



Department for
Business & Trade

DBT National Survey of UK Registered Businesses 2023

2023 Report

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1. Executive Summary

1.1 About the National Survey of Registered Businesses (NSRB)

The National Survey of Registered Businesses' exporting behaviours, attitudes and needs (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 2023, beginning shortly after the creation of the new Department for Business and Trade on 07 February 2023. Therefore, this report will refer to the Department for Business and Trade (DBT) when examining the 2023 data.

In total, 8 annual waves of the NSRB have been completed, commencing in 2015. This report is focused on the eighth and most recent wave of data collected across 2023. In 2023, a total of 3,004 responses were collected from businesses throughout the year, split into 4 quarters, across 3 collection periods. Data for quarter 1 was collected between 27 February and 31 March. Data for quarter 2 was collected between 19 April and 30 May. Data for quarter 3 and quarter 4 was collected across an extended collection period between 23 August and 23 November. This report focuses on findings from across the year, though some notable changes from quarter-to-quarter are highlighted where appropriate. 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 (£500,000+ turnover businesses)

Throughout 2023, businesses continued to face significant challenges, including pre-existing concerns around the UK exit from the EU, COVID-19, inflation and economic uncertainty, rising energy prices, and the war in Ukraine, which have continued to create a volatile and uncertain business environment.

Exporting Behaviour: The proportion of businesses currently exporting has remained stable in 2023. However, since 2021 there has been a downward trend in the proportion of businesses who have ever exported (45% in 2021 to 43% in 2022 and 39% in 2023), although the 2023 figure is not significantly different from levels seen between 2015 and 2020 (40% to 42%). Overall, reported exporting volumes were in line with 2022, and businesses were more optimistic that exports will grow in the future. Over 9 in 10 (94%) businesses who had ever exported said they had exported to one of the 'core markets',¹ including 88% who said they had previously exported to the EU, consistent with 2022.

¹ There were 5 overseas markets designated as 'core markets' at Wave 8: the EU, the USA, the Gulf States, Australia and India. The EU was included as a core market for the first time in 2023. These markets were chosen at the start of the 2023 wave on the basis of strategic significance for UK trade.

Business Concerns: General concerns around COVID-19 appear to have decreased further in 2023 compared with 2022. 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, customs procedures, documentation, and administrative burdens.

Exporting Barriers: Across almost all business capabilities for exporting measured in previous years, findings were consistent with 2022. The exception was in reported access to export support and advisory services, which has improved since 2022. Thinking about respondents' ability to export to core markets, issues relating to customs procedures and compliance with regulations were seen as the greatest barriers.

Free Trade Agreements (FTAs): Three quarters (76%) of businesses had heard of FTAs, although less than 1 in 5 (17%) reported any knowledge about them. Despite this, over 2 in 5 (45%) felt that FTAs would benefit their business. Businesses also reported low confidence in how to trade through an FTA, and a lack of information or support to access the benefits of FTAs, indicating a need for further guidance.

Information Sources and Awareness: The proportion of businesses that reported high levels of knowledge on how to export (18%), and where to go for information about exporting (29%), decreased in 2023 (down from 24% and 33% in 2022 respectively). The proportion of businesses who had ever sought advice or support about exporting remained stable, however (42% in 2022 and 40% in 2023). GOV.UK pages remained the main source of government support on exporting and trade; however most services were still not familiar to or used by the majority of businesses.

Campaign Recognition: Just over 1 in 10 businesses (13%) were able to recall the DBT 'Made in the UK, Sold to the World' campaign. Fewer recognised the UK Export Academy campaign (5%). One-fifth of businesses who were able to view the DBT campaigns during the interview felt they were relevant to their business (20%). These campaigns were largely seen to be clear (71%) and trusted (66%) sources of information, however both of these measures declined since 2022 (84% and 76%, respectively).

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

1.3.1 General exporting behaviours

The NSRB allocates businesses into 4 separate segments as described below (see also section 3.5 for segment definitions) to reflect their exporting behaviour. The proportion of businesses falling into each of these segments has remained relatively stable across all 8 waves of the NSRB:

- just under a third (31%) of businesses had exported goods and/or services in the past 12 months and fell into the 'Sustain' segment
- an additional 8% of businesses were either lapsed or intermittent exporters meaning they had not exported in the last 12 months but had done so previously – these businesses made up the 'Reassure' segment
- a third segment, accounting for 18% 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, and 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 - 2023

Segment	2015	2016	2017	2018	2020	2021	2022	2023
Sustain	33%	33%	35%	33%	34%	35%	34%	31%
Reassure	8%	9%	7%	7%	6%	10%	9%	8%
Promote	11%	12%	12%	13%	15%	15%	15%	18%
Challenge	43%	41%	39%	38%	44%	38%	42%	42%
Not specified	5%	5%	7%	8%	1%	1%	1%	1%
Total (Base)	1,160	1,139	2,535	2,448	2,557	2,485	2,405	2,181

In 2023, 39% of respondents had exported before and 60% had never exported. This represents a significant decrease in the proportion of businesses that have ever exported since 2022 and a continued downward trend since 2021 (45% in 2021, 43% in 2022 and 39% in 2023). The overall trend arises through incremental changes across the 'Sustain' and 'Reassure' segments. However, the 2023 figure is not significantly different to levels observed between 2015 and 2020 (between 40% and 42%). The proportion of businesses in the 'Promote' segment has been trending up over the 8 waves of the NSRB, while the proportion of 'Challenge' businesses has fluctuated across years but remained stable in the past 12 months.²

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 2023, 31% of NI businesses reported that they had exported in the previous 12 months, but only to the Republic of Ireland. A further 19% said they exported both to the Republic of Ireland and overseas in the previous 12 months. Finally, 2% 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 2023 remained consistent with 2022. Among exporters of goods, 2 in 10 (21%) stated that their exports of goods had increased in the past 12 months. Around 4 in 10 (39%) stated that they had decreased. For service exporters, the picture was slightly more favourable, with 25% stating that their exports had increased in the past year, whilst the same proportion (25%) stated that exports had decreased.

Around 7 in 10 exporters (71%) 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, just over 1 in 4 exporters (27%) said they did actively target customers abroad. The proportions of businesses that actively and passively export have remained stable since 2022. Just under 1 in 5 potential or lapsed exporters (17%) were planning to start or resume exporting at some point in the future. This is equivalent to 4% of the whole £500,000+ business sample.

1.3.2 Barriers to exporting

Across almost all aspects of capabilities and capacity in relation to exporting that had been measured in previous years, findings were consistent with 2022. Around 2 in 3 businesses that

² 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, 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.

have products suitable for export felt they had the capability to assess the cost of exporting (68%) and had the financial resources (66%) and adequate supply chains (65%) to export. This also applied to staff skills (61%), and the capability to develop an export business plan (63%). There was less confidence overall in having sufficient managerial time (56%), staff capacity for exporting (52%) and capability to assess international competition for products or services (51%), although all were also unchanged since 2022. One area of improvement was seen in having access to support and advisory services, which increased from 55% in 2022 to 63% in 2023.

Businesses who had exported goods were asked a set of questions on barriers, last asked in 2021. A greater share (58%) reported facing any barriers, up from 45% in 2021. The most mentioned barriers to exporting goods were those relating to customs procedures (49%, up from 32% in 2021). These changes are likely to be driven by the change in core markets from 2021 to 2023, including the addition of the European Union (EU) as a core market for the first time in 2023. Reported barriers for goods exports to the EU were higher than for other core markets, driven by barriers related to customs procedures. There were no changes in reported barriers to exporting to the USA or Australia, both of which had previously been included in the 2021 survey.³

Just over 1 in 3 (36%) of those who had exported services reported facing any barriers to their exports of services. In contrast to the equivalent measure for barriers to goods exports, this was unchanged from when it was previously asked in 2018 and 2021. As with exporters of goods, those describing their exports of services to the EU were more likely to report facing barriers to doing so (45%) than those describing their exports of services to one of the other core markets. However, unlike for exports of goods, there was no one barrier which stood out as being more likely to be faced by those exporting services to the EU than those exporting services to other core markets.

1.3.3 Free Trade Agreements (FTAs)⁴

Across all businesses with a turnover of £500,000 or more, 76% had heard of FTAs, however, less than 1 in 5 (17%) reported knowing anything about them. Among only businesses who have or could export ('Sustain', 'Reassure' and 'Promote' segments), 82% had heard of FTAs, with 1 in 5 (21%) knowing anything about them. Current or previous exporters ('Sustain' 24% and 'Reassure' 26%) were more likely to report knowledge of FTAs compared with non-exporters ('Promote' 14%, and 'Challenge' 11%).

Despite overall low knowledge levels, 45% of all respondents agreed that FTAs will benefit their business, which was higher among current and previous exporters. However, just under 1 in 4 (23%) felt that they are confident in knowing how to trade through an FTA, and fewer (18%) agreed that the government is providing information and support to help businesses access the benefits of FTAs. For most businesses, GOV.UK was seen as the primary source they would use to find information about FTAs (81%). At least half would utilise other business or professional contacts (59%), the UK government (including DBT, 53%) or trade bodies and business groups (50%).

Just over half (53%) of businesses who have ever exported reported that their goods or services were eligible for any FTA benefits, with the most commonly reported benefit being reduced customs duties (30%). Just over 2 in 5 of those aware of any benefit (42%) said they benefited always or most of the time, 34% some of the time, and 22% said they never or almost never benefit.

³ Two sets of barriers questions alternate between waves, covering internal and external barriers. Wave 8 covered external barriers, last asked in Wave 6.

⁴ 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>

Importers were more likely to have heard of FTAs (83%) than non-importers (69%). Importers were also more likely to agree that FTAs will benefit their business (58% compared with 33% of non-importers), that they feel confident they would know how to trade through an FTA (33% compared with 15% of non-importers) and that the government is providing information and support to help businesses access the benefits of FTAs.

1.3.4 Supply chains

In 2023, all businesses were asked about their experience of supply chains. Just over 6 in 10 (62%) had ever experienced supply chain issues. Among these, 31% were currently experiencing supply chain issues, and 31% said these had been resolved.

Quarters 3 and 4 of 2023 saw a higher proportion of businesses saying they had experienced supply chain issues, but that these were now resolved (34%) compared with Quarters 1 and 2 (28%). This could be due to a longer period of time having passed since the coronavirus outbreak, which was cited as one of the main causes of current issues by 61% in Quarters 1 and 2 and 56% in Quarters 3 and 4. Among all those who had experienced supply chain issues in the last 3 years, the most commonly cited causes for supply chain issues were COVID-19 (72%), EU Exit (65%) and general economic or inflationary pressure (58%). Other causes of supply chain issues included the cost of shipping (53%), difficulty sourcing suitable or affordable parts (53%), rising energy prices (49%) and the war in Ukraine (46%).

1.3.5 Export knowledge and support

Less than a fifth of businesses who do or could export felt that they had a high level of knowledge of how to export (18%), a decline from 24% in 2022, while a greater proportion felt they had low knowledge (28%, up from 23% in 2022).

The proportion of businesses that do or could export who sought advice and support was stable at 40% in 2023, following an increase from 33% in 2020 to 42% in 2022.

Over three quarters of businesses that do or could export reported being aware of at least one UK government trade support service (77% compared to 78% in 2022). In line with previous years, the most common of these were GOV.UK tools (68%). Awareness of International Trade Advisors (34%) and the Export Support Service (23%) declined in 2023 (from 38% and 31% in 2022, respectively). Awareness of the Export Academy was much lower at 8% and unchanged since 2022 (7%). Levels of usage were typically lower than their level of awareness, with GOV.UK tools at 45% and the Export Academy at 2%.

1.3.6 Expectations for growth and trade

Around 7 in 10 (73%) businesses were aiming to grow their business, up from 69% in 2022. A further 14% were aiming for consolidation (down from 19% in 2022) and 13% felt they needed to return to profitability.

The proportion of businesses agreeing that there is a lot of opportunity for their business to grow internationally (53%) was not statistically significantly different from 2022 (58%). The proportion who felt there would not be enough demand for their business overseas to make it worthwhile increased (31%, up from 26% in 2022).⁵ Perceptions of there being a lot of demand for UK

⁵ Multiple factors such as the effective base size and design weight influence 'significance', this means that the absolute size of the difference between two proportions does not alone determine whether the difference is statistically significant. For example, a difference of 5 percentage points

products and services has continued to decline. In 2023, 52% thought there was a lot of demand. For reference, this measure peaked in 2017 when 73% thought there was a lot of demand and has declined steadily since. It is possible that EU Exit is a contributing factor to this trend. In 2023, half (50%) agreed that since the UK left the EU, there has been less demand for UK products and services. This was unchanged from 49% in 2022 (but up from 39% in 2021).

Businesses' views on the prospect of UK exports increasing over the next 12 months suggest that businesses are beginning to feel a stabilisation. Just under 4 in 10 (37%) felt that the value of exports will stay the same in the next 12 months (up from 32% in 2022). Almost 3 in 10 (28%) felt that exports will increase, consistent with 2022 (31%) while a smaller proportion felt that exports will decrease (21%), down from 26% in 2022.

1.3.7 Importing

Just under half of businesses stated that they had ever imported (47%), with 2 in 5 (41%) having imported in the last 12 months. This is consistent with a similar measure in 2022 which indicated that 46% had ever imported, with 44% who had imported in the last 12 months. In 2023, current exporters (those in the 'Sustain' segment) were most likely to have also imported in the last 12 months, and lapsed exporters ('Reassure') were most likely to have previously imported but not in the last 12 months.

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%), however this declined further in 2023 (24%). Government remains the main source to which businesses attribute publicity around exporting. In 2023 there was an increase in general mentions of the UK government (63%, up from 54%) but no significant change in specific mentions of the Department for Business and Trade or predecessor departments (12% in 2023, 15% in 2022).⁶ The 'Made in the UK, Sold to the World' campaign was recognised by 13% of businesses, with fewer recognising ads for the UK Export Academy campaign (5%). The 2023 DBT campaigns were largely seen as clear (71%) and trusted sources of information (66%) and 20% thought the campaigns were relevant to them. The campaigns were seen to contain new information for 5 in 10 (51%) 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, 26% had either taken some action, planned to take action, or would consider doing so in future.

may in one case be a significant difference, and in another case it may not. See section 3.4 for further details.

⁶ In previous waves, mentions of Department for International Trade. DBT came into existence in February 2023. In the 2023 survey, mentions of Department for International Trade (DIT) or Department for Trade and Industry (DTI) were included in the DBT attribution figure.

2. Background

This chapter provides an overview of the policy background to the National Survey of Registered Businesses' exporting behaviours, attitudes and needs, 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 8) of the NSRB took place in 2023, starting shortly after the creation of the new Department for Business and Trade (DBT) on 7 February 2023. The 2023 survey questions were updated to refer to the Department for Business and Trade (DBT), rather than the Department for International Trade (DIT). Therefore, this report uses the DBT acronym throughout when referring to the government department responsible for international trade.

2.1 DBT's objectives

The Department for Business and Trade is the department for economic growth. DBT supports businesses to invest, grow and export, creating jobs and opportunities across the country. The department plays a critical role in driving the governments manifesto commitments on industrial strategy, investment, small business, trade and employment rights.

At the time of fieldwork (February to November 2023) the department had published a set of contemporaneous objectives which can be seen in section 2.1 of the NSRB report that was published in August 2023⁷. These objectives were set by the previous government. The departmental objectives are to be updated in due course and will be available on the departments GOV.UK page⁸.

2.2 Context

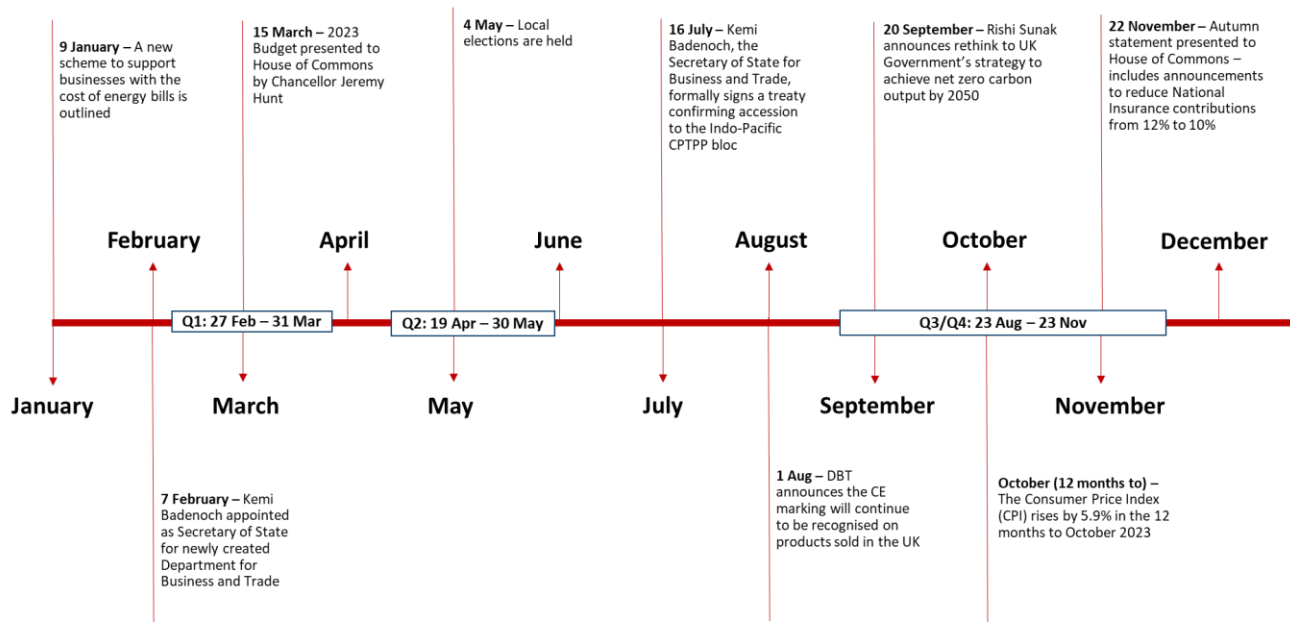
2.2.1 Timeline of relevant events

This survey year (2023) 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, rising energy prices, tight financial conditions, economic slowdown in China, supply chain restrictions and the continued 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 previous government in September 2022.

⁷ <https://www.gov.uk/government/statistics/dbt-national-survey-of-registered-businesses-exporting-behaviours-attitudes-and-needs-2022>

⁸ <https://www.gov.uk/government/organisations/department-for-business-and-trade/about>

Figure 2.1: Summary of key events potentially impacting business in 2023



2.2.2 Russian invasion of Ukraine

One of the most impactful events of 2022 that has continued into 2023 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 24 February 2022, businesses have contended with supply chain disruption and the soaring prices of energy and raw materials.

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. 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 2022.

In 2023, impacts of COVID-19 were less prominent, however, businesses were still likely to be affected in the longer term by the issues arising during the period between 2020 and 2022. As such, this will likely have continued to affect how businesses answered questions and should be considered when interpreting results across different waves of the NSRB.

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 costs.⁹

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

2.2.5 Economic instability and inflation

The UK faced several economic challenges during the 2023 fieldwork period. Growth was low in 2023 with 0.1% year on year GDP growth, which was below the OBR forecast (0.6%), as high inflation in 2023 and higher interest rates subdued activity. The economy entered a technical recession at the end of 2023, which included contraction during quarter three when NSRB fieldwork was active. However, the economy did perform better than many forecasts had expected. A significant predicted recession did not occur.

At the time fieldwork ended in November 2023 inflation was above the 2% Bank of England target, at 3.9%. However, this had fallen substantially from February, when it had been 10.4%. Higher inflation was initially primarily driven by global factors, such as higher global energy prices and post-pandemic supply chain bottlenecks, but domestic factors also had a prominent impact. Domestic drivers of inflation included wage growth.

The UK was not alone in seeing low growth. German GDP fell over the year, and 9 EU economies experienced a recession in 2023.

⁹ 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 <https://www.ons.gov.uk/releases/theimpactssofeuexitandcoronaviruscovid19onuktradeinservicesnovember2021>

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 with a turnover of £500,000+, weighted to be representative of this group
 - the annual findings of surveyed UK registered businesses weighted to be representative of the total population of UK registered businesses
- 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 the survey data show change in relation to previous waves
- the sample sizes of Waves 3 to 8 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)
- chart footnotes below each chart provide reference to the source question number or name and question text, and the unweighted base (number of businesses who answered the question)

3.1 The objectives of the NSRB

The NSRB functions to support DBT'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 DBT's communications campaigns.

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

- measure the size of the opportunity and challenge for DBT 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 impact of COVID-19 and the UK's exit from the EU on exporting
- understand the perceived impact of Free Trade Agreements on businesses

The most recent wave of the survey (Wave 8) includes several new questions designed to:

- investigate businesses' knowledge and perceptions of Free Trade Agreements
- investigate businesses' experience of supply chain issues and resolution

3.2 Sample and fieldwork design

The sample for all 8 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.¹⁰ 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.

Businesses with £500,000+ turnover were oversampled relative to their true proportion in the underlying population, reflecting DBT's focus on High Export Potential (HEP) businesses. This allowed for more robust sub-group analysis when examining the set of businesses with £500,000+ turnover, which is 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 8 waves are included in this report. At Wave 5, a new quarterly approach was introduced to the survey, which was continued for each subsequent wave. This quarterly approach allowed the questionnaire design to be more flexible to DBT'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 2023 (Wave 8), a minimum of 750 interviews were conducted per quarter. In a similar approach to the previous wave, quarter 3 and quarter 4 were again combined at Wave 8 to take account of the slightly later fieldwork start time in 2023 and ensure that all interviews could be adequately completed before the end of the year. The timing of fieldwork for each wave was as follows:

¹⁰ Information about the IDBR is available online from the ONS
<https://www.ons.gov.uk/aboutus/whatwedo/paidservices/interdepartmentalbusinessregisteridbr>

- 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 to 20 March 2020
- Wave 5 quarter 2: 5 June to 10 July 2020
- Wave 5 quarter 3/ quarter 4: 5 November to 14 December 2020
- Wave 6 quarter 1: 1 February to 11 March 2021
- Wave 6 quarter 2: 10 May 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
- Wave 8 quarter 1: 27 February to 31 March 2023
- Wave 8 quarter 2: 19 April to 30 May 2023
- Wave 8 quarter 3/ quarter 4: 23 August to 23 November 2023

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.¹¹

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 8 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

¹¹ See:

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

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 4-11). The second is based on the total population of registered businesses (the focus of Chapter 12).

