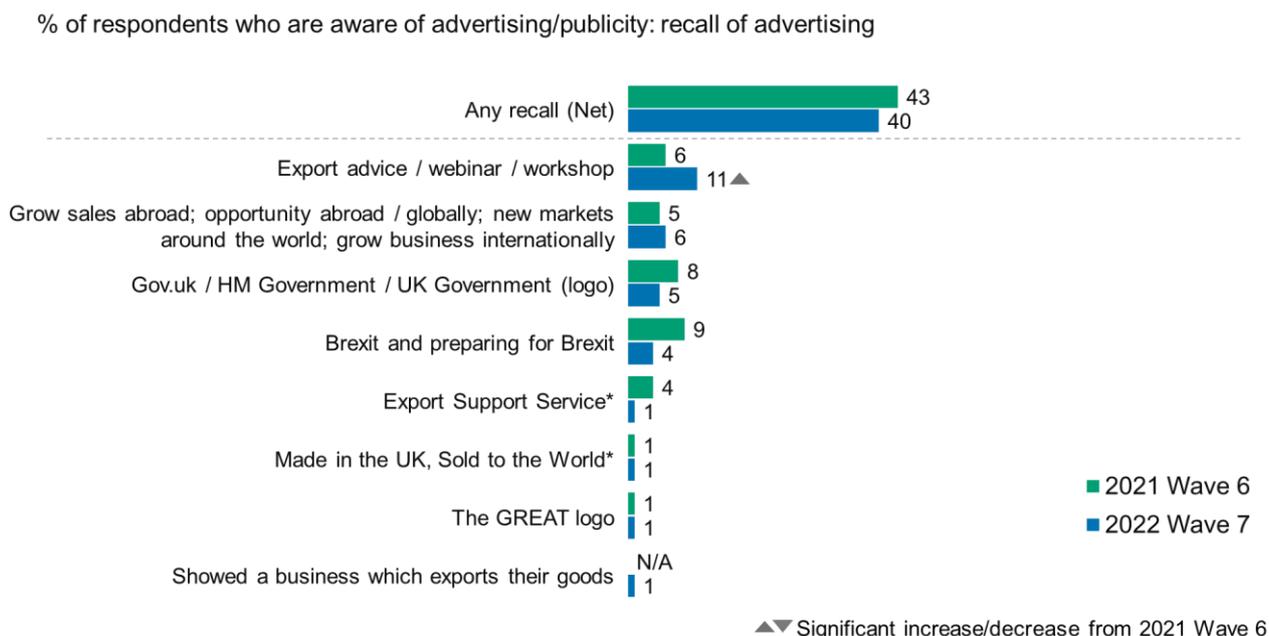
% of respondents who are aware of advertising/publicity: who believe was responsible for what they saw



Source: AD4. Who do you think was responsible for the information or advertising you remember seeing?
 Base : All aware of advertising or publicity: £500k+ turnover W4/2020 W5/2021 W6/2022 W7 (791/453/676)
 Only showing responses given by at least 2% in 2022

In 2021, a new question was added to the survey to start tracking what businesses spontaneously recalled from the advertisements or information they had seen about exporting. In 2022, 2 in 5 (40%) businesses were able to recall something specific about the advert or publicity they had seen, in line with 2021 (Figure 11.4). Reflecting the launch of the new campaign, mentions of exporting advice, webinars or workshops (11%, up from 6% in 2021) have begun to displace those for EU Exit, which was the dominant element recalled in 2021 (4% in 2022, down from 9% in 2021). However, spontaneous recall of the ‘Made in the UK, Sold to the World’ strapline remains low (1%).

Figure 11.4: Elements recalled of information or advertising about exporting



Source: Q40_AD_SOURCE_B. Can you briefly describe any elements of the advertisements you have seen?

Base : All aware of advertising or publicity: £500k+ turnover 2021 W6 Q2-Q4/2022 W7 (318/676)

* Q4 only in W6

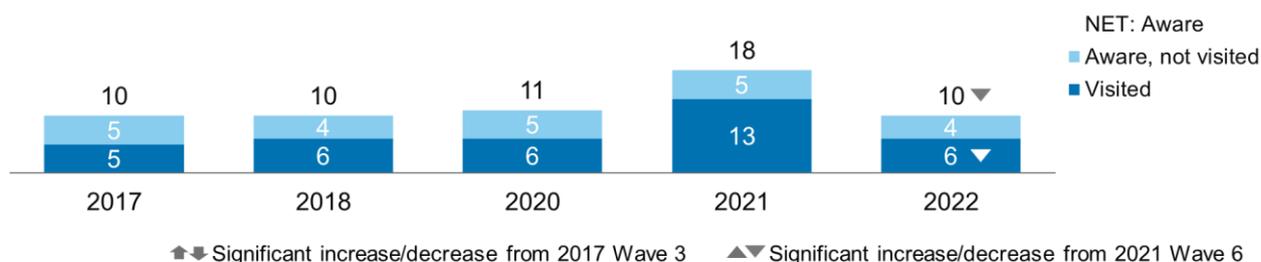
Only showing responses given by at least 1% in 2022

11.2 Website use

One of the consistent aims of DIT’s campaign activities has been to drive businesses to the great.GOV.UK website. The website is designed to encourage and enable exporting behaviours, providing businesses with live, tangible export opportunities as well as advice and information to aid them in exporting. With the exception of 2021, great.GOV.UK awareness has been relatively stable since 2017, with around 1 in 10 businesses aware of the website (10% in 2022) and around 1 in 20 having visited it (6% in 2022). In 2021, both awareness of - and reported visits to - the website was higher. This is likely to have been due to businesses seeking out more information about exporting processes during the EU Exit transition period (Figure 11.5).

Figure 11.5: Awareness and usage of great.GOV.UK website

% all respondents – aware of/visited great.gov.uk website



Source: AD4A - Have you ever heard of or visited the Exporting is Great site at great.gov.uk?

Base : All £500k+ turnover businesses 2017 W3/2018 W4/2020 W5/2021 W6^/2022 W7 (2535/2448/2557/1227/2405)

^ Random half sample at 2021 W6

Both awareness of and visits to the great.GOV.UK website were higher among those who were current or previous exporters than those who had never exported (13% compared with 8% for awareness and 8% compared with 5% for visits).

11.3 World Expos

The Dubai World Expo was originally scheduled to run from October 2020 to March 2021, but was delayed to October 2021 to March 2022 due to the COVID-19 pandemic. Questions asked in the first half of 2022 covered awareness and knowledge of World Expo, awareness of which city was hosting the 2021/2022 event and knowledge of whether the UK was participating/had participated (with the wording of the question changing between Quarter 1 and Quarter 2 to reflect the event having already happened).