The effective base sizes for each of these data sets are also shown in Figure 3.1.¹² 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. Chart footnotes report unweighted bases throughout, reflecting the raw number of businesses who answered each question underlying the weighted proportions reported. Where base sizes are low and as such findings should be treated with caution, this is noted in the chart notes. See the accompanying technical report for further details of the weighting schemes.

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	Wave 8
£500,000+ businesses – unweighted base	1,160	1,139	2,535	2,448	2,557	2,485	2,405	2,181
£500,000+ businesses – effective base	922	909	1,617	1,319	1,457	1,080	1,422	1,471
All businesses – unweighted base	1,405	1,418	2,991	3,000	3,001	3,002	3,001	3,004
All businesses – effective base	347	405	550	635	529	674	855	1,199

Figure 3.2: Unweighted and effective base sizes by quarter, Wave 8

Sample	Quarter 1	Quarter 2	Quarter 3/ Quarter 4
£500,000+ businesses – unweighted base	552	544	1,085
£500,000+ businesses – effective base	397	378	700
All businesses – unweighted base	752	751	1,501
All businesses – effective base	286	321	593

¹² The effective base size is calculated as:
(sum of the weight factors applied to each record) squared / the sum of the squared weight factors

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.¹³ 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. Given the multiple factors such as the effective base and design weight that influence 'significance', this also means that the absolute size of the difference between two proportions does not alone determine whether the difference is statistically significant. For example, a 5% difference between two proportions may in one case be a significant difference, and in another case it may not.

3.5 Segment definitions

DBT 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 DBT 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.¹⁴

¹³ 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.

¹⁴ See: Department for International Trade, DIT National Survey of Registered

The 4 segments are outlined in Figure 3.3 below:

Figure 3.3: 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

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. Aside from a decline over the last 2 years in the proportion of businesses which have currently or previously exported, the findings from this chapter are broadly consistent with those from previous years.

Key findings

- Just over 3 in 10 (31%) businesses reported exporting¹⁵ in the last 12 months, while a further 8% reported exporting more than 12 months ago but not in the last 12 months. As such, a total of 39% of businesses had direct experience of exporting (whether current or past). This is a downward trend over the previous two years (43% in 2022 and 45% in 2021), although is not significantly different from levels seen between 2015 and 2020 (40%-42%).
- In line with previous years, businesses in Northern Ireland were more likely to be current exporters (52%) 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 (49%), followed by professional and services (42%), wholesale and retail (40%) and information and communication (39%).
- Just over 1 in 5 (22%) businesses had exported goods in the past 12 months, less than the equivalent 25% in 2022, and 14% had exported services in the past 12 months, in line with 2022.
- As in 2022, those who had exported goods in the previous 12 months were more likely to report a reduction (39%) than an increase in these exports (21%). Among those who had exported services in the previous 12 months, the same share reported a reduction as reported an increase in these exports (both 25%).
- Levels of passivity towards exporting were consistent with 2022. Around 7 in 10 businesses (71%) who had exported before reported that they respond to orders from abroad, but do not specifically target customers in other countries, while 1 in 4 (27%) took a more active approach, intentionally targeting customers in specific countries.
- Over 9 in 10 (94%) current and lapsed exporters had exported to at least one of the core markets in the past 5 years. These 'core markets' were defined in 2023 as the EU, the USA, the Gulf States, Australia and India. Almost all current and lapsed exporters (88%)

¹⁵ 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).

had exported to the EU in the past 5 years and half (50%) had exported to the USA, both in line with previous years.

- There continued to be a substantial pool of businesses with self-reported potential for exporting, but who were not currently doing so (those businesses in the 'Promote' and 'Reassure'¹⁶ segments). The majority of these, however, did not have plans to start exporting (84% and 74% respectively).

4.1 Current exporting behaviours

This section focuses on the exporting segments outlined in Figure 3.3. These segments provide a summary of where businesses are positioned on their exporting journey. 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 3.3, 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.

As shown in Figure 4.1, 3 in 10 (31%) businesses had exported either goods or services in the past 12 months and fell into the 'Sustain' segment. A further 8% were lapsed exporters, who had exported before but not in the past 12 months, known as the 'Reassure' segment. As such, a total of 39% of businesses had direct experience of exporting (whether current or past).

Almost 1 in 5 (18%) 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 brand new exporters are most likely to come. Given that the population of registered businesses with a turnover of at least £500,000 is 483,500,¹⁷ the number of businesses in the 'Promote' segment is estimated to be between 77,000 and 96,000 in 2023.¹⁸ In 2022, there were between 57,000 and 74,000 businesses in the segment.

Combining the number of potential brand new exporters in the 'Promote' segment with lapsed exporters in the 'Reassure' segment, who could restart their exporting journey, there are potentially 25% of UK businesses with turnover of at least £500,000 who could start or resume exporting in the future. This equates to between 112,000 and 134,000 businesses.¹⁹

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%).

¹⁶ See section 3.5 'Segment Definitions' for a full explanation.

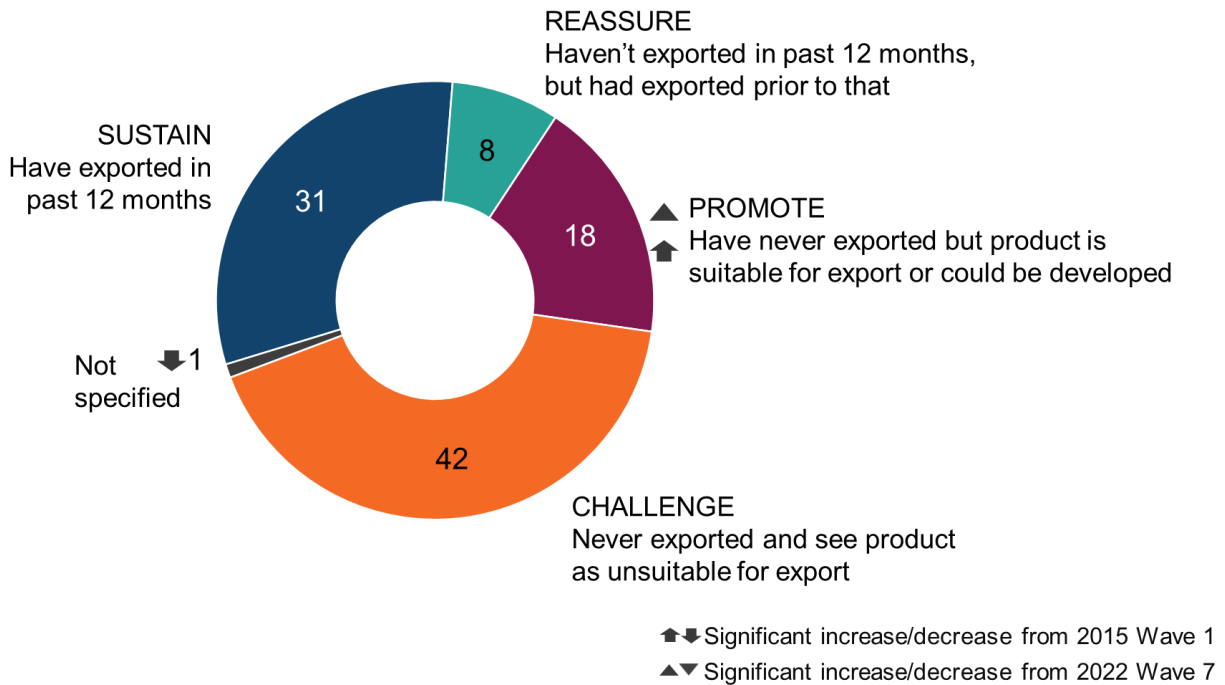
¹⁷ Population count taken from the Inter-Departmental Business Register (IDBR) which was drawn by DBT and provided to Verian on 9 February 2023.

¹⁸ The unrounded proportion of businesses in the 'Promote' segment was 17.80%. There is a margin of error of $\pm 1.957\%$ associated with the survey estimate at a 95% confidence level and so the proportion of businesses in this segment is estimated to lie between 15.85% and 19.76%. The lower estimate is therefore 15.85% of 483,500 and the upper estimate is 19.76% of 483,500, which give rounded values of 77,000 and 96,000 respectively. The provisos for the calculation of confidence intervals on quota samples outlined in chapter 3 also apply here.

¹⁹ The unrounded proportion of businesses in the 'Promote' and 'Reassure' segments combined was 25.40%. There is a margin of error of $\pm 2.227\%$ associated with the survey estimate at a 95% confidence level and so the proportion of businesses in this segment is estimated to lie between 23.18% and 27.63%. The lower estimate is therefore 23.18% of 483,500 and the upper estimate is 27.63% of 483,500, which give rounded values of 112,000 and 134,000 respectively. The provisos for the calculation of confidence intervals on quota samples outlined in chapter 3 also apply here.

The remaining 1% of businesses fell outside the segment definitions and were typically uncertain of their exporting potential or history.

Figure 4.1: Proportion of businesses in each exporting segment (% all respondents)

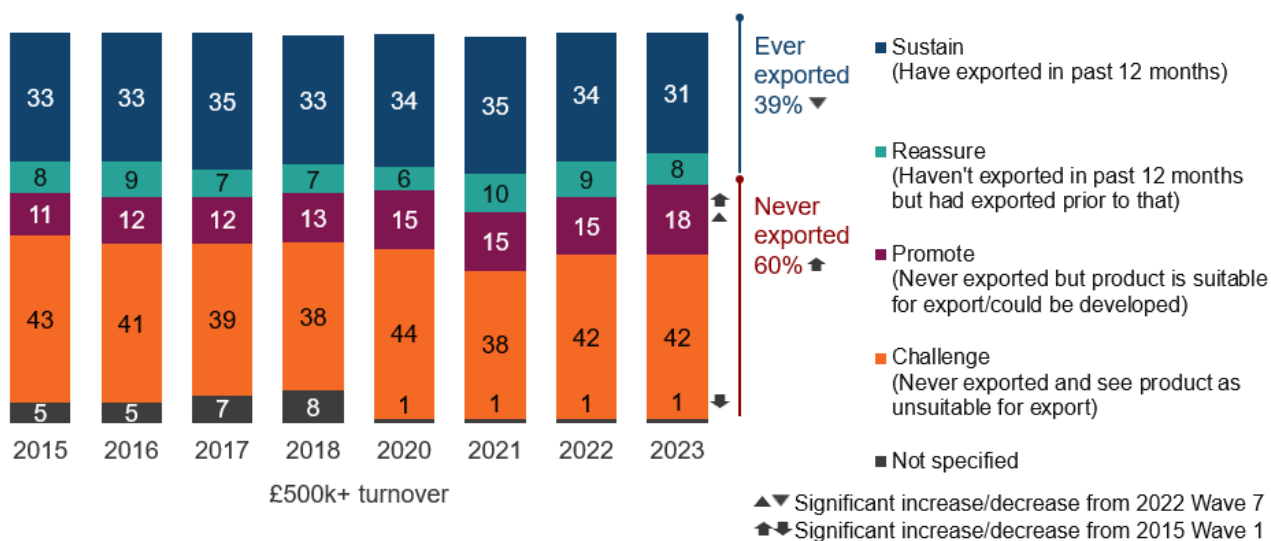


Source: Composite measure merging data from several variables.

Base: All respondents: £500,000+ turnover 2023 Wave 8 (2,181)

Since 2021, there has been a downward trend in the proportion of businesses who have exported before (45% in 2021, 43% in 2022, 39% in 2023), although the 2023 figure is not significantly different from levels seen between 2015 and 2020 (40%-42%). This trend over recent years has been driven by incremental changes across both 'Sustain' and 'Reassure' segments. The proportion of businesses in the 'Promote' segment has been trending upwards over the 8 waves of the NSRB (from 11% in 2015 to 18% in 2023), while the proportion of 'Challenge' businesses has increased since 2021 (42% in 2023, up from 38% in 2021) (Figure 4.2).

Figure 4.2: 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 / 2023 Wave 8: All £500,000+ turnover (1,160 / 1,139 / 2,535 / 2,448 / 2,557 / 2,485 / 2,405 / 2,181)

Unlike in previous years, there were very few significant differences in exporting segment by business size. The decline in the proportion of exporters over the previous 2 years was most apparent among micro businesses (with 0 to 9 employees), with more stability among larger businesses. Year on year, the proportion of micro businesses that exported fell from 46% in 2022 to 40% in 2023.

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 (52%) were more likely to be current exporters (in the 'Sustain' segment) than those in other regions, which, apart from London with 42% current exporters, all had around 1 in 4 to 1 in 3 businesses in the 'Sustain' segment (Figure 4.3). Correspondingly, Northern Ireland and London also had the smallest proportion of 'Challenge' businesses, around 3 in 10, compared with over 4 in 10 in all other regions.

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 2023, 3 in 10 (31%) Northern Irish businesses reported that they had exported in the past 12 months but only to the Republic of Ireland, 2 in 10 (19%) said they exported both to the Republic of Ireland and overseas, and 2% exported to overseas destinations only. This is in line with previous years.

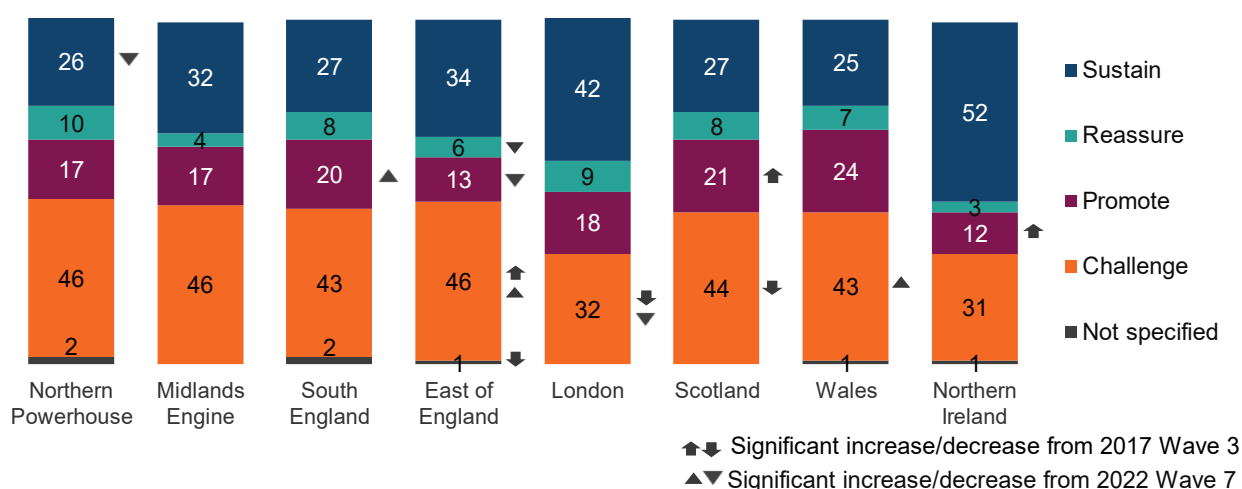
Across the majority of regions, the year-on-year picture was broadly stable. However, there was a decrease in the proportion of current exporters (in the 'Sustain' segment) in the Northern Powerhouse²⁰ super-region, from 35% in 2022 to 26% in 2023, and an increase in the proportion of

²⁰ The Northern Powerhouse super-region consists of the North East, North West, and Yorkshire and the Humber sub-regions.

'Promote' businesses (which had not yet exported but whose products or services were suitable) in the South England²¹ super-region, from 12% to 20%. These were both offset by small changes across other segments. Furthermore, there was a decrease in the proportion of 'Challenge' businesses in London (32%, down from 41% in 2022).

The largest year on year changes by region were seen in the East of England,²² with significant changes in the proportion of businesses in this region in the 'Reassure', 'Promote' and 'Challenge' segments. However, this reflects a return to levels seen consistently in the East of England from 2018 to 2021 and it appears that 2022 was a slight anomaly in this region.²³

Figure 4.3: Proportion of businesses in each exporting segment by super-region and region (% all respondents)



Source: Composite measure merging data from several variables.

Base: All respondents: 2023 Wave 8: All £500,000+ turnover (2181); Northern Powerhouse (363); Midlands Engine (295); South England (505); East of England (230); London (316); Scotland (171); Wales (138); Northern Ireland (163)

As shown in Figure 4.4, businesses in the manufacturing, raw materials and energy sector (49%) were particularly likely to have exported in the last 12 months, in line with 2022. Around 4 in 10 businesses in professional and services (42%), wholesale and retail (40%) and information and communication (39%) sectors also fell into the 'Sustain' segment, which was again consistent with 2022. As in previous years, there was low prevalence of current exporters in the construction and real estate (10%) and education and health (12%) sectors, with these businesses more likely to be in the 'Challenge' segment (60% and 72% respectively). In the construction and real estate sector,

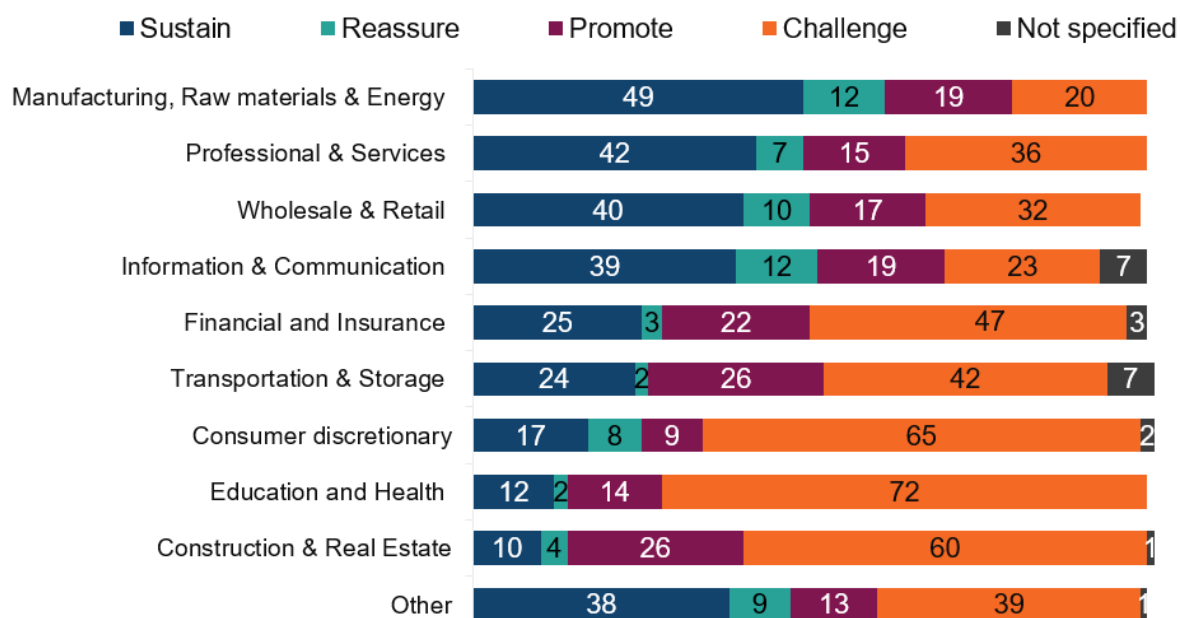
²¹ The South England super-region consists of the South East (ex. London) and South West sub-regions.

²² The East of England region was previously known as East Anglia in earlier NSRB reports.

²³ A possible explanation which may at least partly account for the difference is that in the East of England in 2022 there was a smaller proportion of businesses in sectors which typically contain more 'Challenge' businesses (construction and real estate, consumer discretionary, and education and health). After the data had been weighted, these made up 22% of East of England businesses in the survey population in 2022 compared with 39% in 2021 and 36% in 2023, and may explain why the overall proportion of Challenge businesses in the East of England was lower in 2022 than other years.

the proportion of 'Challenge' businesses fell from 70% in 2022 to 60%, with a corresponding increase in 'Promote' businesses (from 16% in 2022 to 26% in 2023) suggesting that some of these businesses are starting to see potential for exporting their products or services.

Figure 4.4: Proportion of businesses in each exporting segment by sector (% all respondents)



Source: Composite measure merging data from several variables (Q15A, Q15Ai, Q15B, Q15Bi, Q17A, Q17Ai, Q17B, Q17Bi, Q19A)

Base: All £500,000+ turnover respondents: 2023 Wave 8: Construction and real estate (332); consumer discretionary (118); financial and insurance (57); education and health (140); manufacturing, raw materials and energy (398); information and communication (57); other (227); wholesale and retail (541); professional and services (229); transportation and storage (82)

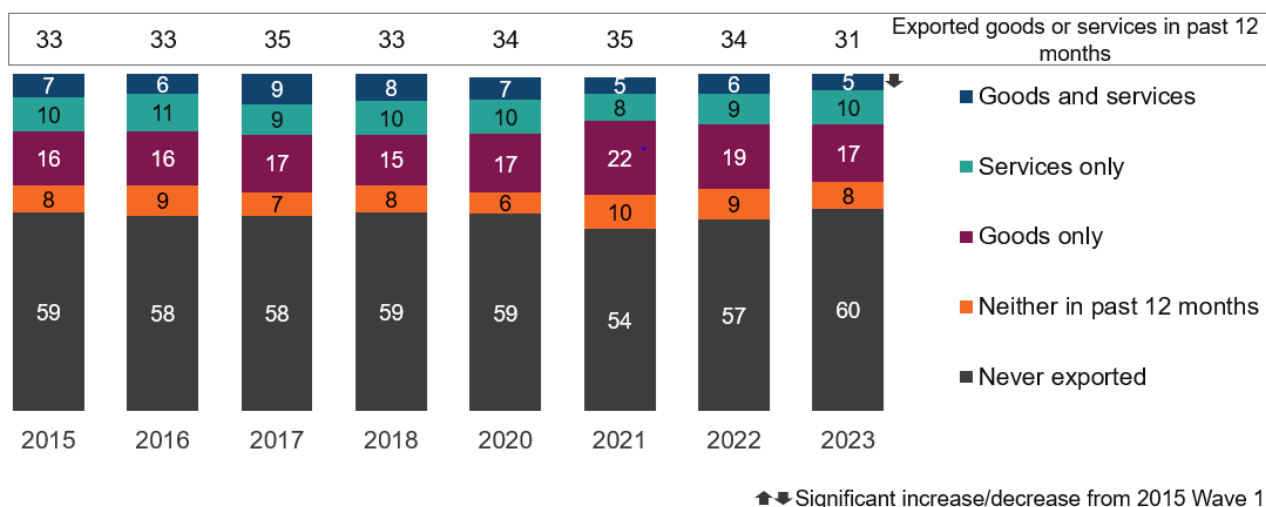
In the transportation and storage sector, there was a decrease in the proportion of businesses which had exported before (26%, compared with 50% in 2022) and an increase in the proportion which stated they had never exported (up from 49% in 2022 to 68% in 2023). This was largely driven by an increase in the proportion of 'Promote' businesses, from 11% in 2022 to 26% in 2023.