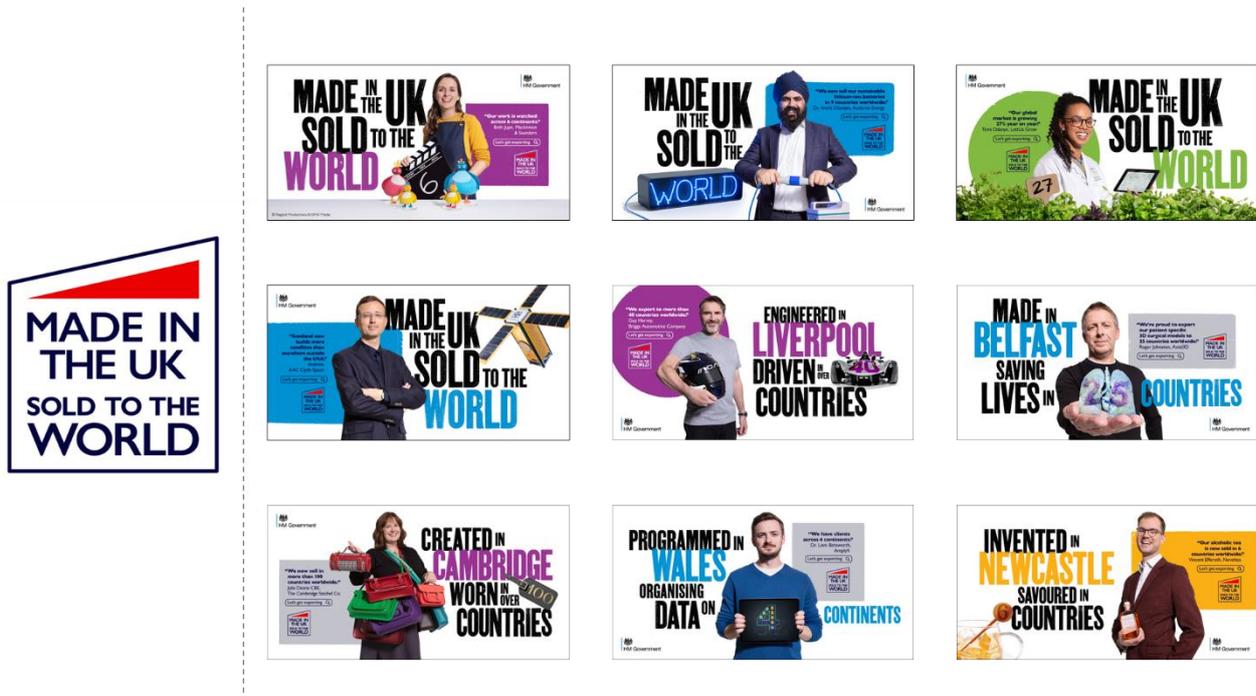
In the first half of 2022, 3 in 4 (78%) had any awareness of World Expos, though only 4% felt they knew 'a lot' about them. A further 42% had heard of World Expos but only knew a little about them, and 32% reported that they had heard of World Expos but didn't know anything about them. 1 in 6 (16%) businesses correctly spontaneously identified Dubai as the 2021/2022 host city and 40% knew or assumed that the UK was participating or had participated.

Businesses with experience of exporting ('Sustain' and 'Reassure' segments) were more likely to feel they knew something about the World Expo (51%) than those in the non-exporting 'Promote' and 'Challenge' segments (42%). Those in the 'Sustain' and 'Reassure' segments were also more likely to believe the UK was participating or had participated in the 2021/2022 event (45% compared with 36% of those who had never exported). Knowledge of the UK's participation increased over the course of the Expo, increasing from 33% in the Quarter 1 wave to 47% in Quarter 2.

11.4 'Made in the UK, Sold to the World' campaign recognition

During the interview, all respondents were asked to navigate to a website to view the campaign materials - 59% of respondents agreed and were able to do this⁴⁵. From the 'Made in the UK, Sold to the World' campaign, respondents were first shown the logo and then a montage of ads from the campaign (Figure 11.6). After viewing each, they were asked if it was something they had seen, or similar to something they had seen before.

Figure 11.6: 'Made in the UK, Sold to the World' logo and ads shown in interview⁴⁶



Overall, the campaign was recognised by 1 in 6 (17%) of those who were able to view the materials on the survey website, with 14% recognising the ads and 6% recognising the logo (Figure 11.7). By way of comparison, in 2018⁴⁷ the 'Exporting is GREAT' ads were recognised by 21% of those who viewed them and the logo by 22%.

Overall recognition of 'Made in the UK, Sold to the World' was higher in the 'Sustain' (21%) and 'Promote' (20%) segments than among businesses in the 'Reassure' (11%) and 'Challenge' (13%) segments, partly driven by higher recognition of the logo. There were no significant differences in recognition of the ads between segments.

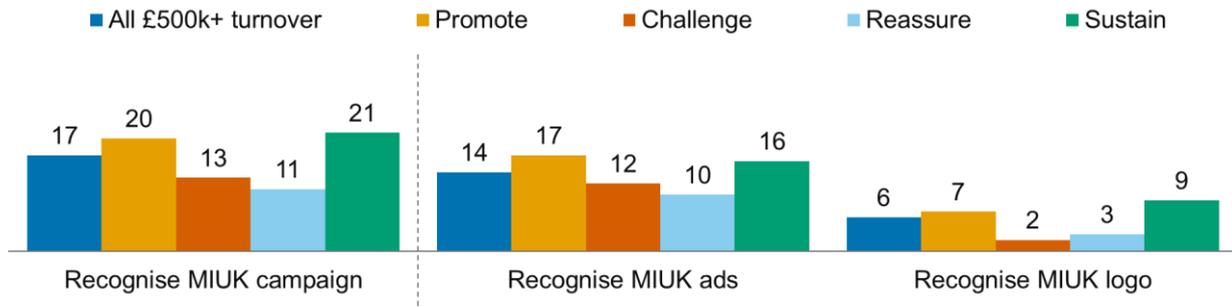
⁴⁵ There could be several reasons why a respondent was unable to access the website, including refusal, lack of computer access, internet issues etc.

⁴⁶ These images, shown to survey respondents, were the latest available campaign materials during fieldwork. They are no longer the current campaign materials at the time of writing this report.

⁴⁷ 2018 has been chosen as a comparison point as, although the campaign had been established for a number of years, 2018 was the first time it did not contain a TV/video element. However, it is possible that there would still have been some residual awareness and/or misattribution from the TV campaign.

Figure 11.7: Campaign recognition – ‘Made in the UK, Sold to the World’

% all respondents recognising each element of the Made in the UK, Sold to the World campaign



AD7. This screen shows images from a range of adverts. Please scroll down and when you have seen all of the images, I'd like you to tell me whether you have seen any of these adverts, or adverts very similar to them, since November 2021.

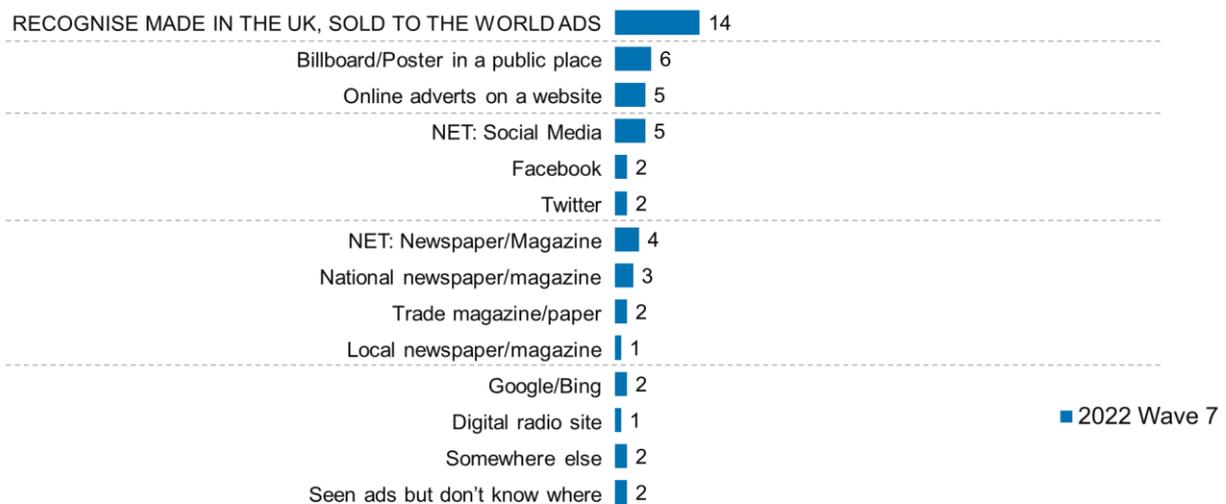
AD6. Before today, had you ever seen the logo on this screen before?

Base : All respondents who could access the website during the interview and could view at least one image:
2022 Wave 7: All £500k+ turnover (1379); Promote (201); Challenge (447); Reassure (113); Sustain (606)

Those who recognised the ‘Made in the UK, Sold to the World’ ads were asked where they had seen them. Around 1 in 20 of those able to view the ads during the interview had previously seen them on a billboard or poster (6%), on social media (5%) or in a newspaper or magazine (4%) (Figure 11.8). It should be noted that although the question on where the ads had been seen was asked following the viewing of the MIUK ads, and respondents were asked to think about those ads only, it is possible that UKEA/ESS ads were also on the respondent’s mind when answering this question as they had already seen these at this point in the survey.

Figure 11.8: Recognition and source of recognition of ‘Made in the UK, Sold to the World’ ads

% all respondents recognising Made in the UK, Sold to the World ads and where seen



AD7. This screen shows images from a range of adverts. Please scroll down and when you have seen all of the images, I'd like you to tell me whether you have seen any of these adverts, or adverts very similar to them, since November 2021.

AD8. And where did you see those adverts? Were they on or in...

Base : All respondents who could access the website during the interview and could view images of MIUK ads:
2022 Wave 7: All £500k+ turnover (1373)

11.5 UK Export Academy and Export Support Service campaign recognition

Figure 11.9 shows the images from the UK Export Academy and Export Support Service campaigns that respondents were asked to view on the website during the interview.

Figure 11.9: UK Export Academy and Export Support Service ads shown in interview⁴⁸

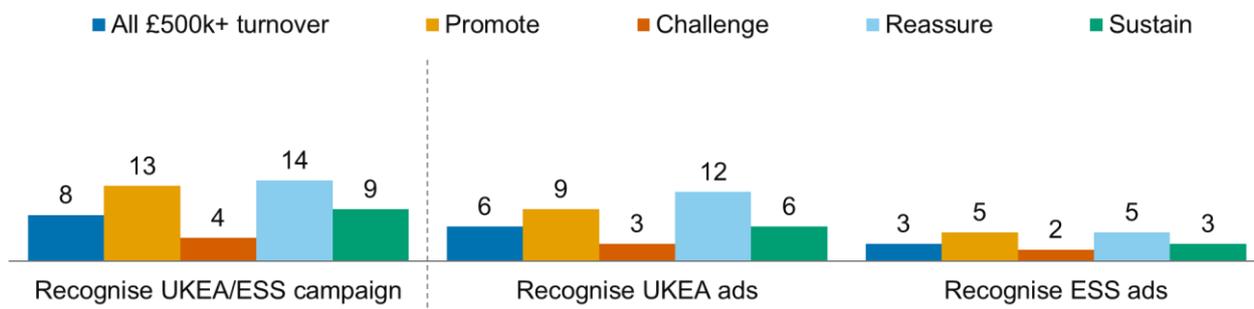


Just under 1 in 10 (8%) of the respondents who could access the website and view the images recognised ads from either of the campaigns, with recognition of UK Export Academy (6%) higher than recognition of the Export Support Service (3%) (Figure 11.10). Recognition of the UK Export Academy ads was highest in the segments containing businesses which had the potential to export but were not currently doing so ('Reassure': 12%, 'Promote': 9%) and lowest in the 'Challenge' segment which consists of businesses who did not feel their product or service was suitable for export (3%). There was little difference in recognition of the Export Support Service ads by segment.

⁴⁸ These images, shown to survey respondents, were the latest available campaign materials during fieldwork. They are no longer the current campaign materials at the time of writing this report.

Figure 11.10: Campaign recognition - UK Export Academy/Export Support Service

% all respondents recognising UK Export Academy / Export Support Service ads



AD6B. Before today had you seen any of these adverts on this screen before?

Base : All respondents who could access the website during the interview and could view UKEA/ESS images:
2022 Wave 7: All £500k+ turnover (1376); Promote (201); Challenge (446); Reassure (113); Sustain (604)

Recognition of ads from either of these campaigns was higher in the first half of the year (11%) than the second half (6%). This was driven by higher recognition of the Export Support Service ads in the first half of the year (5%, falling to 2% in the second half). Recognition of the UK Export Academy ads was steadier across the year.

11.6 DIT campaign effectiveness

After viewing the DIT materials from the 'Made in the UK, Sold to the World', UK Export Academy and Export Support Service campaigns, those able to view at least one of the screens of ads or the logo⁴⁹ were asked a series of questions designed to assess the effectiveness of the activity. These questions were asked after all materials had been viewed, so respondents were thinking about the impact of the different campaign strands together, rather than considering each element separately.

A quarter (25%) of those able to view the campaign materials said that they had increased their interest in finding out more about exporting. This is in line with the 'Exporting is GREAT' campaign in 2018 (27%). Those in the 'Sustain' (35%) and 'Promote' (34%) segments were more likely than those in the 'Reassure' (19%) and 'Challenge' (14%) segments to state that the 2022 DIT materials increased their interest in finding out more about exporting. By sector, interest in finding out more about exporting was highest in the information and communication (38%) and manufacturing, raw materials and energy (33%) sectors.

Further questions went on to evaluate the campaigns in terms of their ability to stand out, the way in which the information was conveyed (whether it was clear, relevant, new or trustworthy), communication of messages specific to the campaigns, and whether they prompted respondents to consider exploring exporting options (Figure 11.11).

Just over half (55%) agreed that the advertising stood out from other advertising, making it more impactful than the 'Exporting is GREAT' campaign in 2018 (37%). Agreement that the ads stood out was highest among those in the 'Promote' segment (66%). In terms of business size, agreement was lowest among micro businesses (less than 10 employees, 50%).

⁴⁹ The vast majority of those able to access the website and view one screen of campaign materials were able to view all of them.