4.2 Exporting goods and services

In 2023, approximately 3 in 10 businesses (28%) stated that they previously exported goods outside of the UK and 2 in 10 (18%) stated that they had previously exported services. Just over 2 in 10 businesses (22%) had exported goods in the past 12 months and 14% had exported services in the past 12 months, in line with 2022.

In 2023, 1 in 6 businesses (17%) reported exporting only goods in the past 12 months, continuing a downward trend from 2021 (22% in 2021, 19% in 2022), although at a consistent level with 2015 to 2020 (15% to 17%). In addition, 1 in 10 (10%) had exported only services in the past 12 months, in line with previous years. The proportion who had exported both goods and services was 5% (Figure 4.5).

Figure 4.56: Whether exported goods and/or services in past 12 months (% all respondents)



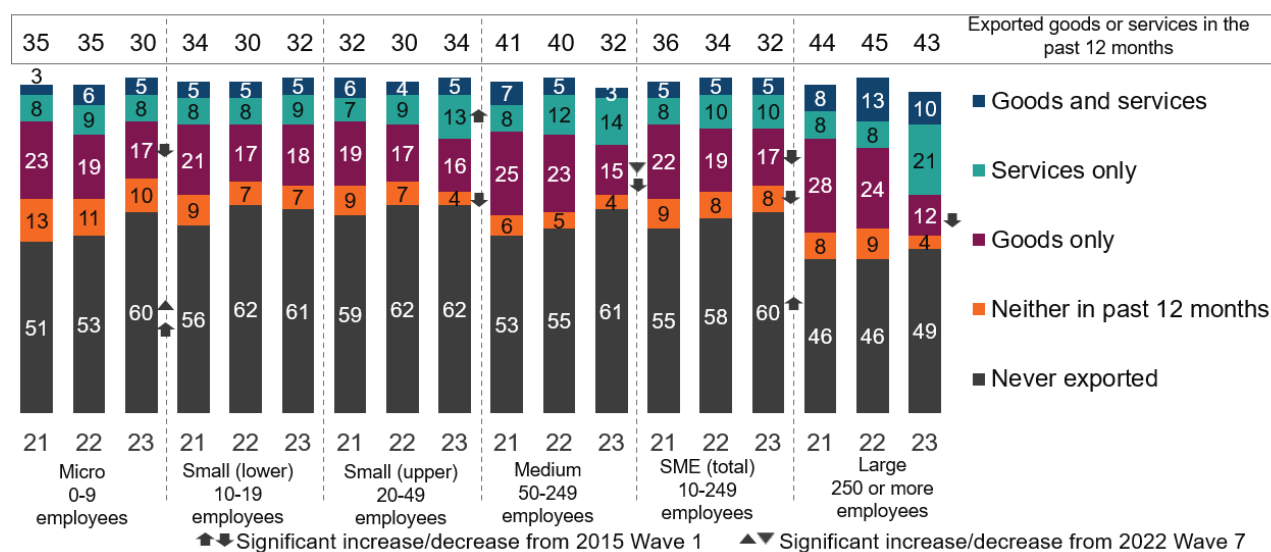
Source: Composite measure merging data from several variables (Q15A, Q15Ai, Q15B, Q15Bi, Q17A, Q17Ai, Q17B, Q17Bi).

Base: All respondents: 2015 Wave 1 / 2016 Wave 2 / 2017 Wave 3 / 2018 Wave 4 / 2020 Wave 5 / 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8: All £500,000+ turnover (1,160 / 1,139 / 2,535 / 2,448 / 2,557 / 2,485 / 2,405 / 2,181) NB: 'Don't know' is not shown so values may not add to 100%.

As in previous years, large businesses (with 250+ employees) were the most likely to have exported services (31%) in the past 12 months (Figure 4.6). However, unlike in previous years, there were no significant differences by business size in the likelihood to have exported goods in the past 12 months. The proportion of large businesses (with 250+ employees) which reported exporting goods in the past 12 months fell from 37% in 2022 to 22% in 2023, and while this change is not significant under the significance testing applied here (given the small number of large businesses in the sample), it signals a sizeable decline nonetheless.

Across the spectrum of business sizes, there were no other notable changes by business size in the export of either goods or services in the past 12 months, aside from for medium businesses (50-249 employees), where there has been a decline in exports of goods over a number of years, from a peak of 34% in 2020 down to 17% in 2023.

Figure 47.8: Whether exported goods and/or services in past 12 months - by business size (% all respondents)

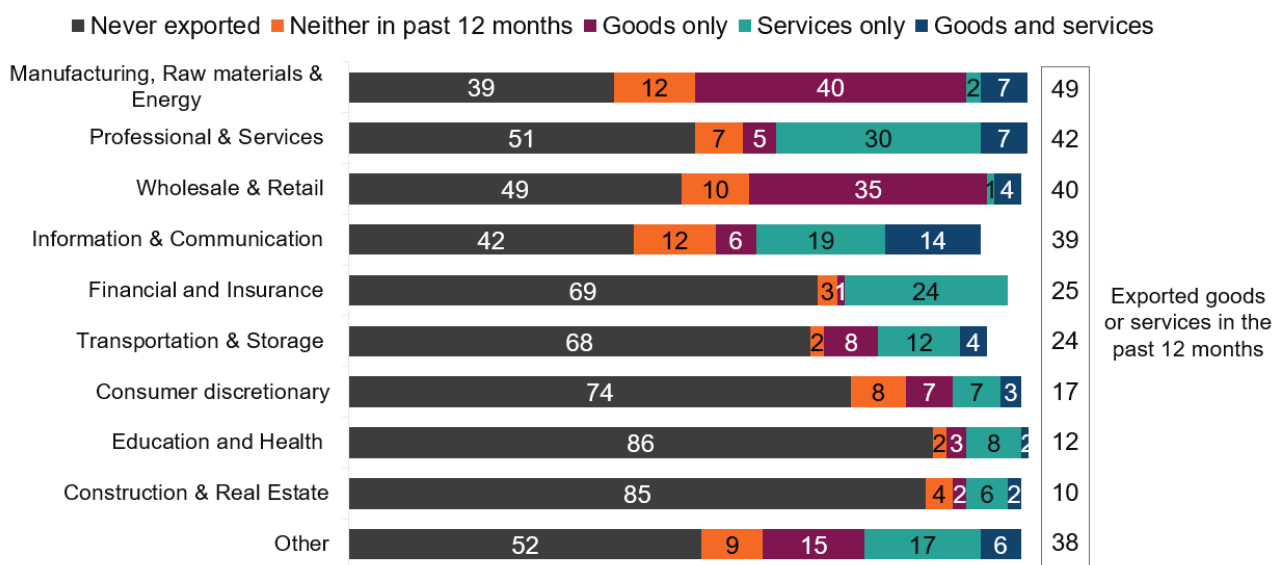


Source: Composite measure merging data from several variables (Q15A, Q15Ai, Q15B, Q15Bi, Q17A, Q17Ai, Q17B, Q17Bi).
 Base: All £500,000+ turnover respondents: 2022 Wave 7 / 2023 Wave 8: Micro (832 / 971); Small (lower band) (453 / 407); Small (upper band) (473 / 345); Medium (449 / 341); Large (198 / 117)
 NB: 'Don't know' is not shown so values may not add to 100%.

In 2023, businesses in Northern Ireland were most likely to have exported goods in the past 12 months (43%), compared with typically around 20% to 25% in all other regions. However, this includes goods exports to the Republic of Ireland. Northern Ireland goods exports to countries excluding the ROI in the past 12 months was in line with other regions (21%). Businesses in London were most likely to have exported services in the past 12 months (26%), followed by those in Northern Ireland and the East of England (both 18%). This was an increase in the East of England (from 10% in 2022) but a decrease in Northern Ireland (from 33% in 2022). Although reported exports of services in the past 12 months in Northern Ireland has fluctuated quite considerably over recent years, driven by fluctuations in exports both to the ROI and elsewhere.

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 (49%). This was primarily driven by the export of goods (47% of all businesses in this sector had exported goods in the past 12 months, with 40% reporting exporting goods only in the past 12 months). Exporting of goods was also relatively high among wholesale and retail businesses (39%), while those in the professional and services (37%) and information and communication (33%) sectors had the highest levels of exports of services in the last 12 months.

Figure 4.9: Whether exported goods and/or services in past 12 months ('Don't know' not shown) - by sector (% all respondents)



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

Base: All £500,000+ turnover respondents: 2023 Wave 8: Construction and real estate (332); consumer discretionary (118); financial and insurance (57); education and health (140); manufacturing, raw materials and energy (398); information and communication (57); other (227), wholesale and retail (541); professional and services (229); transportation and storage (82)
 NB: 'Don't know' is not shown so this does not always add to 100%

4.3 Export change in the last 12 months

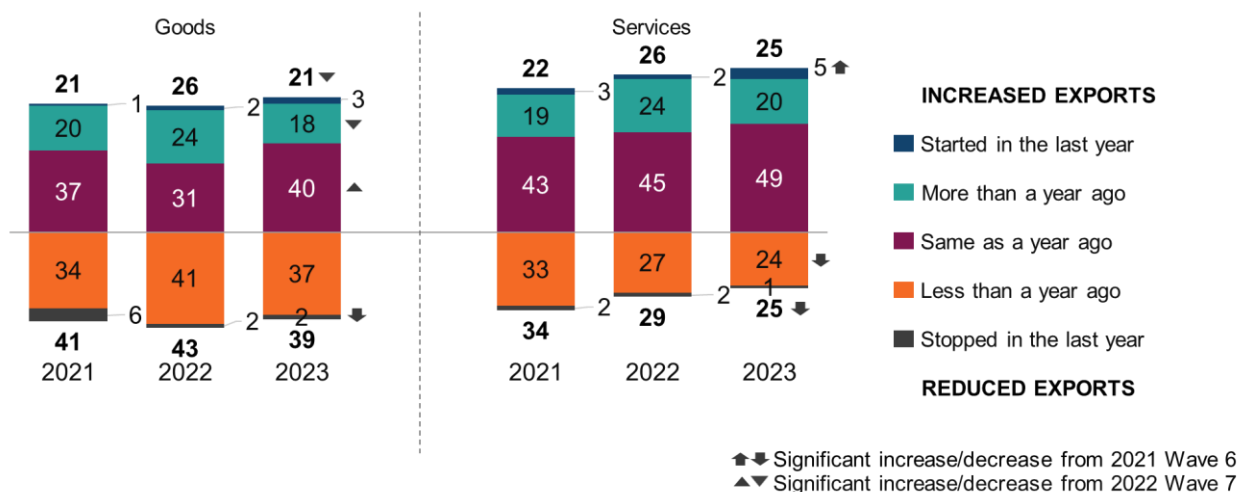
Figure 4.8 shows the proportion of exporting businesses reporting growth, stability or contraction in their exports of goods and services over the past year. These figures have some caveats attached. Businesses in Northern Ireland were asked separate questions about their change in exports to each of the Republic of Ireland and elsewhere. The figures we use here, which report on the data at an 'overall' level, exclude responses from Northern Irish businesses who exported only to the Republic of Ireland. This is to avoid double-counting of businesses who exported both to the Republic of Ireland and elsewhere (and were therefore asked both questions in the survey). We do not separately report on Northern Irish businesses which export to the Republic of Ireland due to the small sample size of this group.

Among current exporters of goods (those who said they had exported in the past 12 months), 2 in 10 (21%) stated that their exports of goods had increased in the past 12 months, while 4 in 10 (39%) stated that they had decreased. This equates to a net balance score²⁴ of -18%, in line with 2022 (-17%). Almost 2 in 10 (18%) said they had exported more in the past 12 months, a decrease compared with 2022 (24%); however, 4 in 10 (40%) said they had exported the same as a year ago, an increase compared with 2022 (31%).

²⁴ 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.

Among current exporters of services, 1 in 4 (25%) stated that their exports of services had increased in the past 12 months, with a further 1 in 4 (25%) stating that they had decreased. This equates to a net balance score of zero, which was not significantly different from -3% in 2022. 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 does not exist for exporters of services.

Figure 4.10: Changes in exports over past year (% of exporters of goods/services in past 12 months)



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 £500,000+ businesses who have exported goods/services in past 12 months, excluding exports from NI to the ROI: 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8: Goods (816 / 720 / 570), Services (314 / 334 / 303) NB: 'Don't know' is not shown so values may not add to 100%.

4.4 Active and passive exporting

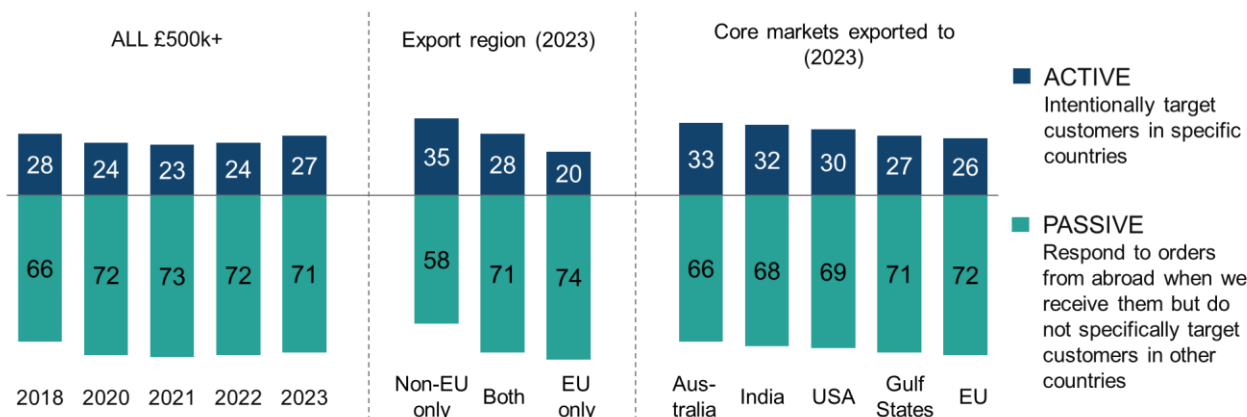
In 2023, 7 in 10 exporters (71%) said that they were essentially 'passive' in their exporting behaviours. Passive was defined as businesses who stated that they respond to orders from abroad when received, but do not specifically target customers in other countries. Around 1 in 4 exporters (27%) reported that they intentionally targeted customers in specific countries and would therefore be classified as 'active' exporters. The proportion of passive and active exporters in 2023 was in line with 2022 (Figure 4.9) and has remained broadly consistent since the question was first asked in 2018.

Businesses that had exported only to non-EU countries over the past 5 years were more likely to be active exporters (35%) than those that exported only to EU countries (20%). The proportion of active exporters was similar across exporters to all core markets²⁵ in 2023 (around 26% to 33%). With regard to business location, those in the East Midlands were the most likely to report being active exporters (43%),²⁶ with the majority of other regions falling within 20% to 30%.

²⁵ Core export markets are described further in Section 4.5.

²⁶ In Waves 4, 6 and 7, those in London were the most likely to report being active exporters (35%, 34%, 38%). In Wave 5, North West England was the most likely (36%).

Figure 4.11: Passive or active approach to exporting (% of all who have ever exported)



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 £500,000+ businesses who have exported 2018 Wave 4 / 2020 Wave 5 / 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8 (1,226 / 1,173 / 1,269 / 1,170 / 957); Export region 2023 Wave 8: Non-EU only / Both / EU only (69* / 594 / 258), Core export market 2023 Wave 8: Australia / India / USA / Gulf States / EU (295 / 157 / 449 / 291 / 852). * Base size is below 100; treat with caution

By business size, those with at least 20 employees (38%) were more likely to be active exporters than those with up to 19 employees (23%). There were no significant differences by sector.

4.5 Export markets

The focus for core export markets changes from year to year and in 2023 DBT identified the EU, USA, Gulf States,²⁷ Australia and India and as priorities for inclusion in the NSRB, based on their strategic significance to UK trade and relevance to DBT policies.²⁸ Over 9 in 10 (94%) of those who had exported before had exported to one of these markets in the past 5 years (Figure 4.10),²⁹ with this largely made up of those who had exported to the EU (88%). Though the EU has been included in the survey since 2020, and the proportion of current and lapsed exporters who had exported to this market has been stable at around 9 in 10, this is the first time it has been identified as a core market.

Half (50%) of those who had ever exported reported exporting to the USA in the past 5 years, in line with previous years, and 3 in 10 reported exporting to each of the Gulf States (32%) and Australia (30%). While this was an increase for the Gulf States, this may be due to a slight change in definition from 2022, when UAE was considered separately (30% exported to the UAE and 22%

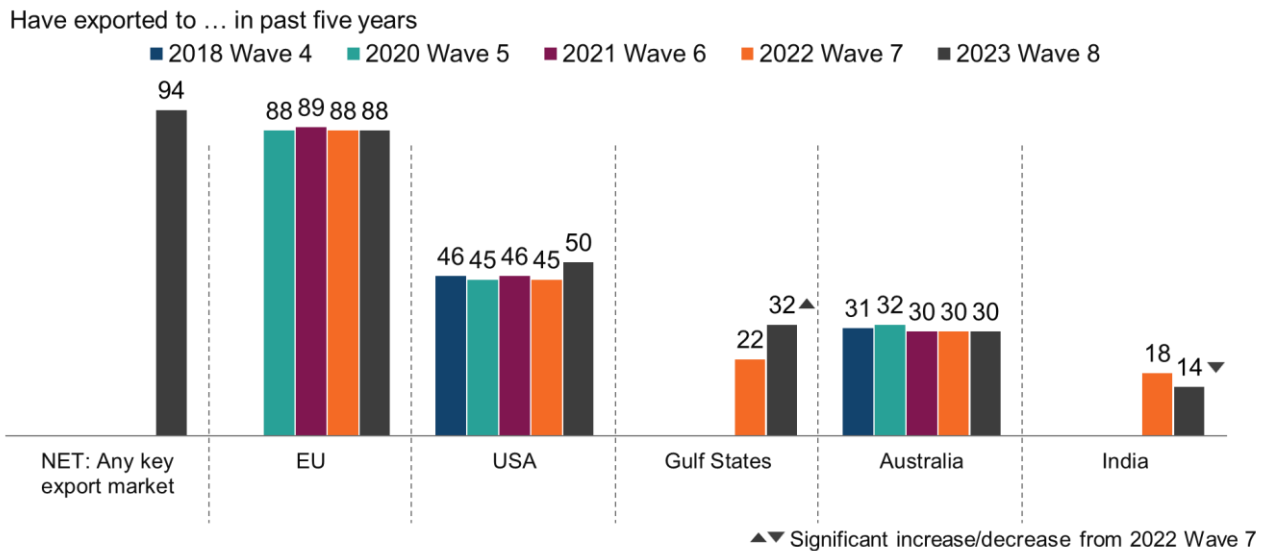
²⁷ In 2023 Gulf States included United Arab Emirates (UAE), Bahrain, Oman, Qatar and Saudi Arabia. In 2022 UAE was not included in the definition and was asked about separately.

²⁸ The core market set also has an impact on the way respondents are routed through the questionnaire, and therefore also on the data available for analysis.

²⁹ Exports to any core market are not shown for previous years as the key export markets change from year to year.

to the Gulf States in 2022). The proportion of current and lapsed exporters who stated that they had exported to India in the past 5 years decreased from 18% in 2022 to 14% in 2023.

Figure 4.12: Involvement in exporting to core markets (% of all who have ever exported)



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

Base: All £500,000+ turnover businesses who have exported 2018 Wave 4 / 2020 Wave 5 / 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8: (1,126 / 1,173 / 1,269 / 1,170 / 957)

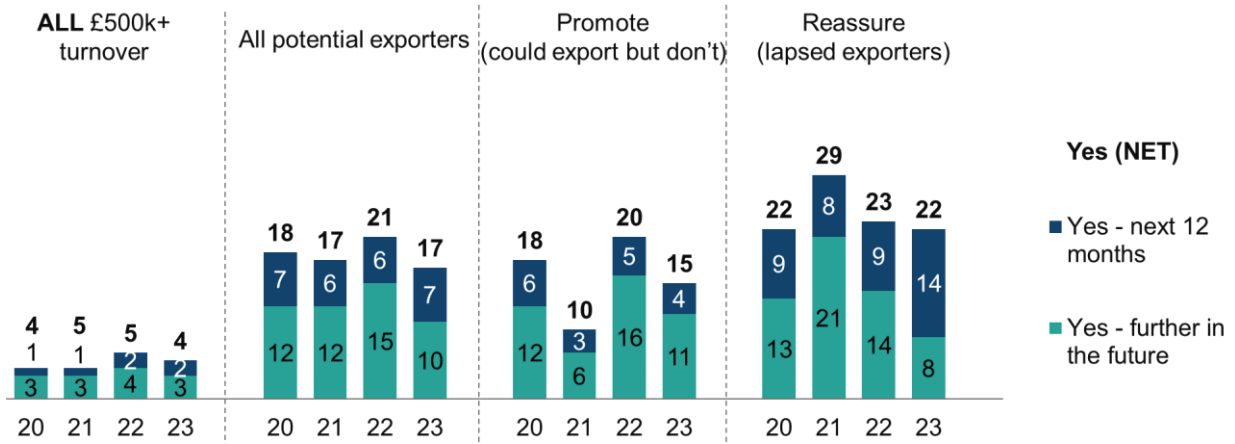
There was no difference by business size in the proportion of current and lapsed exporters exporting to the EU, USA, Gulf States or Australia, however medium and large businesses (those with at least 50 employees) were more likely to have exported to India than businesses with fewer than 50 employees (29% compared with 12%).

Current and lapsed exporters in Northern Ireland were less likely than those in other parts of the UK to have exported to any core market (82%), and to each of the core markets individually (EU: 79%, USA: 14%, Gulf States: 6%, Australia: 7%, India: 3%), in the past 5 years. Businesses in London who had exported before were more likely than those in other regions to have exported to the USA (67%) in the past 5 years.

4.6 Future plans for exporting

As shown in Figure 4.11, 17% 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 (10%) than in the next 12 months (7%). 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 of businesses planning to begin or recommence exporting at some point in the future (be it in the next 12 months or longer) is equivalent to 4% of the whole £500,000+ business sample.

Figure 4.13: Whether plan to start exporting (% all respondents)



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 / 2023 Wave 8: £500,000+ turnover (2,557 / 2,485 / 2,405 / 2,181), All potential exporters who have not exported in past 12 months but could (539 / 590 / 556 / 557), Promote (368 / 351 / 341 / 380), Reassure (148 / 217 / 196 / 152)

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

This chapter examines what capabilities and capacity businesses have for exporting and subsequently identifies what barriers to exporting they face when exporting to those regions designated as ‘core markets’.

As set out in section 4.5, the focus for core export markets changes from year to year and in 2023 DBT identified the EU, USA, Gulf States,³⁰ Australia and India and as priorities for inclusion in the NSRB. Businesses that had ever exported goods or services and had done so (or considered doing so) to at least one of these core markets³¹, were asked an additional series of questions about barriers to exporting to these markets. Those exporting goods were specifically asked about product or production processes, customs procedures and business conditions abroad. Those exporting services were asked about barriers relating to the conditions for the supply of services, administrative costs and burdens, and treatment of domestic and foreign businesses. These questions are asked in alternate waves, so comparisons are made with 2021 (Wave 6) and 2018 (Wave 4) rather than 2022 (Wave 7). However, due to changes in which markets are chosen as core markets from year to year,³² comparisons with previous waves are limited.

Key findings

- Across almost all aspects of export capabilities and capacity that had been measured in previous years, findings were consistent with 2022. The exception was in access to support and advisory services, which 63% of businesses felt they had in 2023, up from 55% in 2022. Around 2 in 3 businesses felt they possessed the capability to assess the cost of exporting (68%) and had the financial resources (66%) and adequate supply chains (65%) to export. There was less confidence in having sufficient staff capacity for exporting and the capability to assess international competition for products or services, with only around half of businesses stating that they had these (52% and 51% respectively).
- Almost 6 in 10 (58%) of those who had exported goods before (to any market), and had exported or considered exporting to a core market, reported facing any barriers to their exports of goods, up from 45% in 2021. The most mentioned barrier to exporting goods was that relating to customs procedures (49%, up from 32% in 2021). These changes are likely to be driven by the change in core markets from 2021 to 2023 and the inclusion of the EU as a core market for the first time. Across all of those asked about, reported barriers to exporting goods to the EU were higher than for other core markets (driven by barriers related to custom procedures), and there were no changes in reported barriers to exporting to the USA or Australia, both of which had previously been included in the survey.
- Just over 1 in 3 (36%) of those who had exported services before (to any market), and had exported or considered exporting to a core market, reported facing any barriers to their exports of services. In contrast to the equivalent measure for barriers to goods exports, this was unchanged from when it was previously asked in 2018 and 2021. As with exporters of goods, those describing their exports of services to the EU were more likely to report facing

³⁰ In 2023, ‘Gulf States’ included United Arab Emirates (UAE), Bahrain, Oman, Qatar and Saudi Arabia. In 2022 UAE was not included in the definition and was asked about separately.

³¹ If a business had exported to more than more core market, then one was selected at random for follow up questioning.

³² In 2018 and 2021, the core markets were USA, Australia, China and New Zealand.

barriers to doing so (45%) than those describing their exports of services to one of the other core markets. However, unlike for exports of goods, there was no one barrier which stood out as being more likely to be faced by those exporting services to the EU than those exporting services to other core markets.

5.1 Capabilities to focus on exporting

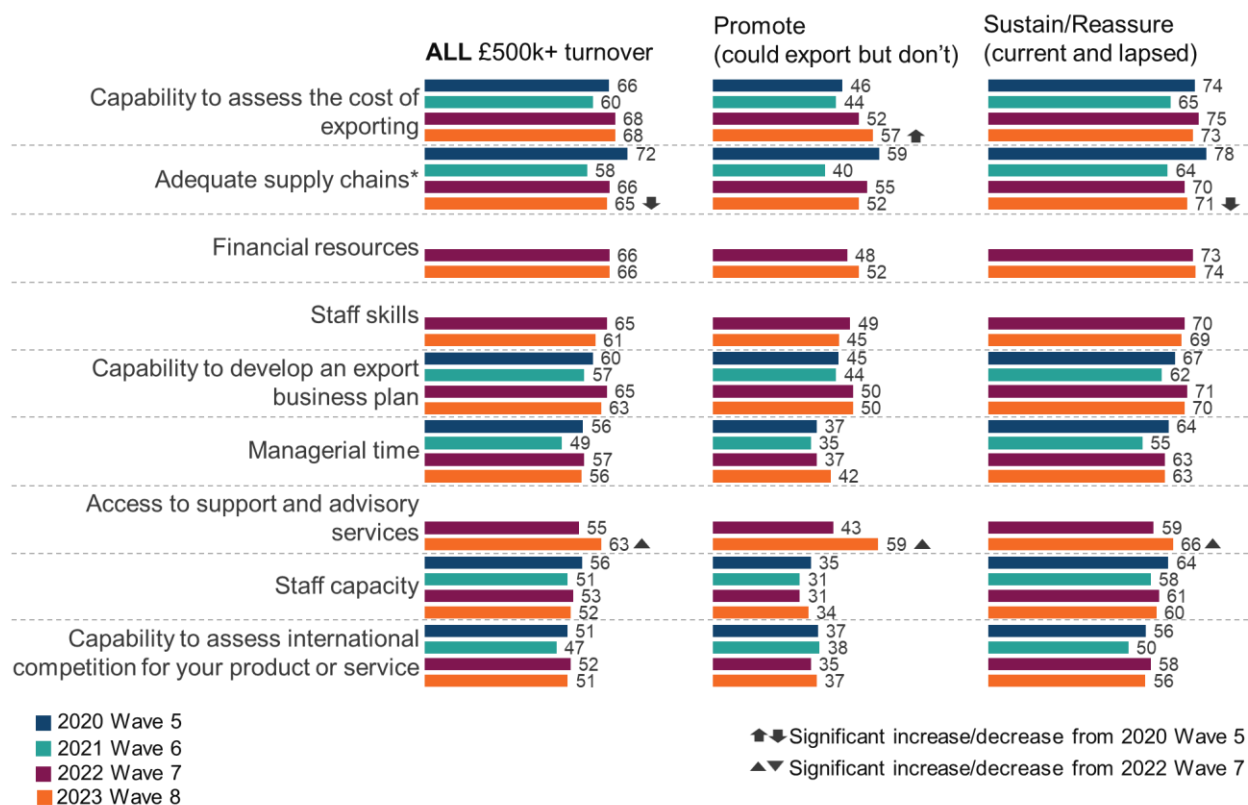
Businesses whose goods or services were suitable for export were questioned about the capabilities and capacity they possessed for exporting. This covered businesses in the 'Sustain' and 'Reassure' segments, which were current or previous exporters and made up 39% of all £500,000+ businesses, and businesses in the 'Promote'³³ segment, who had never exported but whose goods or services could be developed for export, accounting for a further 18% of businesses.

Around 2 in 3 of these businesses felt they possessed the capability to assess the cost of exporting (68%) and had the financial resources (66%) and adequate supply chains (65%) to export. There was less confidence in having sufficient staff capacity for exporting and the capability to assess international competition for products or services, with only around half of businesses stating that they had these (52% and 51% respectively).

Across almost all aspects of capabilities and capacity that had been measured in previous years, findings did not vary considerably when compared to 2022, with the exception being access to support and advisory services, which 63% of businesses felt they had in 2023, up from 55% in 2022 (Figure 5.1).

³³ 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' of all whose product is suitable for export)



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 / 2023 W8**: £500,000+ turnover businesses (1,564 / 1,642 / 1,530 / 656), Promote (265 / 351 / 341 / 186), Sustain/Reassure (1,173 / 1,269 / 1,170 / 458) *2020 Q2-4 only **Half sample selected at random in 2023/Wave 8.

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 most areas. The exceptions were in having access to support and advisory services, and in having the capability to research and understand Free Trade Agreements, where there was no difference between segments.

Businesses with up to 19 employees were typically less likely than their larger counterparts to report capabilities and capacity across most areas. However, there were no differences by business size in the proportion who felt they had access to adequate supply chains, the capability to research and understand Free Trade Agreements, and sufficient staff skills in order to export.

5.2 Barriers to exporting goods and services (introduction)

Businesses that had exported before were asked if they had exported or considered exporting to various markets in the past 5 years³⁴ (see section 4.5). If they had exported goods and had

³⁴ Refer to survey questionnaire included within accompanying technical report for full list of markets asked about.

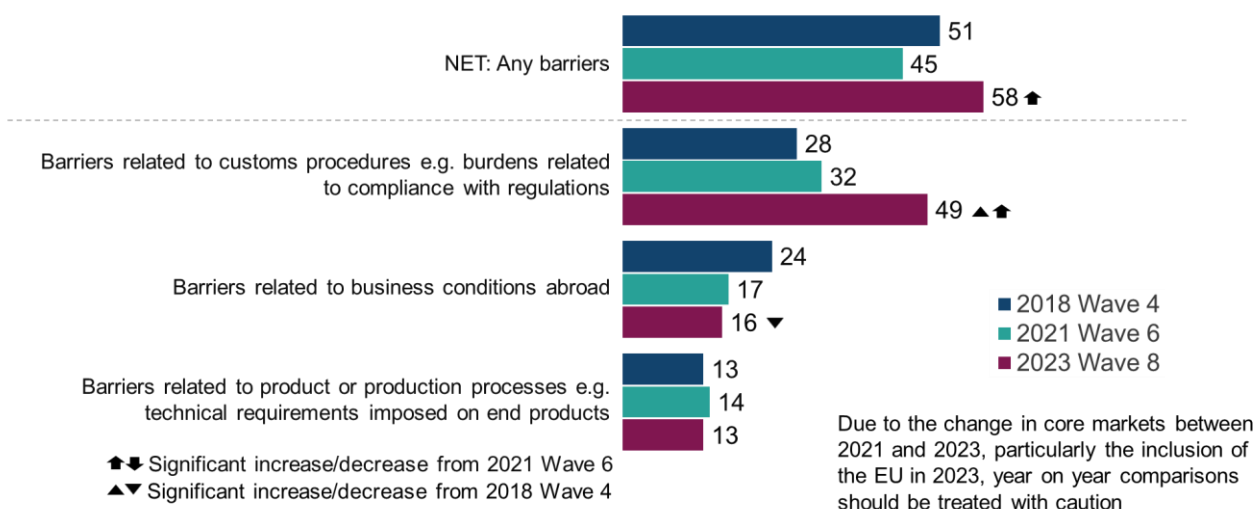
exported to one of the core markets (EU, USA, Gulf States, Australia or India in 2023³⁵), they were asked if they had faced any barriers to exporting goods to the market in question, with follow up questions on the specific nature of these barriers. If they had exported or considered exporting goods to more than one market, then one market at random was selected for response. A similar series of follow-up questions were asked to exporters of services, using equivalent routing.

Due to the change in core markets between 2021 and 2023, any comparisons between years should be treated with caution, particularly since 2023 included the EU, the most common export destination, which can therefore dominate the findings.

5.3 Barriers to exporting goods

Almost 6 in 10 (58%) of those who had exported goods before, and had exported or considered exporting to a core market, reported facing any of the listed barriers to their exports of goods, up from 45% in 2021 (Figure 5.2). In 2023, barriers related to customs procedures were again the most frequently cited issue, mentioned by half (49%), up from 32% in 2021, and likely driven by the additional inclusion of the EU as a core market in 2023. This is described in more detail later in this section. Fewer than 1 in 5 mentioned barriers related to business conditions abroad (16%) or barriers related to product or production processes (13%), with both of these unchanged from 2021.

Figure 5.2: Barriers to exporting goods (% of all respondents who export goods and had exported/considered exporting to one of the core markets)



Source: Q25C1. Which, if any, of the following were the main barriers that cost (or would have ended up costing) your organisation time, money or other resources when you considered exporting/exported GOODS to [MARKET] in the past 5 years?

Base: 2018 W4 / 2021 W6 / 2023 W8: All who export goods and had exported/considered exporting to one of the core markets (asked about one at random if more than one): £500,000+ turnover businesses (487 / 610 / 701).

Lapsed exporters (in the 'Reassure' segment) were more likely than current exporters (in the 'Sustain' segment) to report having faced any barriers when exporting or considering exporting goods to one of the core markets (74% compared with 54%). This was driven by being more likely

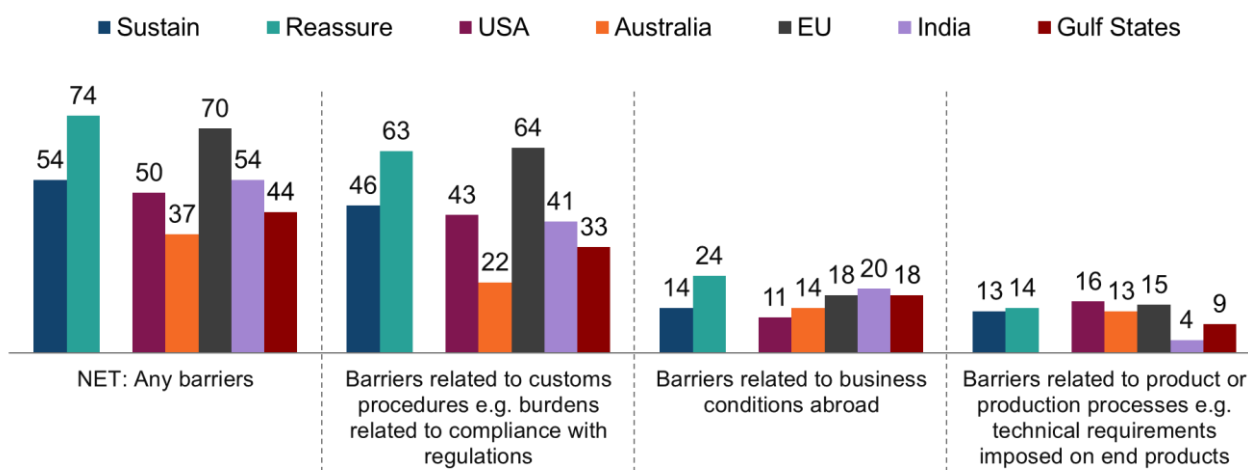
³⁵ In 2018 and 2021, the core markets were USA, Australia, China and New Zealand.

to report facing barriers related to customs procedures (63% compared with 46%), with no differences between the segments in likelihood to report facing barriers related to business conditions abroad or to product or production processes (Figure 5.3). For both current and lapsed exporters there was an increase from 2021 in the proportion reporting having faced any barriers to exporting goods (current exporters: 45% to 54%, lapsed exporters: 39% to 74%) and in facing barriers related to customs procedures (current exporters: 32% to 46%; lapsed exporters: 30% to 63%).

It is likely that these shifts in the proportion of those facing barriers to exporting goods, and in particular in experiencing barriers related to customs procedures, are driven by the inclusion of the EU as a core market in 2023. Businesses were more likely to state that they had faced barriers related to customs procedures in relation to exporting goods to the EU (64%) than to any of the other core markets (which ranged from 22% of those describing exporting goods to Australia to 43% of those describing exporting goods to the USA). Therefore, overall experience of facing any barriers was higher for those describing exporting goods to the EU (70%) than for those describing exporting goods to any other core market (Figure 5.3).

There were no changes in reported experience of barriers to exporting goods to the USA or Australia, both of which were also included as core markets in 2021.

Figure 5.3: Barriers to exporting goods – by segment and market (% of all respondents who export goods and had exported/considered exporting to one of the core markets)



Source: Q25C1. Which, if any, of the following were the main barriers that cost (or would have ended up costing) your organisation time, money or other resources when you considered exporting/exported GOODS to [MARKET] in the past 5 years?

Base: 2023 W8: All £500,000+ businesses which export goods and had exported/considered exporting to one of the core markets (asked about one at random if more than one): Sustain / Reassure (601 / 100), Exported or considered exporting to, and asked about, USA / Australia / EU / India / Gulf States (126 / 83* / 353 / 50* / 89*) * Base size is below 100; treat with caution

For each goods export barrier, businesses facing that barrier were asked about specific issues relating to it. Given low base sizes, it is not possible to analyse specific barriers by core market or any other subgroup.

5.3.1 Customs procedures

Two thirds (68%) of those who mentioned barriers related to customs procedures cited document requirements as a key barrier, a greater proportion than in 2021 (54%). This increase is likely

driven by the inclusion of the EU, although sample sizes for other markets are too small to draw any firm conclusions. Around 1 in 6 mentioned delays at the border (17%), a lack of information and guidance on procedures (15%), the cost of time taken to complete procedures (15%), and payments/fees for documents and inspections (15%), all of which were in line with 2021.

5.3.2 Business conditions

Among those who had experienced business conditions abroad as a barrier to exporting, just over 1 in 10 cited paperwork/document issues (14%), issues surrounding changes in relation to EU Exit (13%), and increased shipping costs (11%). Mentions of changes in relation to EU Exit were in line with 2021, while the other options were not included as responses in the 2021 survey.

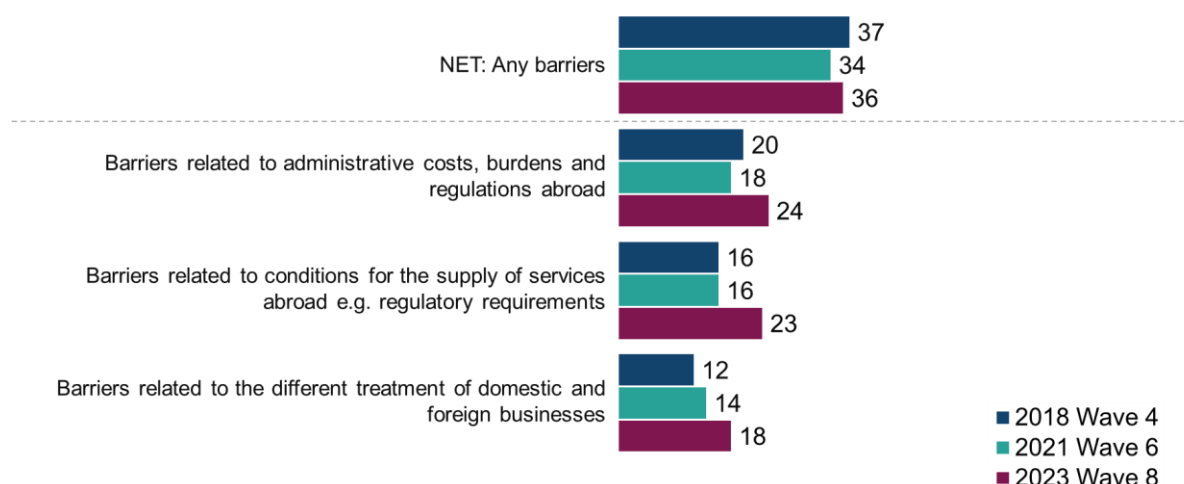
5.3.3 Product or production processes

Of those who cited barriers related to product or production processes, 25% mentioned requirements to meet product standards and 21% mentioned cost implications, while slightly fewer mentioned bureaucracy/red tape (16%), requirements on safety or quality regulations (13%), and restrictions on accessing raw materials (12%). There were no significant changes from 2021.

5.4 Barriers to exporting services

In 2023, just over 1 in 3 (36%) businesses which had ever exported services, and had exported or considered exporting to a core market, reported facing any of the listed barriers to their exports of services. Unlike for the export of goods, this was unchanged from when it was previously asked in 2018 and 2021. Around 1 in 4 mentioned barriers related to administrative costs, burdens and regulations abroad (24%) and to the conditions for the supply of services abroad (23%), with slightly fewer (18%) citing barriers related to the different treatment of domestic and foreign businesses. These were all unchanged from previous years.

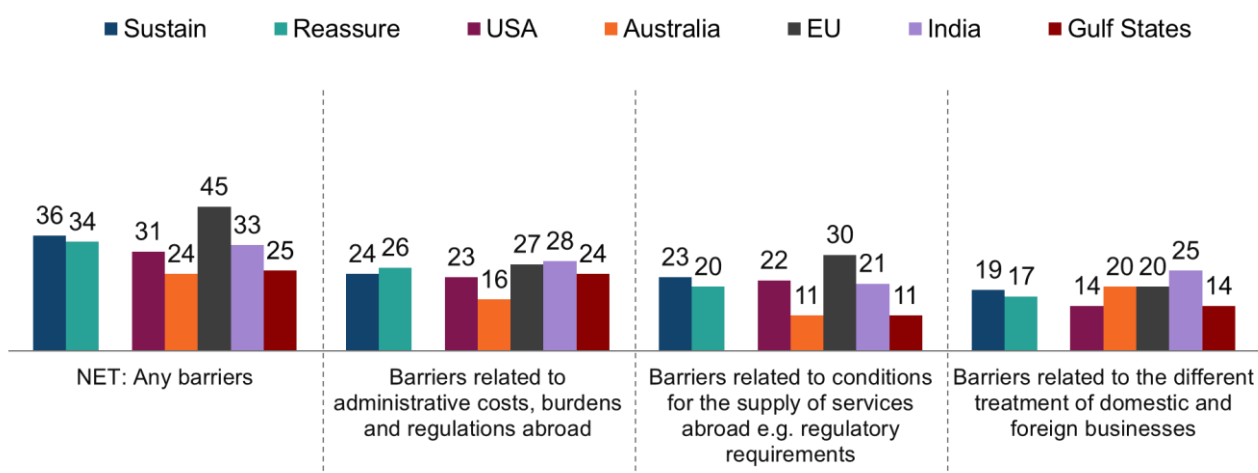
Figure 5.4: Barriers to exporting services (% of all respondents who export services and had exported/ considered exporting to one of the core markets)



Source: Q25C5. Which, if any, of the following were the main barriers that cost (or would have ended up costing) your organisation time, money or other resources when you considered exporting/exported SERVICES to [MARKET] in the past 5 years?
 Base: 2018 W4 / 2021 W6 / 2023 W8: All who export services and had exported/considered exporting to one of the core markets (asked about one at random if more than one): £500,000+ turnover businesses (354 / 300 / 369)

In 2023 there were no differences between the current exporter ('Sustain') and lapsed exporter ('Reassure') segments with regard to the barriers faced when exporting services to core markets, and no significant changes when comparing to 2021 within either segment. As with exporters of goods, those describing their exports of services to the EU were more likely to report facing barriers (45%) than those describing their exports of services to one of the other core markets (which ranged from 1 in 4 of those describing their exports of services to Australia or the Gulf States to 1 in 3 of those describing their exports of services to the USA or India). However, unlike with exports of goods, there was no one barrier which stood out as being more likely to be faced by those exporting services to the EU than those exporting services to other core markets (Figure 5.5).