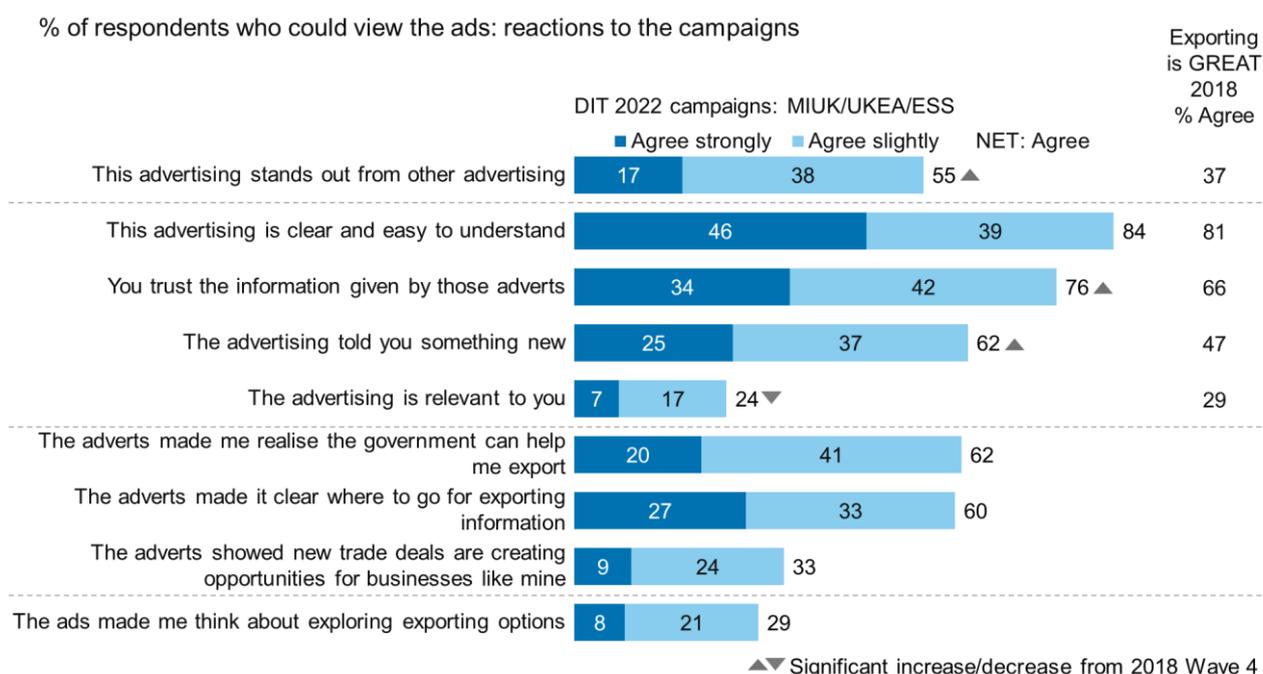
Information conveyed in the ads was felt to be clear and easy to understand (84%) and was trusted by respondents (76%). Trust was at a higher level than for the 'Exporting is GREAT' campaign in 2018 (66%). The 2022 campaigns were also more likely to be seen to be providing new information (62%) than had been conveyed in the 'Exporting is GREAT' campaign in 2018 (47%), though 1 in 4 (24%) respondents felt the 2022 campaigns were relevant to them, which is lower than for the 2018 'Exporting is GREAT' campaign (29%). In 2022, agreement that the campaigns were relevant varied by segment – it was highest for 'Sustain' (exported in the past 12 months, 38%) followed by 'Reassure' (exported more than 12 months ago, 29%) and 'Promote' (haven't exported but has a suitable product, 24%), with agreement among the 'Challenge' segment (without an exportable product) much lower (9%).

While there was little difference between the segments in terms of how clear or trustworthy, they found the ads to be, those who had not previously exported (the 'Promote' and 'Challenge' segments) were much more likely to feel the ads told them something new (70%) than current or former exporters in the 'Sustain' (54%) and 'Reassure' (46%) segments.

In relation to specific campaign messages, 6 in 10 agreed that the ads made them realise the government can help them export (62%) and that they made it clear where to go for exporting information (60%). However, only 1 in 3 (33%) agreed that the ads showed that new trade deals were creating opportunities for businesses like theirs. Take-out of campaign messages around government help with exporting and the opportunities created by trade deals was greatest among those in the 'Promote' segment (75% and 48% respectively).

The ads prompted 3 in 10 (29%) to think about exploring exporting options, although this was higher among those in the 'Promote' (39%) and 'Sustain' (37%) segments.

Figure 11.11: Response to DIT campaigns



Source: AD12. Thinking about these adverts, please tell me to what extent you agree or disagree with each of the following statements.

Base : All respondents who could access the website during the interview and could view at least one image: £500k+ turnover 2022 W7/2018 W4 (1379/1428)

11.7 Overall impact of campaign materials

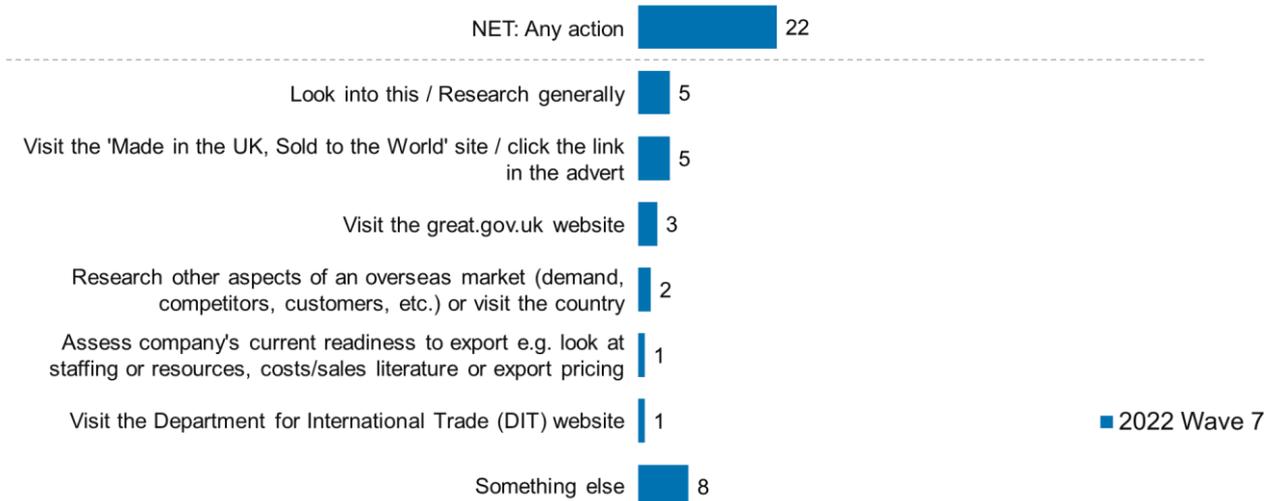
Those who had seen the campaign materials prior to the interview were additionally asked if they had done anything, planned to do anything, or would consider doing anything having seen the ads. While only 1 in 20 (5%) had already taken some action, 1 in 5 (20%) said that there were actions that they planned to take or would consider taking. By comparison, 17% of those who recognised the 2018 'Exporting is GREAT' campaign had already taken some action as a result of seeing that campaign. However, as the 'Exporting is GREAT' campaign had been running for a number of years it is possible that these were actions that had been taken over a longer period of time. It is also likely that businesses were more actively open to taking actions at that time, in preparation for the UK's exit from the EU.

Specific actions already taken as a consequence of seeing the 2022 DIT campaigns were visiting the great.GOV.UK website (1% of those who recognised the ads) and researching aspects of an overseas markets such as demand, competitors, or customers (1%).

Combining actions already taken with those planned or considered, 22% of those who recognised the ads had either taken some action, planned to, or would consider doing so in future (Figure 11.12). The main actions either taken, planned or considered were looking into exporting or doing some general research (5%), visiting the 'Made in the UK, Sold to the World' website (5%) or visiting the great.GOV.UK website (3%).

Figure 11.12: Action taken, planned to take or will consider taken as a result of seeing ads

% all respondents who recognised ads: actions taken, plan to take, or will consider taking as a result of ads



AD13A. What, if anything, have you done as a result of seeing or hearing these adverts?

AD13B. And is there anything else that you plan to do, or will consider doing, as a result of seeing or hearing these adverts?

Base : All respondents who recognised at least one of the ads: 2022 Wave 7: All £500k+ turnover (312)

There were no significant differences in the impact of the campaigns on actions taken, planned or considered between those who recognised only the 'Made in the UK, Sold to the World' campaign, those who recognised only the UK Export Academy (UKEA) or Export Support Service (ESS) adverts, and those who recognised both 'Made in the UK, Sold to the World' and UKEA/ESS campaigns.

Of those who recognised the ads and had either started exporting or had increased their exporting in the last 12 months, 7% felt that the campaign had some impact on this, although they were

already seriously thinking about starting or growing their exports and the campaign had only played a small part in their decision. Base sizes are too small to report on the impact of the campaign on those who had not yet started exporting but had a plan or interest in doing so.

12. Findings within the total registered business population

The preceding chapters in this report have focused on businesses with an annual turnover of £500,000 or more. This chapter will focus on findings relating to the total population of surveyed businesses, which includes those with a turnover below £500,000.

Given the very high number of smaller businesses in the total registered business population, the data explored in this chapter are strongly influenced by micro businesses (which make up the majority of the total business population). In the total sample, £500,000+ turnover businesses were oversampled relative to their true proportion in the wider population, reflecting DIT's focus on high export potential businesses. This allowed for more robust sub-group analysis when examining the £500,000+ businesses, which were the primary focus of this report. However, as a caveat to this section, this sampling approach has limited the analysis of the total sample of all businesses. The weighting scheme required to compensate for the smaller proportion of lower turnover businesses resulted in a lower effective base size and larger margins of error around the all-business estimates.

Overall, results within the total registered business population align with those observed among businesses with a turnover of £500,000 or more. However, there were some slight differences that reflect the smaller nature of businesses in the total sample.

Key findings

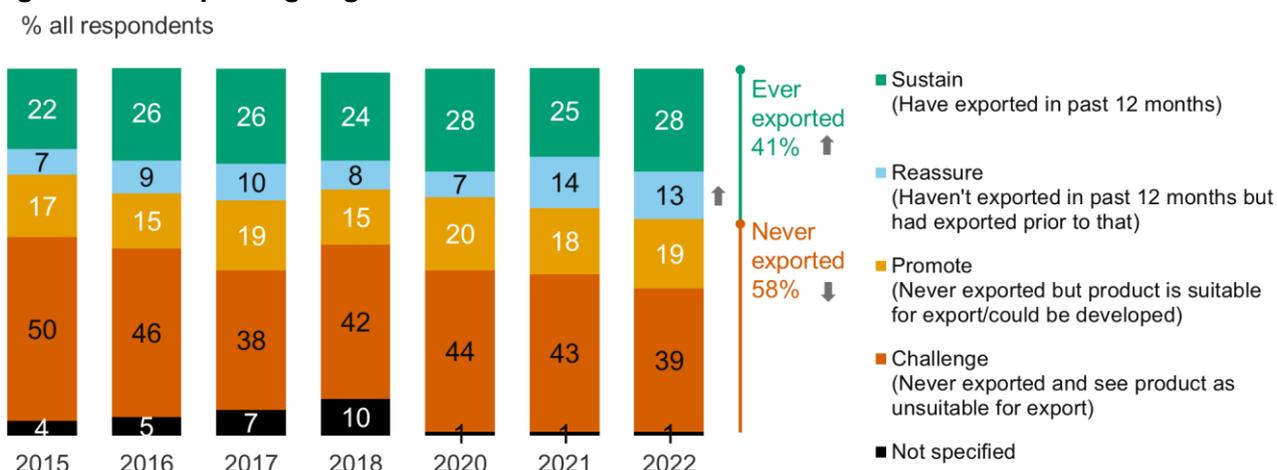
- Just over 2 in 5 businesses (41%) in 2022 reported having ever exported, which continues an incremental increase since 2015 (29%)
- Almost 6 in 10 of the total business population expected negotiated FTAs to have no effect on their business (56%). Just under a third (31%) felt they would have a positive effect and 4% believed that they would have a negative effect
- The proportion of the total business population who had an exportable product or service and reported having adequate supply chains to focus on exporting has remained similar over the last few years. In 2020, the proportion was 63%, in 2021 it was 61% and in the most recent 2022 survey 57% reported having adequate supply chains
- Just under 6 in 10 (59%) businesses that had exported in the last 12 months stated they experienced supply chain issues attributed to either the COVID-19 outbreak or the UK's exit from the EU. Of those that had faced issues, 35% were able to use alternative supply chains, compared with 47% who were not
- Of businesses that believed their product and services can be exported, just under a third (32%) stated that they had poor or no knowledge of how to export, which was similar to 2021 (33%). This was higher than the percentage among businesses with a turnover of £500,000 or more (23%)
- In the total business population, a third (34%) of businesses had growth as an integral part of their business plans, whilst 25% intended to grow their business but had no concrete plans how to do this. A further quarter (27%) were aiming to consolidate instead and 14% were aiming to return to profitability first
- Just over 4 in 10 (42%) businesses believed UK exports would increase over the next 5 years, compared with 29% over the next 12 months

- Just under 3 in 10 businesses (27%) said they had seen any advertising, publicity, or other information to make them think about exporting in the last year or so. Respondents were then shown images from DBT marketing campaigns. Of those who could view these images, 28% agreed that it was relevant to them, while 70% disagreed. Overall, when asked whether the adverts shown increased their interest in finding out more about exporting, 3 in 10 (31%) responded yes, whilst 2 in 3 (67%) responded no

12.1 Exporting behaviours

Just over 2 in 5 of all businesses said they had ever exported (41%), which is consistent with 2020 (39%) but an increase compared with 2015 (29%). These proportions are similar to businesses with a turnover of £500,000 or more with 43% having ever exported, although a slightly higher proportion of the £500,000 or more group fell into the ‘Sustain’⁵⁰ segment (34% compared with 28%). The proportion of businesses who had never exported remained similar to previous years (58% in 2022). In line with 2021, only 1% fell into the ‘unallocated’ category in 2022.

Figure 12.1: Exporting segments



↑↓ Significant increase/decrease from 2020 Wave 5 ▲▼ Significant increase/decrease from 2021 Wave 6

Source: Composite measure merging data from several variables

Base : All respondents: 2015 Wave 1/2016 Wave 2/2017 Wave 3/2018 Wave 4/2020 Wave 5/2021 Wave 6/2022 W7:
 Total (1405/1418/2991/3000/3001/3002/3001)

As a proportion of all businesses, 13% stated that they had exported only goods in the last 12 months (11% of businesses below £500,000, 19% of businesses £500,000 and above), 12% had exported only services (13% of businesses below £500,000, 9% of businesses £500,000 and above) and 4% had exported both goods and services (3% of businesses below £500,000, 6% of businesses £500,000 and above).

Those businesses that had exported goods in the past 12 months (excluding exports to Republic of Ireland) were more likely to report a reduction in exports in the last year (41%) than an increase (23%). Among those exporting services (excluding exports to Republic of Ireland), the proportion was much more even with the same proportion stating that they had increased (32%) or decreased (32%).

⁵⁰ See section 3.5 ‘Segment Definitions’ for a full explanation

Of the businesses that had stopped exporting or reduced exporting over the previous 12 months, EU Exit (53%) COVID-19 (20%) and reduced demand (18%) were the most common reasons given for this. All other factors cited were below 10%.