Figure 5.5: Barriers to exporting services – by segment and market (% of all respondents who export services and had exported/considered exporting to one of the core markets)



Source: Q25C5. Which, if any, of the following were the main barriers that cost (or would have ended up costing) your organisation time, money or other resources when you considered exporting/exported SERVICES to [MARKET] in the past 5 years?

Base: 2023 W8: All £500,000+ businesses which export services and had exported/considered exporting to one of the core markets (asked about one at random if more than one):

Sustain/Reassure (325 / 44*), Exported or considered exporting to, and asked about, USA / Australia /EU / India / Gulf States (76* / 42* / 172 / 23** / 56*) * Base size is below 100; treat with caution ** Base size below 30; treat with extreme caution

For each services export barrier, businesses facing that barrier were asked about specific issues relating to it. Given low base sizes, it is not possible to analyse specific barriers by core market or any other subgroup.

5.4.1 Administrative costs, burdens and regulations

In line with 2021, 32% of those who cited barriers related to administrative costs, burdens and regulations abroad as a barrier mentioned customs costs, procedures or import restrictions as a specific challenge. Around 1 in 7 (14%) mentioned restrictive and costly start-up procedures, while around 1 in 10 mentioned documents/paperwork issues (10%), visa costs or difficulties in obtaining visa (10%), time constraints (9%), and cost implications (9%).

5.4.2 Conditions for the supply of services abroad

Among those who mentioned they had experienced barriers related to conditions for the supply of services abroad, 43% described facing barriers related to licenses and permits, in line with 2021. Just over 2 in 10 (22%) had experienced document/paperwork issues (which was not included in the 2021 survey) and just over 1 in 10 mentioned requirements on the nationality of businesses owners/employees (13%, up from <1% in 2021), and a lack of transparency or high cost of local regulations or standards (12%, unchanged from 2021).

5.4.3 Different treatment of domestic and foreign businesses

Around 2 in 10 (19%) businesses which said they had experienced barriers related to the different treatment of domestic and foreign businesses specifically mentioned rules, state subsidies or taxes (other than tariffs) which favour domestic over foreign firms as a barrier, in line with 2021. Around 1 in 10 (12%) mentioned document/paperwork issues, which was not included in the 2021 survey and slightly fewer (9%) mentioned practices or rules giving preference to domestic suppliers, in line with 2021.

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

There were several major Free Trade Agreement related announcements and events in 2023 during this period of NSRB fieldwork. This included the UK signing up to join the CPTPP trading bloc in July 2023. The newly agreed trade deals with Australia and New Zealand also entered into force in May 2023.

Other key FTA moments throughout the year included the launch of negotiations with South Korea and Switzerland, and ongoing agreement of 'Memorandums of Understanding' with individual US states in order to promote trade and investment. During 2023 this included Oklahoma, Utah, Washington State, and Florida.

Negotiations with major economies such as India and the Gulf Cooperation Council were also running throughout the year and attracting significant media and political interest.³⁶

For several years, the NSRB has asked businesses to predict the effects of negotiated FTAs on their business. New questions in this wave (2023) asked businesses to describe their knowledge of FTAs, anticipated effects of the agreements, as well as their experiences of FTA benefits. 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.

Overall, the findings from this chapter indicate that most have heard of FTAs (76%) but only a small proportion (17%) know something about them. There was agreement from 45% of those surveyed that FTAs will benefit their business, but fewer agree they are confident they would know how to trade through an FTA (23%) or that the government is providing information and support to help businesses access FTA benefits (18%). This suggests a need for DBT to provide further information and support in these areas to help businesses capitalise on benefits.

Three in 4 businesses who were eligible for an FTA benefit said their goods or services did in fact benefit from it (76%). Among both exporters (30%) and importers (33%), reduced customs duties was the benefit businesses most frequently cited being eligible for. All businesses were asked where they would go for information and support relating to FTAs, with the most mentioned source being GOV.UK (81%). This was followed by business or professional contacts (59%) and the UK government (53%).

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 included 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 provided businesses with practical, action-oriented information to help them utilise the new Australia and New Zealand deals.

³⁶ 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>

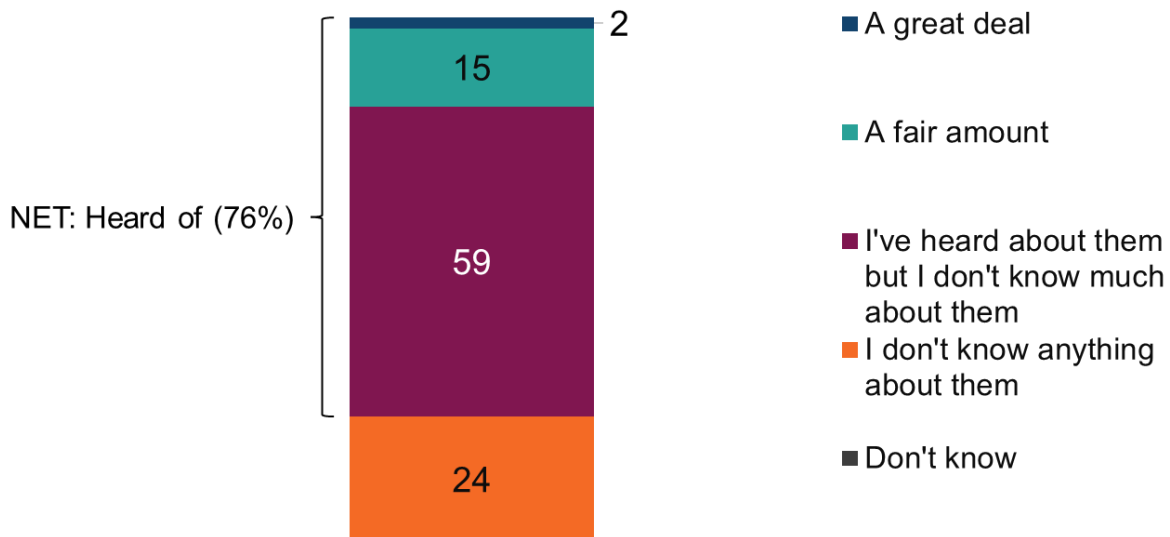
Key findings

- Among businesses overall (irrespective of export status), 76% had heard of FTAs. Only 17% knew a 'great deal' or 'fair amount' about them.
- Just under half (45%) agreed that FTAs will benefit their business. Fewer agreed that they would know how to trade through an FTA (23%) or that the government is providing information and support to help businesses access FTA benefits (18%).
- GOV.UK was the most cited source of information and support relating to FTAs (81%)
- Just over half (53%) said their exports are eligible for any FTA benefits. Among those eligible, 76% said they benefited, including 42% who said they benefited always or most of the time.
- Reduced customs duties was the FTA benefit businesses most frequently cited being eligible for, among both exporters (30%) and importers (33%).

6.1 Knowledge of FTAs

In 2023, all businesses were asked about their level of knowledge of FTAs. All businesses were asked this question as FTAs do not exclusively apply to businesses who have or could export; businesses who import goods or services may also benefit from FTAs. Overall, irrespective of export status, 3 in 4 businesses had heard of FTAs (76%), with 59% not knowing much about them, 15% knowing 'a fair amount', and just 2% knowing 'a great deal' (Figure 6.1).

Figure 6.1: Level of knowledge about FTAs (% of all respondents)



Source: FTA1. How much do you know about the UK's Free Trade Agreements?

Base: All £500,000+ turnover businesses: 2023 Wave 8 (2,181)

Findings were similar among only businesses who have or could export ('Sustain', 'Reassure' and 'Promote' segments). Among these, 82% had heard of FTAs, with 60% not knowing much about them, 19% knowing 'a fair amount' and 2% knowing 'a great deal'.

Looking further at individual segments, businesses in the 'Sustain' (24%) and 'Reassure' (26%) segments were more likely to say they know 'a great deal' or 'a fair amount' about FTAs, compared with those in the 'Promote' (14%) and 'Challenge' segments (11%). There were no significant differences in knowledge by region, sector or business size.

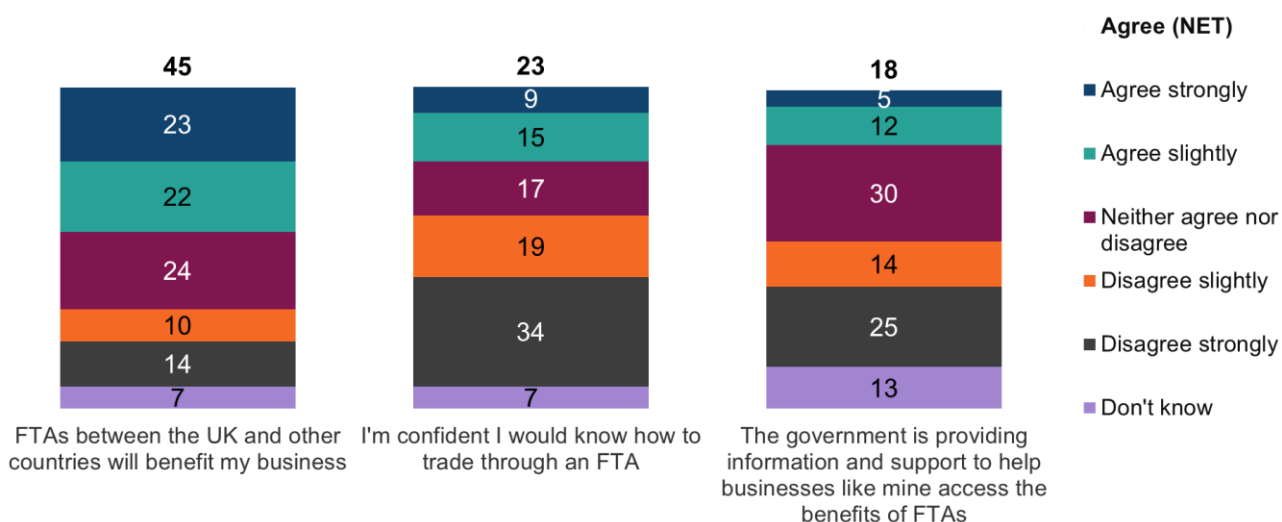
Irrespective of export status, among businesses who have ever imported, 83% had heard of FTAs, with 62% not knowing much about them, 19% knowing 'a fair amount' and 2% knowing 'a great deal'. Knowledge was lower among non-importers, 69% had heard of them, with 56% not knowing much about them, 12% knowing 'a fair amount' and just 1% knowing 'a great deal'.

6.2 Expected effects of FTAs

All businesses were then asked their level of agreement with a series of statements relating to FTAs.

As shown in Figure 6.2, 45% of businesses agreed that FTAs will benefit their business. Around a quarter agreed they were confident that they would know how to trade through an FTA (23%) while 18% agreed that the government is providing information and support to help businesses like theirs access the benefits of FTAs. This suggests a need for DBT to provide further information and support to businesses on trading through an FTA and accessing benefits.

Figure 6.2: Agreement with FTA statements (% of all respondents)



Source: FTA5. To what extent do you agree or disagree with the following statements relating to Free Trade Agreements?

Base: All £500,000+ turnover businesses: 2023 Wave 8 (2,181)

Among only businesses who have or could export ('Sustain', 'Reassure' and 'Promote' segments), 54% agreed that FTAs will benefit their business. Around 1 in 3 (31%) agreed they felt confident that they would know how to trade through an FTA and 1 in 5 (21%) agreed that the government is providing information and support to help businesses like theirs access the benefits of FTAs.

Businesses who had ever exported ('Sustain' and 'Reassure') were more likely to agree that FTAs would benefit their business (57%) than potential exporters ('Promote', 48%), while all were more likely to agree than those in the 'Challenge' segment (32%). Businesses in the wholesale and retail sector were more likely to agree that FTAs will benefit their business (57%) than other sectors.

Similarly, businesses who had ever exported ('Sustain' and 'Reassure') were more likely to agree that they felt confident in knowing how to trade through an FTA (34%) than potential exporters ('Promote' 24%), while all were more likely to agree compared with those in the 'Challenge' segment (13%).

Current exporters ('Sustain') were more likely to agree that the government is providing information and support to help businesses like theirs access the benefits of FTAs (24%), compared with 13%

of those in the 'Challenge' segment, though there were no other statistically significant differences between individual segments.

SMEs were more likely to disagree that the government is providing information and support to help businesses like theirs access the benefits of FTAs (40%) than large businesses (23%). This suggests DBT should further target the SME group in their communications surrounding FTAs.

Irrespective of export status, among businesses who have ever imported, 58% agreed that FTAs will benefit their business (compared with 32% of non-importers), 33% agreed they felt confident that they would know how to trade through an FTA (compared with 15% of non-importers) and 22% agreed that the government is providing information and support to help businesses like theirs access the benefits of FTAs (compared with 14% of non-importers).

6.3 Information and support relating to FTAs

All businesses were subsequently asked where they would go to find information and support relating to FTAs. Figure 6.3 shows that most businesses (81%) would visit GOV.UK. At least half of businesses would go to business or professional contacts (59%), the UK government (53%), or trade bodies and business groups (50%).

Businesses who have never exported (in the 'Promote' or 'Challenge' segments) were more likely to say they would not seek information or support (6%) than those who have exported ('Sustain' or 'Reassure'; 1%).

Among only businesses who have or could export ('Sustain', 'Reassure' and 'Promote' segments), there were no significant differences in the sources they would use to seek information or support. Similarly, there were no significant differences between importers and non-importers in whether they would seek information or support, or the sources they would use.

Figure 6.3: Sources of information and support relating to FTAs (% of all respondents)



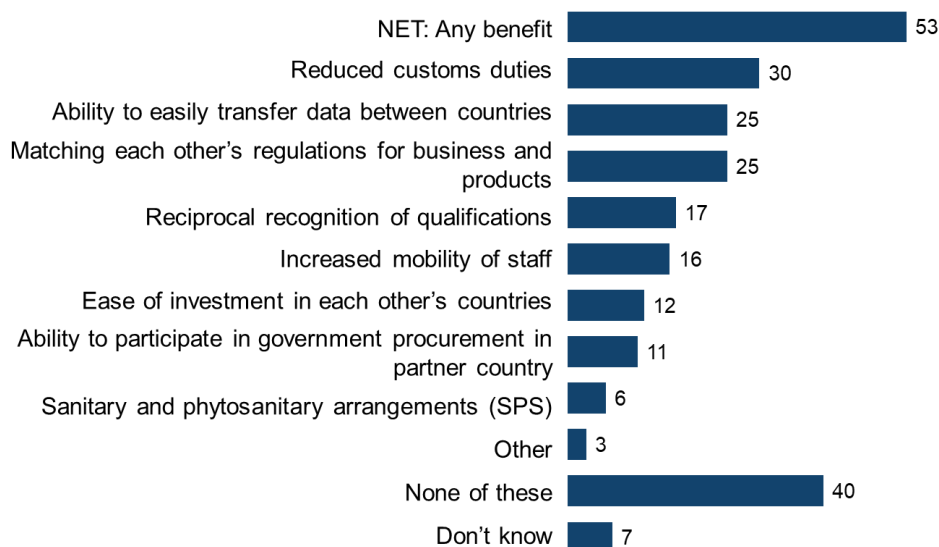
Source: FTA6. Where would you go to find information and support relating to Free Trade Agreements?

Base: All £500,000+ turnover businesses: 2023 Wave 8 (2,181)

6.4 Experience of FTA benefits

Businesses who had exported before were asked about which benefits their goods or services were eligible for. Just over half (53%) said they were eligible for any benefit, with 30% citing eligibility for reduced customs duties and a quarter mentioning the ability to easily transfer data between countries (25%) and matching each other's regulations for business and products (25%).

Figure 6.3: Eligibility for FTA benefits (% of respondents who have ever exported)

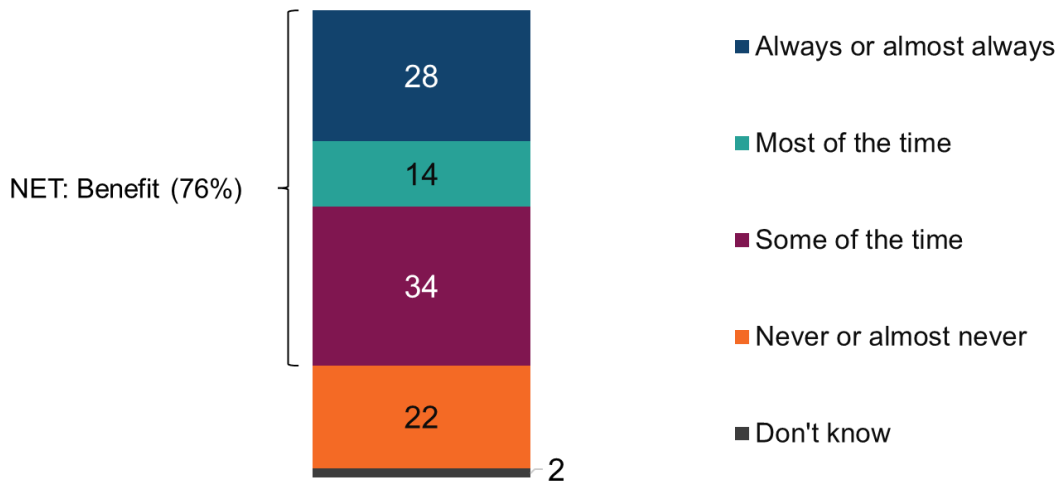


Source: FTA2. Thinking about the goods or services you most frequently export, are they eligible for any of the following benefits?

Base: All £500,000+ turnover businesses who have ever exported: 2023 Wave 8 (957)

Businesses who said their goods or services were eligible for any of the above listed benefits were then asked how often they benefit. Over 3 in 4 of these businesses said they do benefit (76%), with 42% benefiting most of the time or always. Just over 1 in 5 said they never or almost never benefit (22%); see Figure 6.4. When examining each type of benefit by the frequency that businesses report benefitting from them, there were no significant differences. For each type of benefit, around 2 in 5 (38% to 48%) businesses report benefitting from them always or most of the time. For example, 38% of businesses whose exports were eligible for the ability to participate in government procurement in a partner country said they always or most of the time benefit from this. Businesses eligible for matching regulations for business and products were most likely to report benefitting from this (48%) always or most of the time.

Figure 6.4: How often goods/services benefit (% of respondents whose goods or services are eligible for any listed benefit)

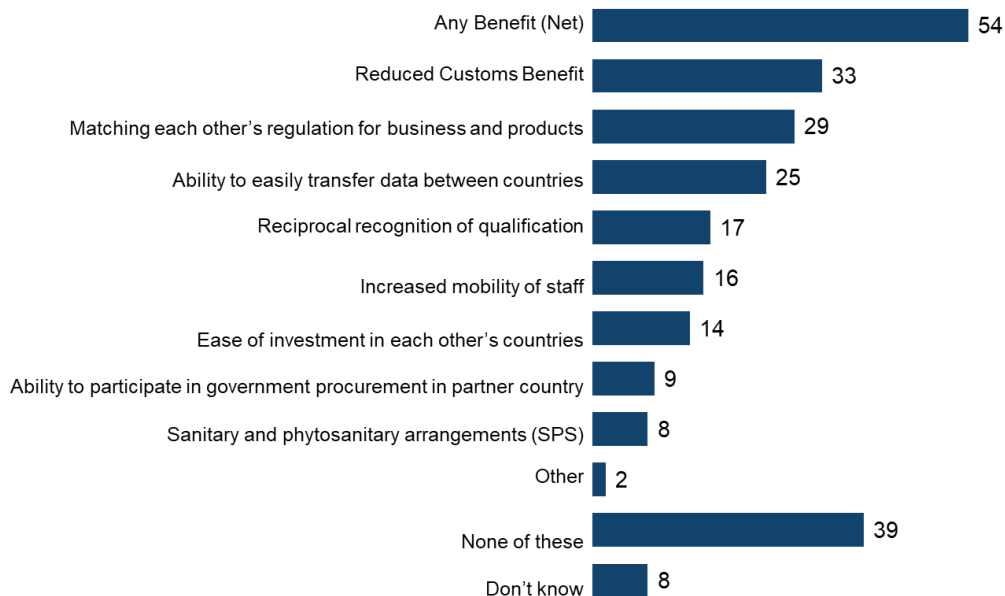


Source: FTA3. How often do the goods or services you export benefit from this?
 Base : All £500,000+ turnover businesses whose goods or services are eligible for any listed benefit: 2023 Wave 8 (520)

Businesses who said they had imported before were also asked about the benefit eligibility of their goods or services. Similar to exporters, the benefit of reduced customs duties was cited by 1 in 3 businesses (33%), followed by matching each other’s regulations for business and products (29%) and ability to easily transfer data between countries (25%), see Figure 6.5.

The proportion of businesses citing eligibility for any benefit was highest in Q3Q4 (57%), an increase from Q1 (47%).

Figure 6.5: Eligibility for FTA benefits (% of respondents who have ever imported)



Source: FTA4. Thinking about the goods or services you most frequently import, are they eligible for any of the following benefits?
 Base : All £500,000+ turnover businesses who have ever imported: 2023 Wave 8 (1,138)

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

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

This chapter focuses on businesses' experience of supply chains issues, what issues these were, and if and how they were resolved.

Overall, the findings from this chapter show that two thirds of businesses (62%) have experienced supply chain issues. Those experiencing issues were asked what they believe caused them, with COVID-19 mentioned most frequently (72%), followed by EU Exit (65%) and general economic or inflationary pressure (58%). Of businesses who had resolved issues they faced, just under 2 in 5 resolved these by finding alternative suppliers (38%) or simply waiting until matters resolved themselves (37%). Two thirds (65%) of businesses who believe their products or services could be exported said they had adequate supply chains to start or continue exporting.

Key findings

- Just over 6 in 10 businesses (62%) said they had experienced supply chain issues, with an even split between those reporting that the issues were now resolved (31%) and those reporting that they were still experiencing them (31%). On the other hand, 13% had never experienced issues and 23% do not have a supply chain.
- Businesses in the 'Sustain' or 'Reassure' segments were more likely to have experienced supply chain issues (65%) than those in the 'Promote' or 'Challenge' segments (60%).
- Quarters 3 and 4 of 2023 saw a higher proportion of businesses saying they had experienced supply chain issues but that they were now resolved (34%), compared with Quarters 1 and 2 (28%). This could be because of more time having passed since the coronavirus outbreak, which caused a large proportion of these issues.
- COVID-19 was the most cited cause for supply chain issues (mentioned by 72% of businesses who had issues), followed by the EU Exit (65%).
- Businesses who had ever exported were more likely to mention EU Exit as a cause of issues (73%) than those who had never exported (60%). They were also more likely to cite the cost of shipping (61% compared with 48%). Those who had never exported were more likely to mention general economic or inflationary pressure (62%) than those who had (53%).
- Just under 2 in 5 businesses who had resolved the issues they had experienced (38%) said they found alternative suppliers, with 15% of these being in the UK and 6% overseas. A similar proportion (37%) said they had to wait until matters resolved themselves, and just 1% received advice or support from any sources to resolve the issue.
- Of businesses who believe their products or services could be exported, two thirds (65%) said they had adequate supply chains to start or continue exporting, just under a quarter (23%) said they did not, and 13% said they did not know.

7.1 Experiences with supply chains

In 2023, all businesses were asked about their experience with supply chains. Just over 6 in 10 (62%) said they had experienced supply chain issues; see Figure 7.1. Around 3 in 10 (31%) said that they had experienced issues but that they are now resolved. A similar proportion (31%) are

currently experiencing supply chain issues. On the other hand, 13% had never experienced supply chain issues, while 23% said they do not have a supply chain.

Businesses in the 'Sustain' or 'Reassure' segments were more likely to have experienced supply chain issues (65%) than those in the 'Promote' or 'Challenge' segments (60%). Businesses in the manufacturing, raw materials, and energy sector (76%) and the wholesale and retail sector (83%) were also more likely to have experienced issues than other sectors.

Quarters 3 and 4 of 2023 saw a higher proportion of businesses saying they had experienced supply chain issues, but that these were now resolved (34%) compared with Quarters 1 and 2 (28%). This could be due to a longer period of time having passed since the coronavirus outbreak, which was cited as one of the main causes of current issues by 61% in Quarters 1 and 2 and 56% in Quarters 3 and 4. Though not a statistically significant reduction, this does suggest that issues resulting from COVID-19 were beginning to decline.

Figure 7.1: Businesses' experience of supply chains (% of all respondents)



Source: SCHAIN1. Which of the following best describes your business's experience of supply chains?

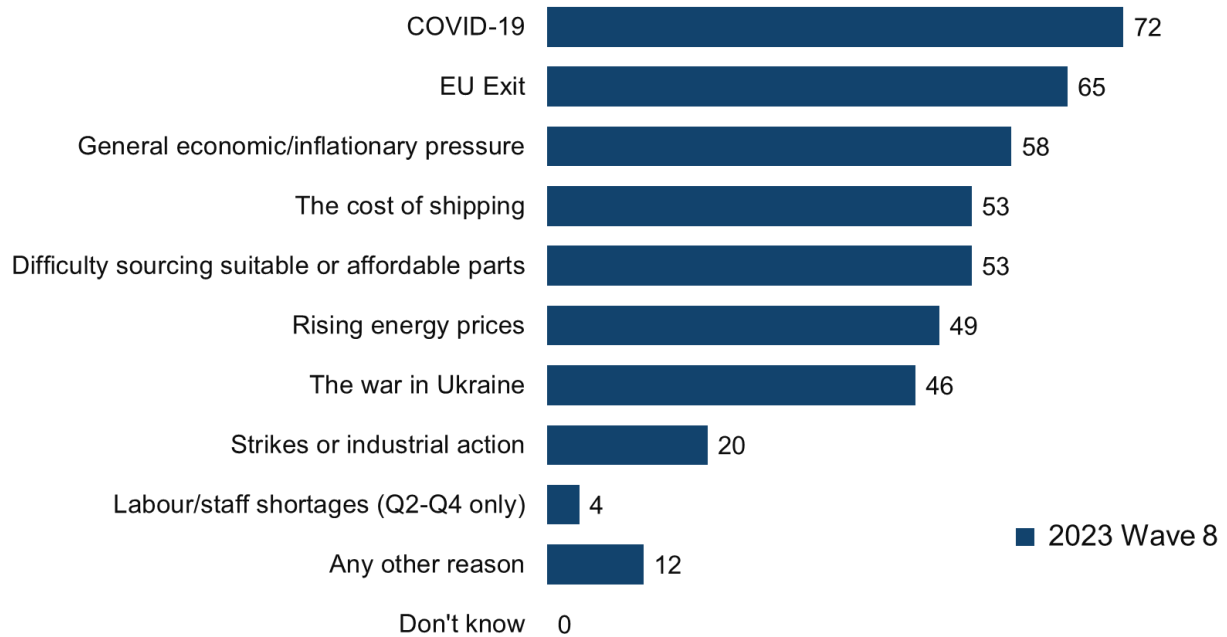
Base: All £500,000+ businesses: Wave 8 (2,181)

7.2 Supply chain issues and resolutions

Businesses who said they had experienced supply chain issues in the last 3 years or were currently experiencing them were asked what they felt caused these issues. The most common cited cause for supply chain issues was COVID-19, mentioned by 72% of businesses; see Figure 7.2. EU Exit was cited by just under two thirds of businesses (65%), and over half mentioned general economic or inflationary pressure (58%), the cost of shipping (53%), or difficulty sourcing suitable or affordable parts (53%).

Businesses who had ever exported (in the 'Sustain' or 'Reassure' segments) were more likely to cite EU Exit as a cause (73%) than those who have never exported (in the 'Promote' or 'Challenge' segments; 60%). They were also more likely to cite the cost of shipping (61% compared with 48%). Those in the 'Promote' or 'Challenge' segments were more likely to mention general economic or inflationary pressure (62% compared with 53% of those in the 'Sustain' or 'Reassure' segments).

Figure 7.2: Cause of supply chain issues (% of respondents currently experiencing supply chain issues, or have experienced them within the last 3 years)



Source: SCHAIN2. Which of the following do you feel caused the supply chain issues you are currently experiencing / experienced within the last few years?

Base: All £500,000+ businesses currently experiencing supply chain issues, or have experienced them within the last 3 years: Wave 8 (Q1-4 1,374 / Q2-4 only 1,008)

All businesses who had experienced supply chain issues within the last 3 years, but had now resolved them, were asked how they were resolved. As seen in Figure 7.3, just under 2 in 5 businesses (38%) said they found alternative suppliers, with 15% of these being in the UK and 6% overseas. A similar proportion (37%) said they had to wait until matters resolved themselves, and just 1% received any advice or support to resolve the issue.

Businesses in the Northern Powerhouse region (North West England, North East England and Yorkshire and the Humber) were more likely to have used alternative suppliers (49%) than those in the rest of Great Britain (38%) or Northern Ireland (31%).

Figure 7.3: How supply chain issues were resolved (% of respondents who have experienced supply chain issues within the last 3 years, which are now resolved)



Source: SCHAIN3. How were you able to resolve the supply chain issues you experienced in the last few years?

Base : All £500,000+ businesses who have experienced supply chain issues within the last 3 years, which are now resolved: Wave 8 (666)

7.3 Having adequate supply chains to start and continue exporting

Along with several other capabilities and resources, businesses with an exportable product or service were asked whether they had adequate supply chains to start or continue exporting. Two thirds (65%) said that they had adequate supply chains, just under a quarter (23%) said they did not, and 13% said they didn't know. Those who had exported (in the 'Sustain' or 'Reassure' segments) were more likely to say they had adequate supply chains (71%) than those who had not (in the 'Promote' segment; 52%).

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

To be effective exporters, 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 DBT, 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

- Less than a fifth of businesses had a high level of knowledge of how to export (18%), a significant decrease from 2020 (26%) and 2022 (24%). A greater proportion (28%) reported low knowledge, a significant increase from 2022 (23%).
- Medium businesses gave higher scores for their knowledge than small businesses and large businesses for both information and help and support.
- Of businesses who have exported or could export, 2 in 5 (40%) reported having ever sought advice or information about exporting from any source, a significant increase from 33% in 2020.
- Of businesses who have exported or could export, almost 8 in 10 (77%) were aware of any UK government trade support services, a higher proportion than in 2021 (67%). Just under half had used any of these services (49%), with GOV.UK tools being the most popular (used by 45% of businesses who have ever exported or could export).
- Businesses in the 'Promote'³⁷ segment (those that have not exported before but have a suitable product) were more likely to rate their knowledge as low with regards to where to go for information (26%) and where to go for help and support with exporting (24%). Businesses in the 'Reassure' segment (those who had exported more than 12 months ago, but not in the past 12 months) were more confident, with 6% and 13% rating their knowledge on where to go for information about exporting, and where to go for help and support as low, respectively.

³⁷ See section 3.5 'Segment Definitions' for a full explanation.

8.1 Current knowledge about exporting

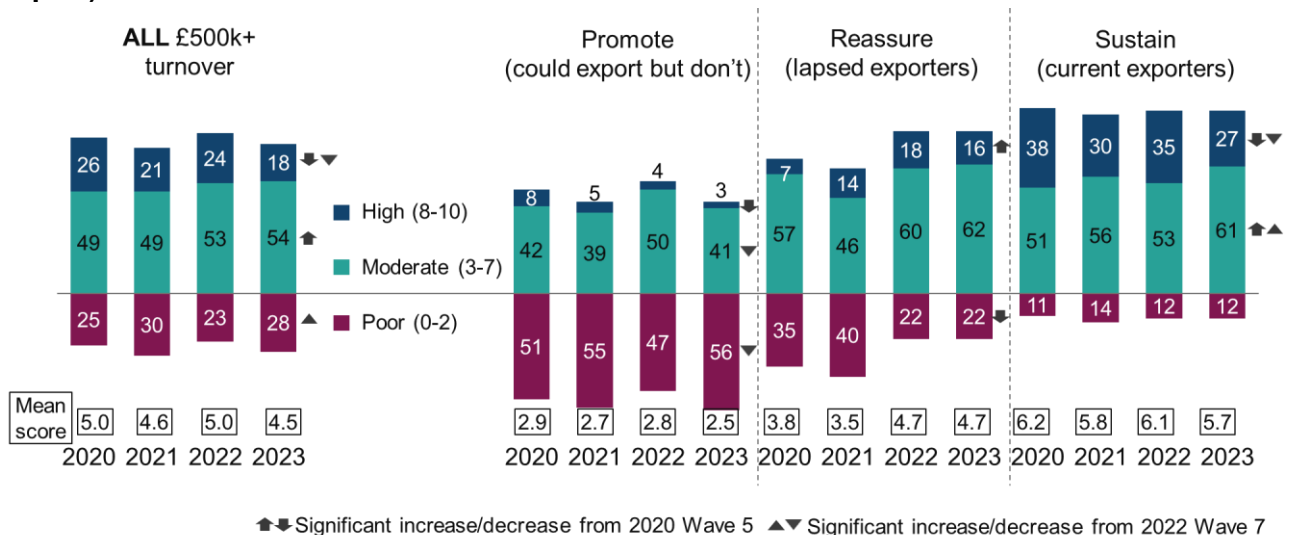
Businesses that had exported or saw their goods or services as suitable for export ('Sustain', 'Reassure' and 'Promote' segments)³⁸ were asked to self-assess their level of knowledge about various aspects of exporting on a 0 to 10 scale. In this section their responses have been grouped into 3 bands:

- 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 5 businesses who do or could export felt they had a high level of knowledge about how to export (18%). This represents a decrease since 2022 (24%), and with the exception of a small but not statistically significant increase from 2021 to 2022, continues a year-on-year decline from a peak of 35% in 2017 (see figure 8.2). Correspondingly, just over a quarter (28%) reported having poor knowledge of how to export in 2023, which is a significant increase from 2022 (23%). However, the decline in the proportion who reported a high level of knowledge has not completely translated to an increase in those reporting poor knowledge. Instead, there has been an increase in the proportion of businesses reporting moderate levels of knowledge in 2023 (54% compared with 49% in 2020).

Businesses in the 'Sustain' segment were more likely to score their knowledge about how to export highly (27%) than 'Reassure' (16%) or 'Promote' (3%). Medium businesses gave higher mean scores for their knowledge (5.3) than small businesses (4.4) and large businesses (4.0).

Figure 8.1: Description of current knowledge about how to export (% of all who could export)

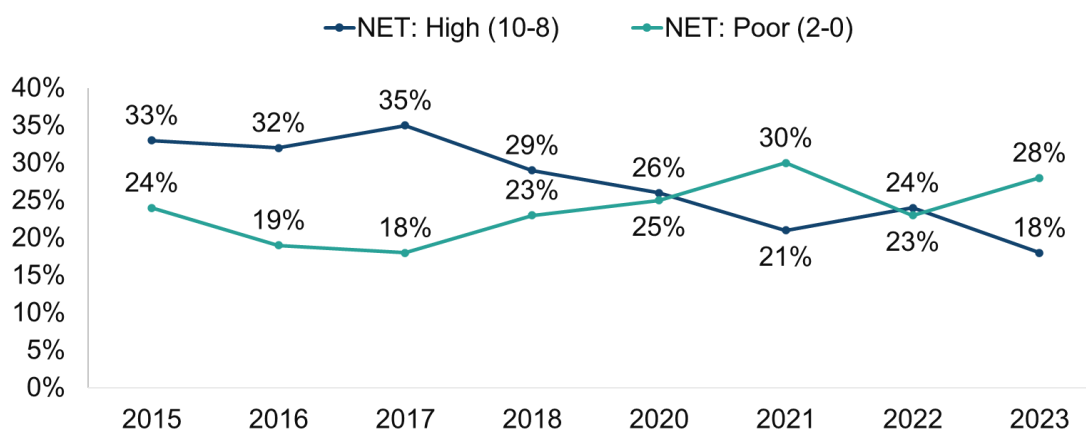


Source: Q30 (EXP_KNOW). On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge of HOW to export

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

Base: All £500,000+ turnover businesses for whom exporting is possible 2020 Wave 5 / 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8: (1,564 / 1,642 / 1,530 / 1,362); Promote (283 / 368 / 351 / 341 / 380), Reassure (148 / 217 / 196 / 152), Sustain (1,025 / 1,052 / 974 / 805)

Figure 8.2: Time series for description of current knowledge about how to export (% of all who could export)



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 about HOW to export

Base: All respondents with an annual turnover of £500,000+, excluding those whose products/services would never be suitable for export: 2015 Wave 1 (650), 2016 Wave 2 (656), 2017 Wave 3 (1,575), 2018 Wave 4 (1,510), 2020 Wave 5 (1,564), 2021 Wave 6 (1,642), 2022 Wave 7 (1,530), 2023 Wave 8 (1,362)

8.2 Knowledge about where to go for information, help and support

Businesses that had exported or saw their goods or services as suitable for export were also asked to self-assess their level of knowledge about where to go for information, help and support about exporting.

As shown in Figures 8.3, 8.4, and 8.5, in 2023 there has been an increase in businesses reporting **moderate** knowledge about where to go for information about exporting (58%, compared with 44% in 2018), and help and support with exporting (57% compared with 46% in 2018). Correspondingly, the proportion of businesses reporting either high or poor knowledge has decreased. In 2023 over 1 in 4 businesses felt they had a high level of knowledge about where to go for information on exporting (29%) or help and support (28%). These figures are both significant declines since 2018 (34% and 32% respectively). Less than 1 in 5 of businesses reported a poor level of knowledge of where to go for information (14%) and where to go for help and support (15%), both down from 22% in 2018.

Overall, this represents a net positive improvement in knowledge among businesses, since in 2023 a greater proportion of businesses reported at least moderate knowledge of where to go for information (87% compared with 78% in 2018) and where to go for help and support (85% compared with 78% in 2018).

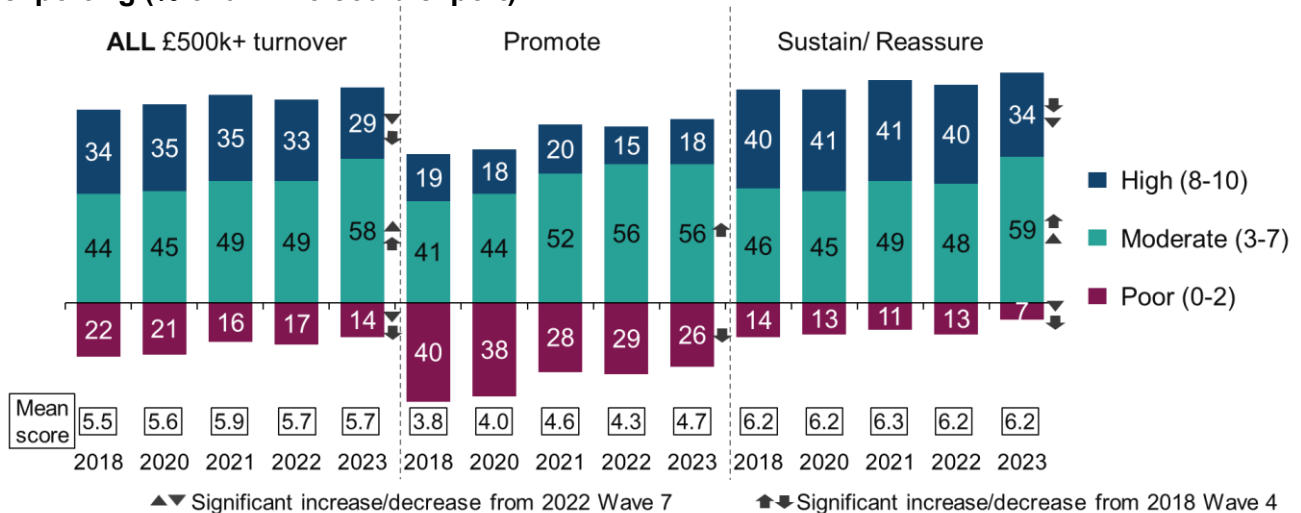
Medium businesses (50 to 249 employees, 41%) were more likely to report high levels of knowledge of where to go for information than small businesses (10 to 49 employees; 26%) and large businesses (250 or more employees, 29%). This was also seen for knowledge on where to go for help and support with exporting, with medium businesses being more likely to report high levels (42%) than small (26%) and large (23%) businesses. Similarly, medium businesses had a higher mean score for knowledge on how to export (5.3) compared with small (4.4) and large (4.0) businesses.

Among the 'Promote' segment, across the period 2018 to 2022, the proportion of businesses who reported **moderate** knowledge of where to go for information on exporting has increased from 41% to 56%, stabilising in 2023 at 56%. The proportion of this segment reporting low levels of knowledge has gradually declined from 40% in 2018 to 26% in 2023.

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 'Sustain'³⁹ and 'Reassure'³⁹ segments. 'Sustain/Reassure' businesses were almost twice as likely to report a high level of knowledge of where to go for information on exporting than those in the 'Promote' segment (34% compared with 18%).

Mean scores overall on where to go for information were lower across Q3 and Q4 of 2023 (5.5) than Q1 (5.9). Mean scores on where to go for help and support remained stable across the year. See Figure 8.3 and Figure 8.4 for mean scores across waves.

Figure 8.3: Description of current knowledge about: where to go for information about exporting (% of all who could export)

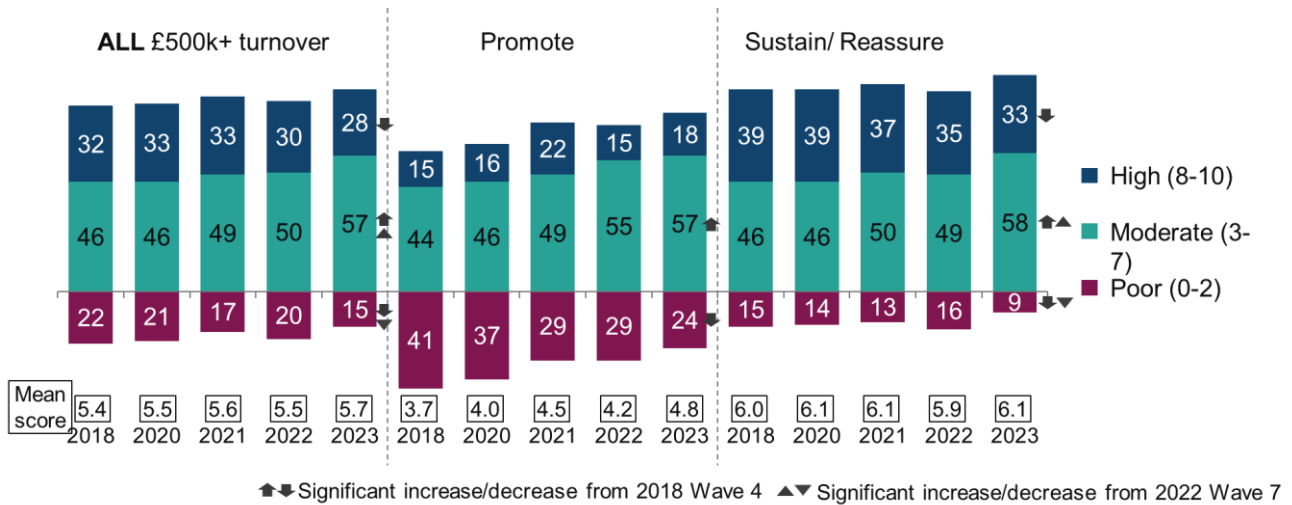


Source: Q30 (EXP_KNOW). On a scale of 0 to 10, where 10 means you have very good knowledge and 0 means you have no knowledge at all, how would you describe: Your knowledge of where to go for INFORMATION about exporting

Base: All £500,000+ turnover businesses for whom exporting is possible 2018 Wave 4 / 2020 Wave 5 / 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8: (1,510 / 1,564 / 1,642 / 1,530 / 1,362); Promote (283 / 368 / 351 / 341 / 380), Sustain/Reassure (1,043 / 1,173 / 1,269 / 1,170 / 957)

³⁹ See section 3.5 'Segment Definitions' for a full explanation.