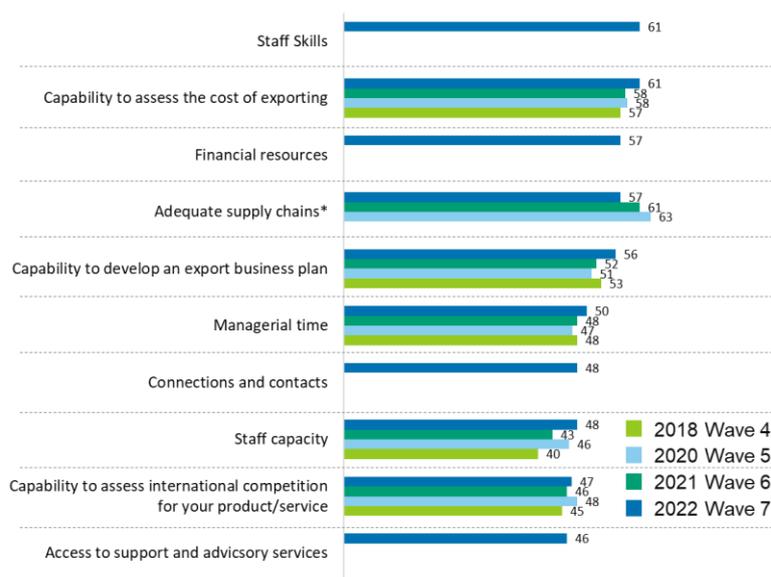
Among businesses that had never exported, just under 7 in 10 (68%) believed that their products or services would never be suitable for export, compared with 32% that believed their products or services could potentially be developed for export.

Almost 1 in 5 exporters (17%) reported taking an active approach to exporting, intentionally targeting customers in specific countries. Comparatively, 4 in 5 (79%) reported a more passive approach (responding to orders from abroad when received, but not specifically targeting customers in other countries). These are similar proportions to those in the 2021 survey.

12.2 Barriers to exporting

Among all businesses (excluding those that could never export), there has been very little change since 2020 in reported capabilities and capacities for exporting (Figure 12.2). This is in contrast with the trends observed among businesses with a turnover of £500,000 or more, where there is a clearer decrease in some reported capabilities. Just under 6 in 10 of the total business population reported having adequate supply chains (57%), compared with 61% in 2021.

Figure 12.2: Whether businesses have enough capacity and capability to focus on exporting (% saying 'yes')



↑↓ Significant increase/decrease from 2020 Wave 5 ▲▼ Significant increase/decrease from 2021 Wave 6

Source : Q31a - Thinking about your business' ability to start or continue exporting internationally, would you say that your business has enough of each of the following to focus on exporting

Base : All businesses whose product is suitable for export 2018 W4/2020 – Q2-Q4/2021 W6/ 2022 W7: Total (1789/1813/1921/1885)

*2020 Q2-Q4 only

Respondents that had either exported to a core country or had considered doing so but decided against it were asked about barriers they faced when exporting to these markets. The following options were read out and the proportions citing each as a strong barrier were:

- Cost: 24%
- Time taken to comply with export procedures: 24%
- Access to contacts and networks: 23%

- Capacity to export and cater for international contracts: 18%
- Lack of knowledge: 17%

12.3 Free Trade Agreements (FTAs)

Almost 6 in 10 of the total business population expected negotiated FTAs to have no effect on their business (56%). Furthermore, just under a third (31%) felt they would have a positive effect and 4% believed that they would have a negative effect. Approximately 1 in 10 (9%) did not know what impact FTAs would have on their business. These figures are similar to those previously reported in 2021. Of the businesses who expected a positive effect, the most frequently cited expected benefit was lower or zero tariffs to pay on exports or imports (75%). However, the proportion citing this benefit was down from the 85% that was reported in 2021.

Overall, nearly a quarter (23%) of businesses exporting to non-EU countries said they were aware of whether their goods were eligible for reduced customs duties, compared with 30% in 2021. On the other hand, 3 in 5 (61%) of businesses in 2022 said they did not know about their goods' eligibility, compared with 52% in the previous year. Among those businesses that were aware of reduced customs duty eligibility for their non-EU goods exports, 7 in 10 (72%) said that their exports benefitted at least some of the time, with 1 in 5 (21%) saying that they did so always or almost always.

Almost half (47%) of the businesses that obtained reduced customs duties some of the time, never, or almost never⁵¹ reported difficulties understanding available information on how to obtain reduced customs duties, whilst 46% reported difficulties finding relevant information on how to obtain reduced customs duties. This represents a large increase on the proportions reported in 2021, which were 21% and 19% respectively. These findings are higher than those seen for just £500,000+ businesses (38% difficulty understanding information, 30% difficulty finding information), where there was still a year-on-year increase in these areas, but to a lesser extent, and particularly so regarding finding relevant information. The proportion who cited difficulties complying with requirements to make exports eligible for preferences across the total business population was 29%, which is comparatively lower than the equivalent proportion (36%) among the £500,000+ group.

12.4 Supply chains

The proportion of all businesses surveyed who reported having adequate supply chains to focus on exporting has remained similar over the last 2 years, from 63% in 2020 and 61% in 2021, to 57% in 2022. Additionally, of all those intending to grow their business, 3% spontaneously said that they were intending to do so through improving or refreshing their supply chain, which is the same percentage that was reported in 2021.

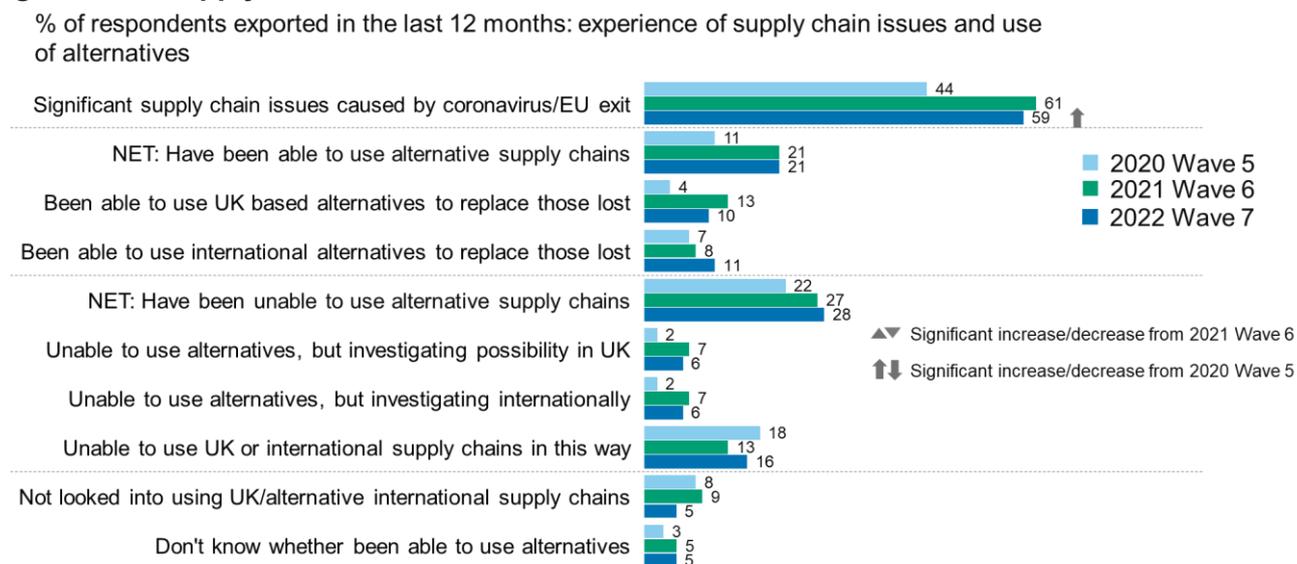
As shown in Figure 12.3, 3 in 5 (59%) of businesses that exported in the last 12 months stated that they experienced supply chain issues attributed to at least one of the COVID-19 outbreak or the exit from the EU (compared with 56% of businesses below £500,000, and 66% of businesses £500,000 and over). Of these businesses reporting supply chain issues, over 1 in 3 (35%) have been able to use alternative supply chains (32% of businesses below £500,000, 43% of businesses £500,000 and above), compared with almost half (47%) who have been unable to use