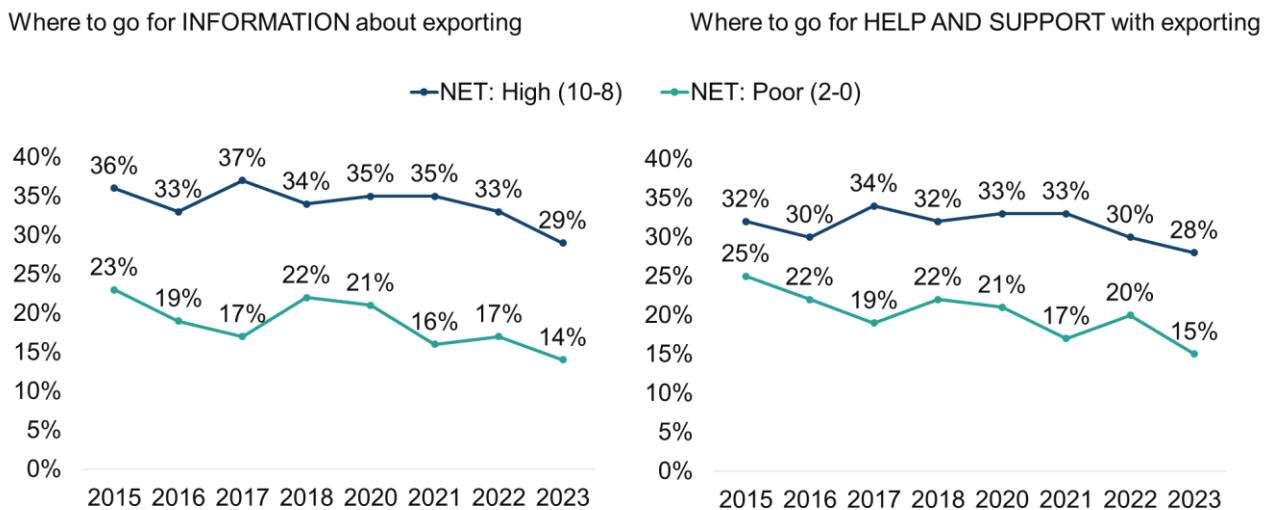
Figure 8.4: Description of current knowledge about: where to go for help and support with exporting (% of all who could export)



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 £500,000+ turnover businesses for whom exporting is possible 2018 Wave 4 / 2020 Wave 5 / 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8: (1,510 / 1,564 / 1,642 / 1,530 / 1,362); Promote (283 / 368 / 351 / 341 / 380), Sustain/Reassure (1,043 / 1,173 / 1,269 / 1,170 / 957)

Figure 8.5: Time series for description of current knowledge about: where to go for information about / help and support with exporting (% of all who could export)



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 £500,000+ excluding those whose products / services would never be suitable for export: 2015 Wave 1 (650), 2016 Wave 2 (656), 2017 Wave 3 (1,575), 2018 Wave 4 (1,510), 2020 Wave 5 (1,564), 2021 Wave 6 (1,642), 2022 Wave 7 (1,530), 2023 Wave 8 (1,362)

8.3 Interest in support and advice about exporting

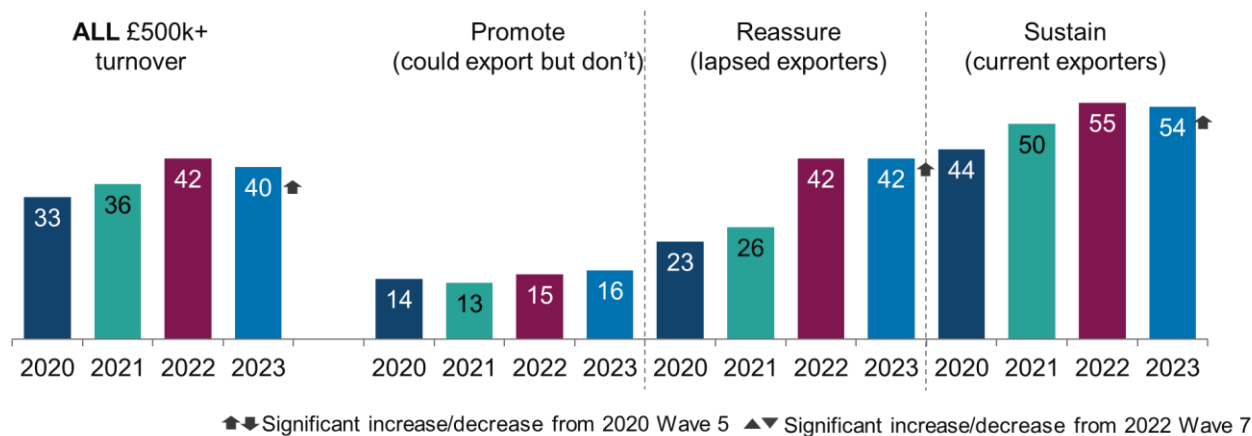
Among businesses that had previously exported or who identified their goods or services as suitable for export, 2 in 5 (40%) said they had previously sought advice about exporting. This represents a significant increase from 2020 (33%, see Figure 8.6) though not significantly different from 2022.

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 54%). Likewise, the proportion of businesses accessing information and support within the 'Reassure' segment has also significantly increased, (42%) compared with 2020 (23%). Within the 'Promote' segment, the proportion of businesses seeking advice has been relatively stable since 2020 (14% in 2020, 16% in 2023).

Businesses in the North East (50%), West Midlands (50%) and London (47%) were most likely to report they had ever sought out advice or support about exporting, with businesses in Northern Ireland being least likely (29%). Businesses in the manufacturing sector were more likely to have sought support (57%) compared with those in construction and real estate (15%), transportation and storage (29%), professional services (38%) and wholesale and retail (44%) sectors.

Quarter 1 of 2023 saw higher proportions of businesses saying they have sought advice or support about exporting (47%) than both Q2 (38%) and Q3Q4 (36%).

Figure 8.6: Whether businesses have ever sought advice and support about exporting (% of all who could export)



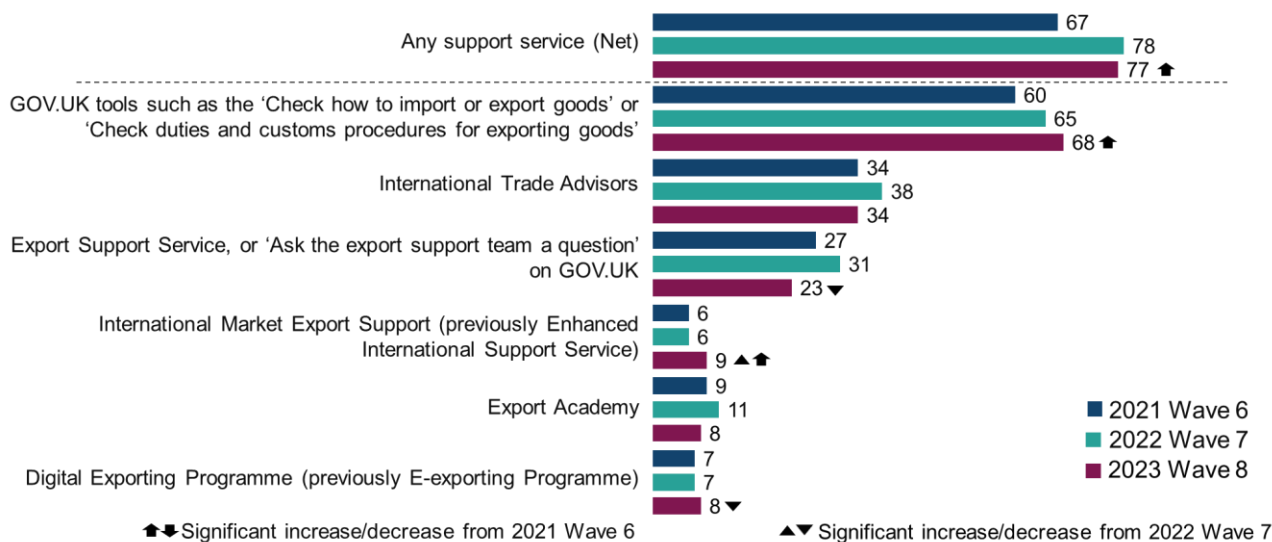
Source: Q33 (EXPAD_B). Have you ever sought advice and support about exporting?
 Base: All £500,000+ turnover businesses for whom exporting is possible 2020 W5 / 2021 W6 / 2022 W7 / 2023 W8: (1,564 / 1,642 / 1,530 / 1,362); Promote (368 / 351 / 341 / 380), Reassure (148 / 217 / 196 / 152), Sustain (1,025 / 1,052 / 974 / 805)

8.4 Awareness and usage of DBT 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 8.7). In 2023, over three quarters of such businesses reported being aware of at least one support service (77%), 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

(68%).⁴⁰ Just over 1 in 3 mentioned International Trade Advisors (34%) and 1 in 5 mentioned the Export Support Service on GOV.UK (23%), both decreases from 2022 (38% and 31% respectively). This suggests a need for DBT to focus on increasing awareness of International Trade Advisors and the Export Support Service.

Figure 8.7: Awareness of UK government trade support services (% of businesses excluding those whose products/services would never be suitable for export)



Source: Q34B. Which, if any, of the following UK government trade support services are you aware of?

Base: All £500,000+ businesses excluding those whose products/services would never be suitable for export 2021 W6 Q4 / 2022 W7 / 2023 W8 (369 / 1,530 / 1,362)

Businesses who had exported in the past 12 months (82%, in the 'Sustain' segment) and those that had exported over 12 months ago ('Reassure', 84%) were more likely to be aware of any UK government trade support service than those who could but have never exported ('Promote' 65%). The 'Sustain' and 'Reassure' segment group were more likely to be aware of GOV.UK tools (74%), such as 'Check how to import or export goods' or 'Check duties and customs procedures for exporting goods' than the 'Promote' segment (54%).

Medium businesses (50 to 249 employees) were more likely to be aware of any Government support service (91%) than small (10 to 49 employees; 77%) and large (250 or more employees; 68%).

⁴⁰ GOV.UK tools include 'Check how to import or export goods' and 'Check duties and customs procedures for exporting goods'.

Figure 8.8: Awareness of UK government trade support services by exporting segment (% of businesses excluding those whose products/services would never be suitable for export)



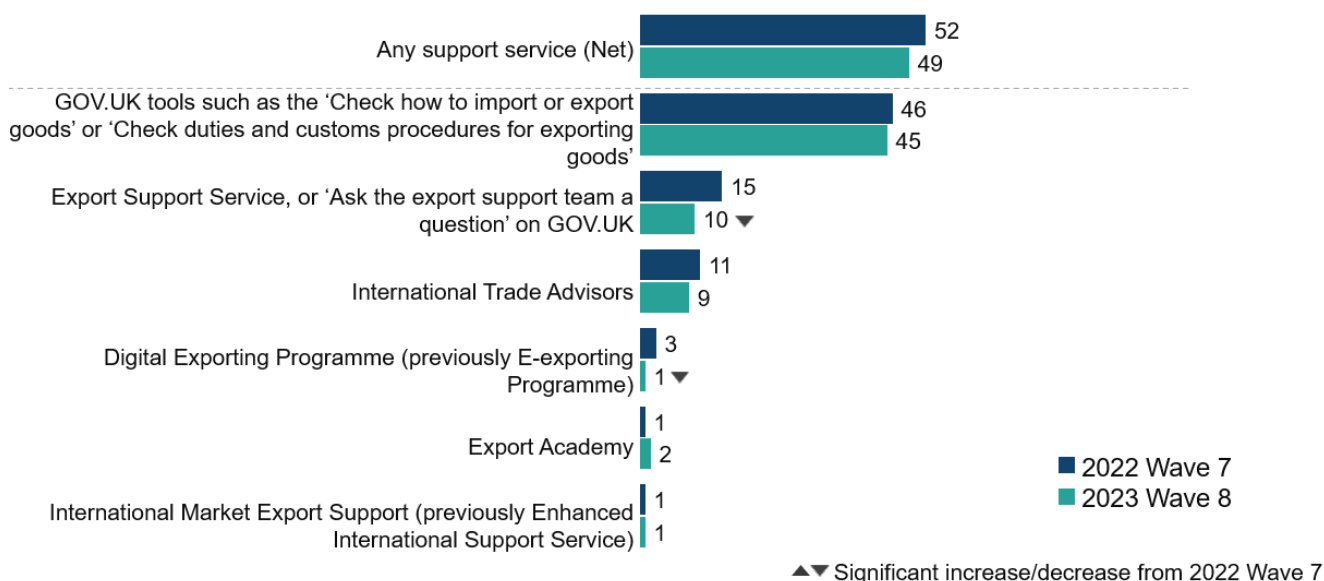
Source: Q34B. Which, if any, of the following UK government trade support services are you aware of?

Base: All £500,000+ businesses excluding those whose products/services would never be suitable for export 2023 W8: Promote (380), Reassure (152), Sustain (805)

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 **Error! Reference source not found.**). In 2023, just under half of those who had heard of any support service reported that they had used one (49%), consistent with 52% in 2022. GOV.UK tools were again the most cited service, selected by over 2 in 5 (45%), consistent with 2022 (46%). The second most used service was the Export Support Service (10%), followed by International Trade Advisors (9%). The Export Support Service was used more frequently in 2022 (15%) whilst usage of International Trade Advisors was lower but not significantly different from 2022 (11%). This suggests a need for DBT to promote the use of both the Export Support Service and International Trade Advisors to increase proportions of businesses using their services.

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; 27%). In particular, businesses who had exported were more likely to have used GOV.UK tools (55% compared with 24%).

Figure 8.9: Use of UK government trade support services (% of businesses excluding those whose products/services would never be suitable for export)



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

Base: All £500,000+ businesses excluding those whose products/services would never be suitable for export 2022 W7 / 2023 W8 (1,530 / 1,362)

8.5 Knowledge and skills gaps picked up throughout the survey

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

One knowledge gap that surfaced in the survey findings is around Free Trade Agreements. Just under a quarter (24%) of businesses said they do not know anything about FTAs, and only 17% combined knew 'a great deal' or 'a fair amount'. Businesses in the 'Sustain' (24%) or 'Reassure' (26%) segments were more likely to know something about FTAs than those in the 'Promote' (14%) segment. Similarly, only 23% of businesses agreed that they are confident they would know how to trade through an FTA, with those in the 'Sustain' or 'Reassure' segments more likely to agree (34%) compared with 16% of those in the 'Promote' or 'Challenge' segments. This suggests a further need among businesses, especially those in the 'Promote' segment, to receive information on FTAs. Businesses in the 'Challenge' segment may also benefit from this information if they import goods or services that are eligible to benefit from FTAs.

In both 2022 and 2023, 9 in 10 businesses (90%) had not heard of or visited [great.gov.uk](https://www.gov.uk). This proportion was similar across all segments. This suggests another way in which DBT can target awareness of support services through campaign activity. GOV.UK tools were more familiar with just under 7 in 10 business (68%) being aware of these in 2023.

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 increased and businesses are becoming more positive about a growth in the value of exports in the short term. However, there remained some concerns, especially in relation to EU Exit.

Key findings

- Around 7 in 10 (73%) businesses were aiming to grow their business, up from 68% in 2021 and 69% in 2022. At the other end of the scale, 14% stated that they were aiming for consolidation rather than growth (down from 19% in 2022) and 13% felt they needed to return to profitability.
- Attitudes towards exporting have been broadly stable over the past 3 years, although there has been a decrease in the number who feel there is a lot of support available to help small and medium businesses start exporting (27%, down from 35% in 2020).
- However, perceptions of there being a lot of demand for UK products and services has continued to decline, from 73% in 2017 to 52% in 2023. It is likely that exiting the EU has at least contributed to this, with half (50%) agreeing that since the UK left the EU there has been less global demand for UK products and services, up from 39% in 2021.
- The balance of opinion on expectations for growth in the value of UK exports over the next 12 months has improved over the last year. While there was no change from 2022 in the proportion who felt it would increase (28%), the proportion who felt it would decrease fell from 26% to 21%. This indicates an overall incremental improvement in business confidence.

9.1 Business thinking on growth

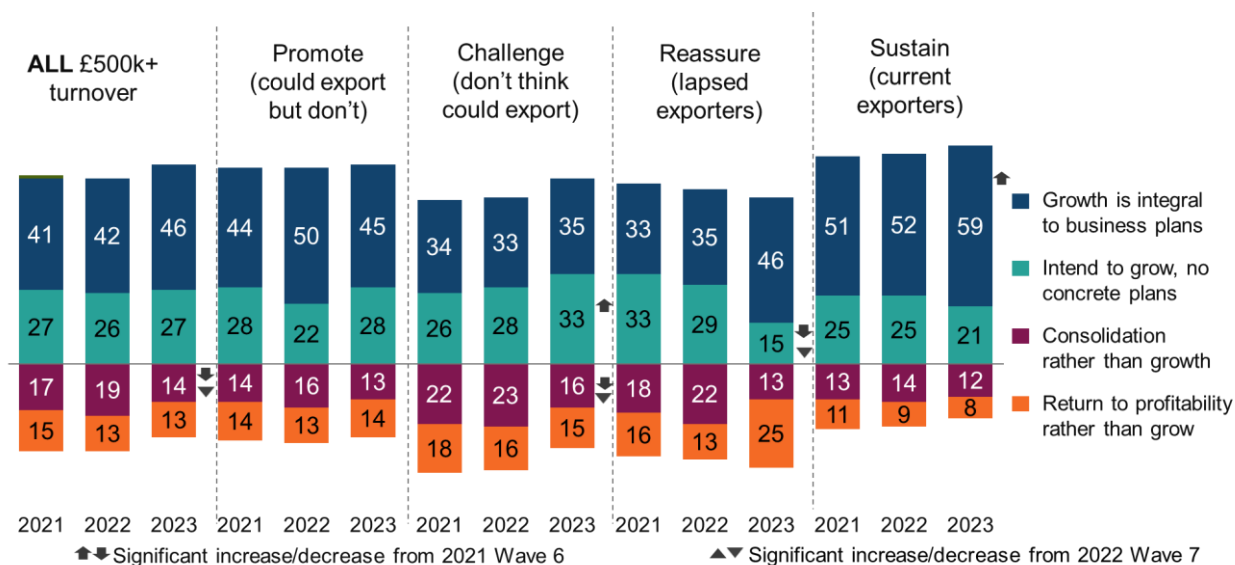
The question on growth was updated between 2020 and 2021 to reflect the potential impact of COVID-19 on business profitability. This reflected the fact that returning to profitability may be a key challenge for many businesses as they embarked on a road to recovery after COVID-19, but the question continues to be relevant given ongoing global events such as high energy prices, the cost of living crisis, and general economic uncertainty.

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 (73%) reported that they were aiming to grow. This was an increase from 2021 (68%) and 2022 (69%) and a return to 2018 levels (73%). Growth was seen as integral to business plans for 46%, while 27% intended to grow but had no concrete plans to achieve this. At the other end of the scale, 14% stated that they were aiming for consolidation rather than growth (down from 19% in 2022) and 13% felt they needed to return to profitability (Figure 9.1).

Businesses in the ‘Sustain’⁴¹ segment (current exporters) were the most likely to state that growth is an integral part of their business plans (59%). ‘Challenge’⁴¹ businesses (whose products or services were not suitable for export) were less likely than those in other segments to report that growth is an integral part of their business plan (35%) but were more likely than others to state that they were intending to grow but did not yet have concrete plans on how to do this (33%). As such, their overall intentions for growth were broadly in line with those in other segments, but they are less advanced in their plans for doing so. Furthermore, the proportion of ‘Challenge’ businesses aiming to consolidate rather than grow their business fell from 23% in 2022 to 16% in 2023.

Figure 9.1: Current thinking on growth (% of all respondents)



Source: Q11 (GROWATT). Which of these best describes your thinking on growth?
 Base: 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8: All £500,000+ turnover businesses (2,485 / 2,405 / 1,087), Promote (351 / 341 / 200), Challenge (843 / 875 / 391), Reassure (217 / 196 / 78), Sustain (1,052 / 974 / 408) [Half sample selected at random in 2023/Wave 8]

As in previous years, intentions to grow were much stronger among larger businesses: 80% of large businesses (250+ employees) and 59% of medium businesses (50 to 249 employees) said growth was an integral part of their business plans, compared with 40% of micro businesses (0 to 9 employees). Micro businesses were more likely than other businesses to be aiming for consolidation (18% compared with 10%).

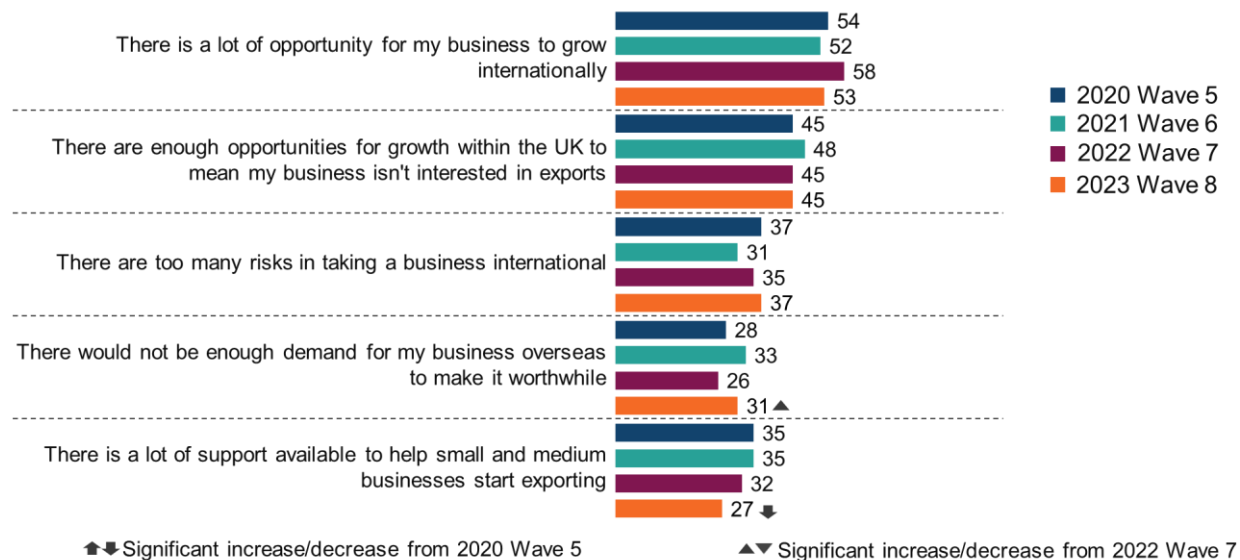
Businesses in Northern Ireland were less likely than those in other regions to state that growth was an integral part of their business plans (31%) and more likely to state that they were aiming for consolidation rather than growth (28%). Those in the Northern Powerhouse super-region (20%) and Wales (19%) were more likely than businesses in other regions to be aiming for a return to profitability rather than growth.