⁵¹ The survey question explored in this paragraph, which asked businesses that obtained reduced customs duties some of the time, never, or almost never about the main reasons preventing their exports from obtaining reduced duties, was asked only in quarters 1 and 2. The unweighted base size is 80.

alternative supply chains (49% of businesses below £500,000, 42% of businesses £500,000 and above). These figures are similar to those observed in the total respondent population in 2021.

Both the total business sample and the sample for businesses with a turnover of £500,000 or more have seen an increase in supply chain issues since 2020. However, this increase is greater among businesses with turnover of £500,000 or more.

Figure 12.3: Supply chain issues and use of alternatives



Source: COVID5. Have you experienced any significant supply chain issues for your business caused by the coronavirus outbreak or the EU exit? COVID6. Have you been able to use alternative supply chains to replace those lost?
 Base : All respondents who have exported in the last 12 months: Total 2020 Wave 5 Q2-Q4/2021 Wave 6/ 2022 Wave 7 (833/1164/1131)

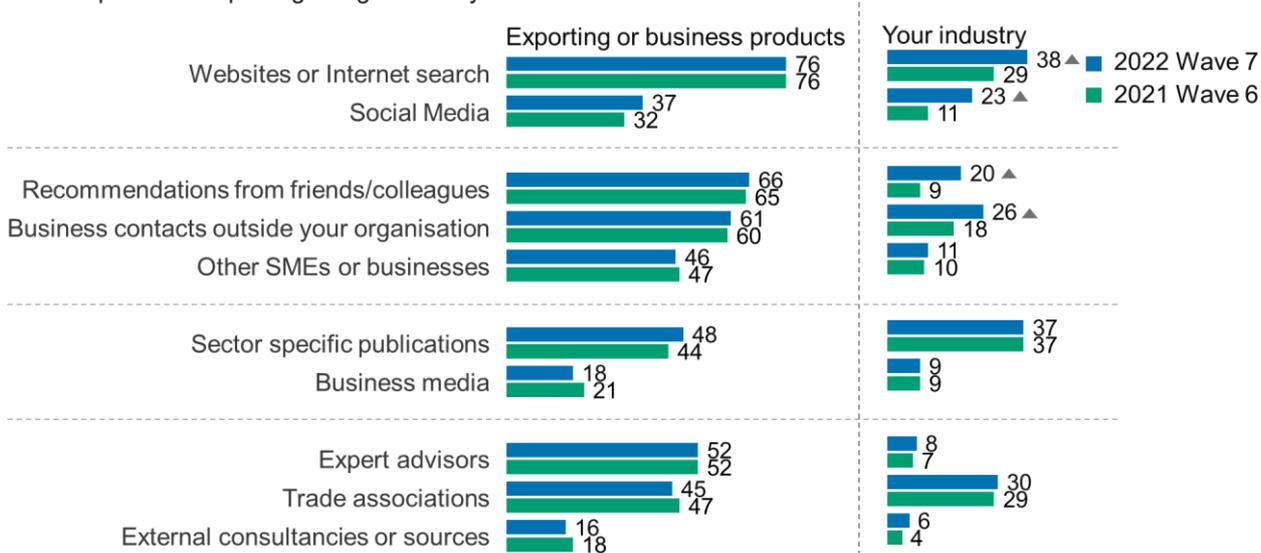
12.5 Knowledge, information and support

Of businesses that believed their product and services could be exported, just under a third (32%) stated that they had poor or no knowledge of how to export, which was similar to 2021 (33%). This is higher than the percentage among businesses with a turnover of £500,000 or more (23%), with the percentage for businesses below £500,000 being 35%. Conversely 15% of businesses reported a high level of knowledge of where to go for information about exporting (3% of businesses below £500,000, 24% of businesses £500,000 and above). This compares to 20% in 2021.

The channels most used by the total business population to find out about business and exporting products were the internet (76%), followed by recommendations from friends and colleagues (66%), business contacts (61%) and other SMEs or businesses (46%). Expert advisors (52%), trade associations (45%) and business publications (48%) also played a role (Figure 12.4). These figures are all very similar to what was also reported for 2021. Businesses most commonly reported general internet searches (38%), industry publications (37%), and trade associations (30%) as channels that they used to stay informed about their industry, with far fewer channels generally used compared with exporting or business products.

Figure 12.4: Channels used to stay informed about exporting and business products and their industry

% of respondents reporting using ... to stay informed about ...



▲▼ Significant increase/decrease from 2021 Wave 6

Source: F1/F2. Which of the following channels do you use to find out about [exporting or business products/your industry].
 Base : All respondents – random half sample for each question: Total 2022 W7Q1-Q2 (754/754)

Of those businesses who have exported or could potentially export, a third (33%) said they had ever sought advice or support with exporting, with very little year on year change since 2015. The most popular sources of exporting advice that businesses said they would use included the government (37%), and the internet (17%). All other sources were below 10%. 18% of businesses stated that they would not know where to go.

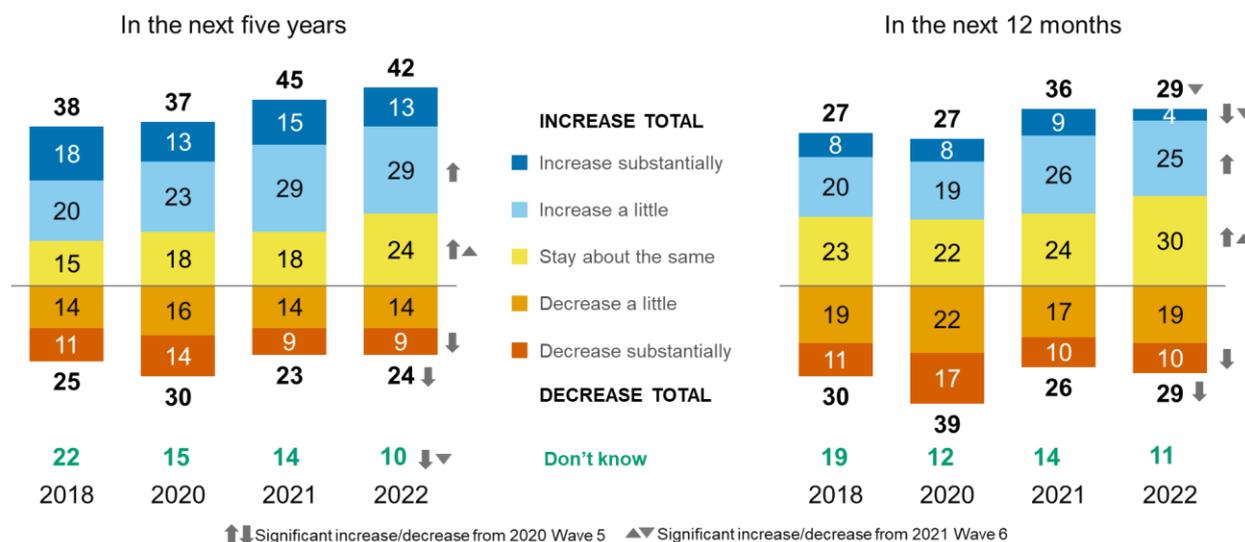
12.6 Expectations for growth and trade

In the total business population, a third (34%) of all businesses had growth as an integral part of their business whilst a quarter (25%) intended to grow their business but had no concrete plans how to do this. Rather than growing the business, a further quarter (27%) were aiming to consolidate instead and another 14% were aiming to return to profitability first (14% of businesses below £500,000, 13% of businesses £500,000 and above). These results were in line with those in 2021.

Overall, 42% of all businesses thought the total UK export value will increase over the next 5 years. Such confidence was similar to that reported in 2021 (45%), see (Figure 12.5). Expectations that export value would increase over the next 12 months also dropped overall from 36% to 29%, potentially representing a slight decrease in optimism among businesses for exporting potential over the next year.

Figure 12.5: Whether businesses believe UK exports will increase or decrease over the next 5 years / in next 12 months

% of all respondents – think total UK export value will ...



Source: Q40a. Moving to a different topic now, thinking about UK exports over the next 5 years or so, do you think that the total value of exports by UK businesses will...

Q40b. And over the next 12 months or so, do you think that the total value of exports by UK businesses will...

Base : All respondents 2018 Wave 4/2020 Wave 5/2021 Wave 6, Wave 7 – random half sample: Total (3000/3001/3002/1497)

Notably, when cross-referenced with other exporting attitudes metrics, there was an indication that overall, businesses were less optimistic about exporting potential over the next year and about levels of demand. For example, business agreement that there is a lot of demand for British goods and services around the world dropped from 2021 (59% in 2021 to 53% in 2022). This also continues a pattern of decline from 2018 when a figure of 73% was recorded.

Furthermore, half of all businesses (49%) agreed that since the UK left the EU there has been less demand for UK products and services. This compared with 24% who disagreed. This is a large shift from 2021 where these responses were much more even at 39% and 42% respectively, although some of this change could reflect a slight change in the question wording from ‘Since the UK left the EU in January 2020, there has been less demand for UK products and services’ to ‘Now we have left the EU, there will be less demand for British products and services’.

Other statements exploring attitudes to exporting provide further evidence for increasingly pessimistic attitudes. Of businesses that do export or could export, over 2 in 5 (45%) felt that international growth was an exciting prospect for their business, down from 65% in 2016. In addition, around half (52%) of all businesses agreed that a lot more businesses could export than do export. This was similar to 2021 (49%).

There are also indications that some businesses may be looking beyond exporting to facilitate growth. Around half (49%) agreed that there are enough opportunities for growth within the UK to mean their business is not interested in exports. Meanwhile, 2 in 5 (40%) of businesses felt that there are too many risks in taking a business international, which is an increase from 30% in 2021, and 2 in 5 businesses agreed their business had not been able to focus on exporting as coping with the COVID-19 pandemic had been their priority (39%) compared with a similar figure of 38% for 2021. Overall, 42% of businesses agreed that demand for UK products and services has declined because of the COVID-19 outbreak, compared with 23% that disagreed.

Despite this, of businesses that believe their products or services would be suitable for export, almost 6 in 10 (57%) agreed that there was a lot of opportunity for their business to grow

internationally, compared with 51% in 2021. Furthermore, when asked specifically whether there is a lot of demand for UK products and services from around the world, 53% agreed. However, this did still represent a fall from 59% in 2021, and from a high of 73% in 2018.

12.7 Advertising and Campaign metrics

Of all businesses that were asked whether they had seen any advertising, publicity or other information to make them think about exporting, just under 3 in 10 said they had (27%). This is a fall from the over 1 in 3 (36%) reported in the previous year. These findings are in line with trends among businesses with a turnover of £500,000 or more. Recognition of any DIT campaign ('Made in the UK, Sold to the World' / UK Export Academy / UK Support Service) was at 18%. Recognition of the 'Made in the UK, Sold to the World' campaign was 15%, driven mainly by recognition of the still adverts at 12%, while recognition of the 'Made in the UK, sold to the world' logo was much lower at 5%. Recognition of adverts relating to the UK Export Academy/Export Support Service was 7%.

When businesses were asked where they had seen any advertising or information, 9% of all businesses were aware of internet advertising, 6% for radio, 6% print, 5% for TV, and 3% for social media. This is similar to the proportions reported in 2021, except for TV recognition which was lower compared with 2021 (5% from 13%).

Around 7 in 10 (70%) businesses reported that the government was responsible for this advertising (down from 81% in 2021), with the UK government more generally (50%) being the most prominent response (although again down from 68% in 2021). Recognition of the Department for International Trade (DIT) was 14% (from 7% in 2021), whilst all other sources were 4% or below. Of the businesses that were aware of information or advertising, very few businesses were able to recall details or elements from the advertising that they have seen. Only 11% recalled the advertising mentioning 'Export advice/webinar/workshop' support, whilst 8% mentioned responses relating to increasing sales/opportunities abroad. Awareness of any other elements from advertising were at 5% or below.

When asked whether they thought the advertising was relevant to them, 28% of businesses agreed, while 70% disagreed. When asked whether the advertising told them something new, 63% agreed that it did, compared with 33% who said that it didn't. In total, 73% said that they trusted the information in the adverts, compared with 22% that did not. 58% of businesses said the adverts made them realise the government can help them to export (compared with 38% that did not), but only 33% agreed that the adverts showed that new trade deals are creating opportunities for businesses like theirs, compared with 63% that disagreed. Over half (57%) agreed that the adverts made it clear where to go for exporting information, but only 32% stated that the adverts had made them think about exploring export options. Overall, when asked whether the adverts shown increased their interest in finding out more about exporting, 31% responded yes, whilst 67% responded no.

All businesses (excluding those that could never export) were asked about their awareness of government export support services. Of this group, 3 in 5 (60%) said they were aware of GOV.UK tools such as 'Check how to import or export goods' or 'Check duties and customs procedures for exporting goods'. This is an increase from just over half (53%) reported in the fourth quarter of 2021. There was also some awareness of International Trade Advisors (34%) and Export Support Service and/or Ask the export support team a question' on GOV.UK (25%).

Around 9 in 10 of the total business population reported never hearing of or visiting the Exporting is Great site at great.GOV.UK (91%) which was up from 83% in 2021. This is similar to the findings for businesses with turnover of £500,000 or more (89% in 2022, from 81% in 2021).

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We are the department for economic growth. We support businesses to invest, grow and export, creating jobs and opportunities across the country.

We are responsible for:

- Redrawing our rules to ensure businesses thrive, markets are competitive, and consumers are protected.
- Securing investment from UK and international businesses.
- Advising, supporting, and promoting British businesses to grow and export.
- Opening up new markets for businesses by removing barriers and striking trade deals.
- Promoting free trade, economic security and resilient supply chains.

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