⁴¹ See section 3.5 ‘Segment Definitions’ for a full explanation.

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 broadly similar to the previous 3 years, although over this time there has been a decrease in the proportion who feel there is a lot of support available to help small and medium businesses start exporting (27% in 2023, down from 35% in 2020).

Figure 9.2: Attitudes to exporting (% of respondents who could/do export)



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

Base: All who export or could potentially export: £500,000+ turnover 2020 Wave 5 / 2021 Wave 6 / 2022 Wave 7 / 2023 Wave 8 (1,564 / 1,642 / 1,530 / 706) [Half sample selected at random in 2023/Wave 8]

Current exporters, in the 'Sustain' segment, were more likely than lapsed or potential exporters, in the 'Reassure' or 'Promote' segments to agree that there is a lot of opportunity for their business to grow internationally (65%, compared with 40% and 36% respectively). Conversely, businesses in the 'Reassure' and 'Promote' segments, which by definition have less of a focus on exporting, were more likely than 'Sustain' businesses to agree that:

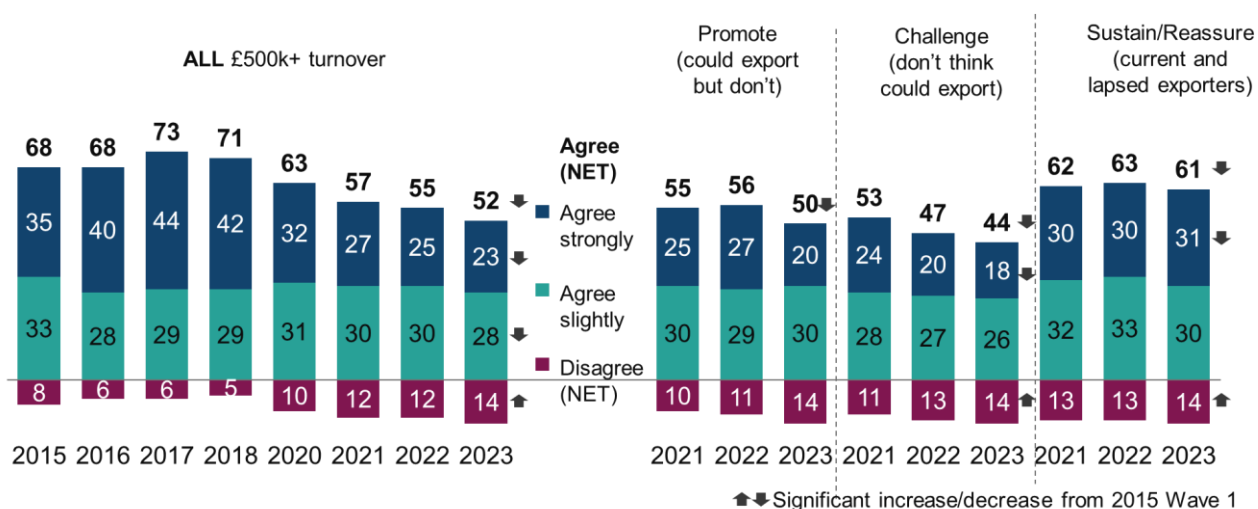
- there are enough opportunities for growth in the UK (50% 'Reassure' and 65% 'Promote' compared with 34% 'Sustain')
- there are too many risks in taking a business international (49% 'Reassure' and 50% 'Promote' compared with 28% 'Sustain')
- there would not be enough demand for their business overseas to make it worthwhile (51% 'Reassure' and 40% 'Promote' compared with 23% 'Sustain')

Just over 1 in 10 (14%) lapsed exporters (in the 'Reassure' segment) agreed that there is a lot of support available to help small and medium businesses start exporting, a significant decrease from 31% observed in 2022. By comparison, 3 in 10 (30%) current exporters agreed with this statement in 2023, though this has also seen a decrease over time (41% in 2020). More visible and/or additional targeted communications around help and support services may be required to improve this measure.

All businesses were asked two 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 (73%), down to 52% in 2023, with strong agreement down from 44% to 23% (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 (61%).

Figure 9.3: Agreement that there is a lot of demand for UK products or services around the world (% of all respondents)



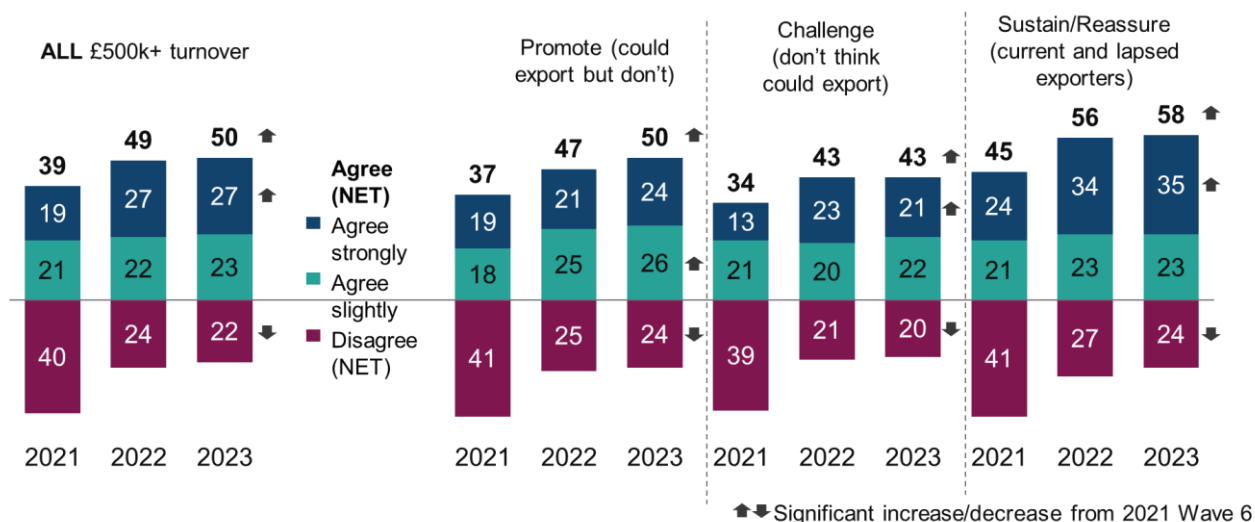
Source: Q14 (EXPSTAT_ALL). To what extent do you agree or disagree that: There is a lot of demand for UK* products or services around the world.
 Base: 2015 W1 / 2016 W2 / 2017 W3 / 2018 W4 / 2020 W5 / 2021 W6 / 2022 W7 / 2023 W8: All £500,000+ turnover (1,160 / 1,139 / 2,535 / 2,448 / 2,557 / 2,485 / 2,405 / 2,181); 2021 W6 / 2022 W7 / 2023 W8: Promote (351 / 341 / 380), Challenge (843 / 875 / 819), Sustain/Reassure (1,269 / 1,170 / 957)
 *Prior to W7: British products or services

Large businesses (250+ employees) were more likely to agree that there is a lot of demand for UK products and services around the world (69%) compared with 51% of SMEs (0-249 employees). While agreement has been in decline among SMEs over recent years, this has not been the case for large businesses.

Although there was an increase in agreement from 2021 to 2022 that since the UK left the EU in January 2020 there has been less demand for UK products and services, this has stabilised in 2023 at 50% (Figure 9.5). This recent stability was apparent across all segments, with current and lapsed exporters remaining more likely to agree (58%) than those in 'Promote' and 'Challenge' segments (50% and 43% respectively).

By region, businesses in London (58%) and Northern Ireland (57%) were most likely to agree that since the UK left the EU there has been less demand for UK products and services, while by sector those in consumer discretionary and wholesale and retail businesses were most likely to agree (both 59%).

Figure 9.4: Agreement that since the UK left the EU in January 2020, there has been less demand for UK products and services (% of all respondents)



Source: Q14 (EXPSTAT_ALL). To what extent do you agree or disagree that: W7/W8 – 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 / 2023 W8: All £500,000+ turnover (2,485 / 2,405 / 2,181), Promote (351 / 341 / 380), Challenge (843 / 875 / 819), Sustain/Reassure (1,269 / 1,170 / 957)

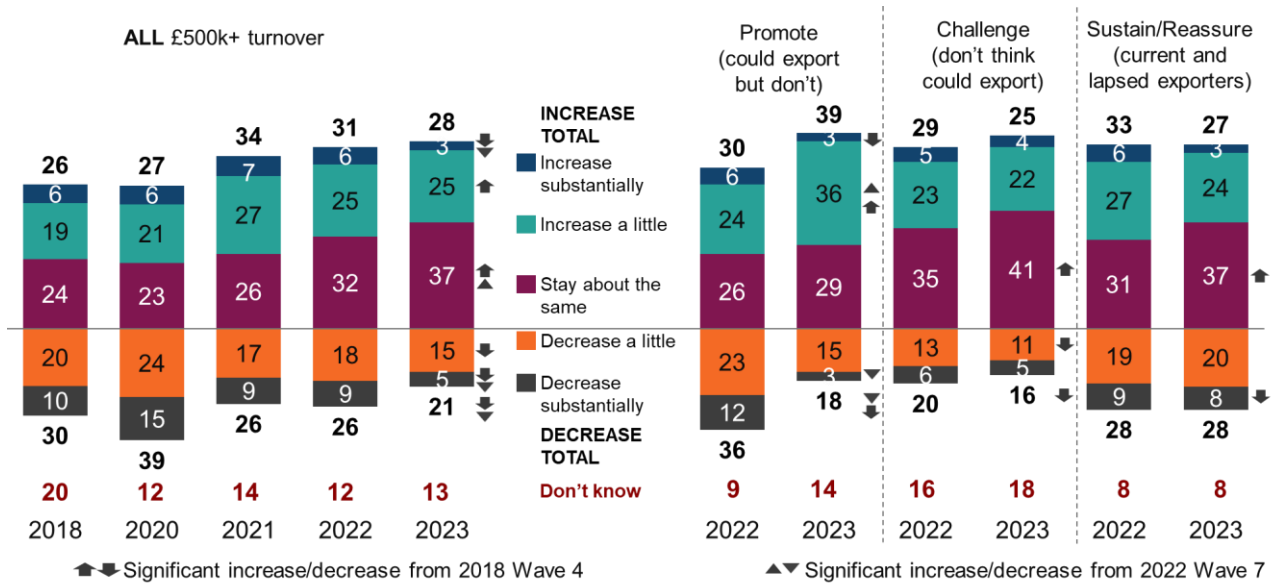
9.3 Expectations for growth over the next 12 months

To get a sense of business confidence in the prospects for UK exports, businesses were asked whether they believed the value of UK exports would increase, decrease or stay the same over the next 12 months. While there was no change from 2022 in the proportion who felt it would increase (28%), the proportion who felt it would decrease fell from 26% to 21% (Figure 9.5). This indicates an overall incremental improvement in business confidence.

Businesses in the ‘Promote’ sector (those who hadn’t exported but whose product or service could be suitable) were more likely than those in other segments to feel that the value of UK exports would increase over the next 12 months (39%). While this was not a significant change from 2022, there was a significant decrease in the proportion of ‘Promote’ businesses who felt the value of UK exports would decrease over the next 12 months (18%, down from 36% in 2022), changing the balance of opinion in this segment from more negative to more positive. There could be an opportunity to capitalise on this increase in positivity among ‘Promote’ businesses with targeted communications to help them start their exporting journey and give them the tools and support that they need to do so.

Current and lapsed exporters (28%) were more likely than those in ‘Promote’ (18%) and ‘Challenge’ (16%) segments to feel that the value of UK exports would decrease over the next 12 months.

Figure 9.5: Whether businesses believe value of UK exports will increase or decrease over the next 12 months (% of all respondents)



Source: Q40b. 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* / 2023 W8: £500,000+ turnover (2,448 / 2,557 / 2,485 / 1,199 / 1,094); 2022 W7* / 2023 W8*: Promote (166 / 180), Challenge (451 / 428), Sustain/Reassure (574 / 471) *Half sample selected at random in W7 and W8

By region, those in the Northern Powerhouse super-region were most likely to feel that the value of UK exports would increase in the next 12 months (37%). By sector, this view was most likely to be held by those in education and health (36%), transportation and storage (33%), construction and real estate (32%) and manufacturing, raw materials and energy (32%).

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

This chapter covers businesses' importing activity and eligibility for FTA benefits. These questions on importing were added in 2023.

Key findings

- Just under half of businesses had imported (47%). 41% of businesses had imported in the last 12 months and 6% had not imported in the last 12 months but had done so previously.
- Businesses in the 'Sustain' segment were most likely to have imported in the last 12 months and businesses in the 'Reassure' segment were most likely to have imported, but not in the last 12 months, suggesting that exporting and importing behaviour is closely related.
- Just over half (54%) said they were eligible for any benefit when importing goods or services. Reduced customs duties was cited by 1 in 3 businesses (33%), followed by matching each other's regulations for business and products (29%) and ability to easily transfer data between countries (25%).

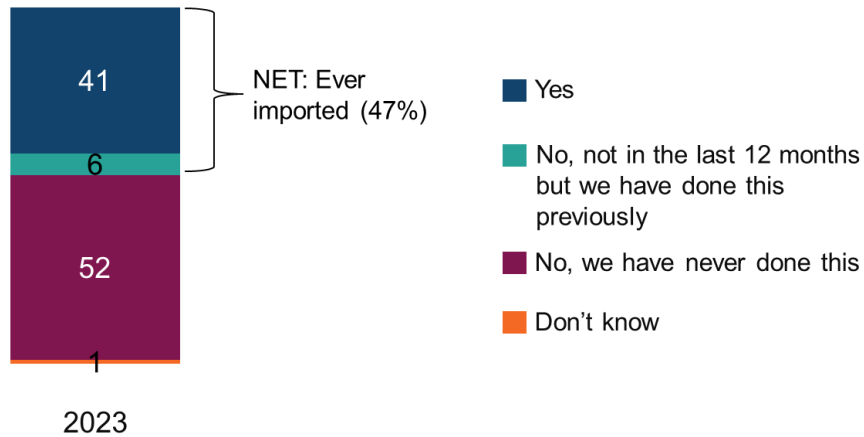
10.1 Importing activity

All businesses were asked about whether they had imported over the past 12 months (Figure 10.1). Just under half of businesses (47%) had imported, with 41% having done so in the last 12 months and 6% having done so previously. Although not directly comparable, a similar question was asked in 2022 which indicated that 46% had ever imported, comprising of 44% who had started or continued importing in the last 12 months and 2% who had stopped importing in 2022.

Businesses in the 'Sustain' segment were most likely to have imported in the last 12 months (71%) compared with all other segments (57% 'Reassure', 33% 'Promote', 20% 'Challenge'). 'Reassure' businesses were most likely to have imported, but not in the last 12 months (16%) compared with all other segments (6% 'Sustain', 8% 'Promote', 4% 'Challenge').

Businesses in the wholesale and retail sector (62%) and manufacturing, raw materials, and energy sector (61%) were most likely to have imported in the last 12 months. The financial and insurance (12%) and education and health (16%) sectors were least likely to have imported in the last year.

Figure 10.1: Importing activity (% of all respondents)



Source: QIMP1. In the last 12 months has your business imported goods and services from outside the UK?

Base: All £500,000+ businesses: Wave 8: 2181

10.2 Eligibility for FTA benefits

Businesses who said they had imported before were asked about the eligibility of their goods or services for benefits arising from FTAs. Just over half (54%) said they were eligible for any benefit when importing goods or services. Reduced customs duties were cited by 1 in 3 businesses (33%), followed by matching each other's regulations for business and products (29%) and ability to easily transfer data between countries (25%). The proportion of businesses citing eligibility for any benefit was highest in Q3Q4 (57%), an increase from Q1 (47%). Findings for this question are explored in more detail in Chapter 6.2.

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

As part of the NSRB, businesses are asked a series of questions about DBTs campaign activity, including awareness and recall of campaigns, as well as diagnostic measures to capture businesses' views on campaign relevance, clarity, support and information, and action that businesses have taken or plan to take as a result of seeing these campaigns. The campaign materials have changed over time, however. Since Wave 7 (2022), questions have focussed on recognition of and diagnostics relating to the 'Made in the UK, Sold to the World' (MIUK) campaign, and the UK Export Academy campaign. It is useful to understand these 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, DBT'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 and 8, 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' (MIUK) 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 (ESS) and UK Export Academy (UKEA) are included under the umbrella of the MIUK campaign.
- Campaign materials were refreshed ahead of Wave 8, and businesses were shown the most up-to-date images from the MIUK and UKEA campaigns during 2023 fieldwork.

Questions about the recognition of 'Made in the UK, Sold to the World' and the UK Export Academy are asked about in the NSRB. Diagnostic questions are also asked about 'Made in the UK, Sold to the World'. This campaign was developed during the period after the UK exited the

European Union. As part of exiting the EU, 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, DBT 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.

In the final quarter of 2021, new campaign materials designed to direct businesses to export support services were launched and were refreshed in 2022. 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 on the campaign 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 DBT'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 (in 2022, 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). However, in 2023, references to Brexit or preparing for Brexit decreased to 1%, indicating a reduction in recall of the EU transition campaign.

The aim of the 'Made in the UK, Sold to the World' campaign is to shift attitudes in favour of exporting by making it feel possible and desirable for businesses. The aim is that this will 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 campaign continued to signpost businesses towards this specific export service.

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, returning to more typical levels in 2022 (28%). However, in 2023, awareness declined further (24%).
- Government remains the main source to which businesses attribute publicity around exporting. In 2023, general mentions of the UK government increased (63%, up from 54%), although specific mentions of the Department for Business and Trade were unchanged (12%, compared to 15% in 2022).
- The 'Made in the UK, Sold to the World' campaign was recognised by 13% of businesses, while 5% recognised adverts for the UK Export Academy campaign. For both campaign strands, there were no significant differences in recognition by exporting segment.
- Overall, the 2023 DBT campaigns were seen as clear (71%) and a trusted source of information (66%), though both clarity and trust were lower than in 2022 (84% and 76%, respectively). Just under half (48%) felt that the ads stood out, a higher proportion than for the 'Exporting is GREAT' campaign in 2018 (37%), though lower than in 2022 (55%). One in 5 (20%) felt the 2023 campaigns were relevant to them, lower than in 2022 (24%) and for the 2018 'Exporting is GREAT' campaign (29%). The 2023 campaign was more likely to be seen as relevant to current exporters (the 'Sustain' segment: 34%) and for lapsed exporters

(the 'Reassure' segment: 26%) than for those who could export but do not (the 'Promote'⁴² segment: 20%).

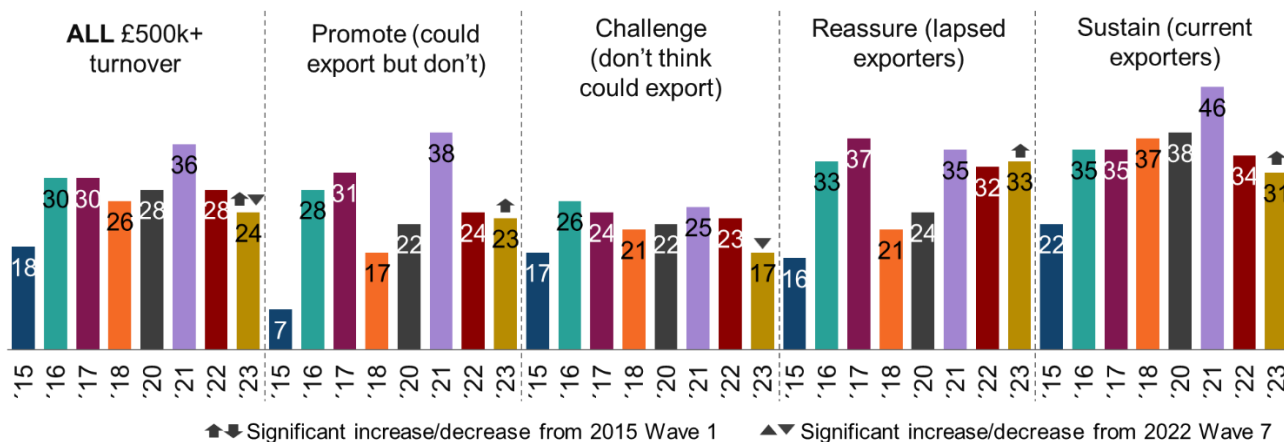
- The campaigns were seen to contain new information by just over half (51%) of businesses, although this was higher among those who had not previously exported. The messages that businesses most frequently took from the ads were that the government can help with exporting and in signposting where to go for exporting information.
- '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 told them something new, and to recall key messages around government help with exporting and the opportunities created by trade deals. 'Promote' and 'Reassure' businesses were also more likely than those in other segments to agree that the ads made them think about exploring exporting options. This is a positive finding as DBT campaigns aim to encourage new exporters to begin their exporting journey, as well as supporting lapsed exporters to resume exporting.
- In total, 26% of those who viewed the ads had either taken some action as a result of seeing the ads previously, planned to take action, or would consider doing so in future. The main actions either taken, planned or considered were visiting the great.gov.uk website and looking into exporting or doing some general research.
- One in 10 (11%) of those recognising the ads had already taken action at the time of interview, while 17% stated that there were actions (including additional actions) they planned to take or would consider taking in the future. This suggests that the campaigns are reasonably successful at prompting businesses to act if they are aware of them. However, overall awareness remains relatively low. DBT should aim to increase overall awareness and recognition of campaigns and ensure clear signposting and calls to action to encourage more businesses to explore exporting.

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 DBT's 'Exporting is GREAT' campaign. It then remained broadly consistent up until 2020, supported by ongoing bursts of campaign activity. Following an uplift in awareness in 2021, awareness lowered to more usual levels in 2022 (28%), then decreased further in 2023 (24%).

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 2023, awareness stood at 31% in the 'Sustain' segment and 33% in the 'Reassure' segment, both consistent with 2022. Awareness of advertising and publicity about exporting was also unchanged in the 'Promote' segment at 23% in 2023. Within the 'Challenge' segment (those whose product or service is not suitable for export) awareness of publicity about exporting has previously remained at around 1 in 4 in the years since the 2015 baseline. In 2023, this decreased from 23% in 2022 to 17% in 2023, with this group driving the overall reduction in awareness.

Figure 11.1: Spontaneous awareness of exporting publicity (% of all respondents spontaneously aware 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?

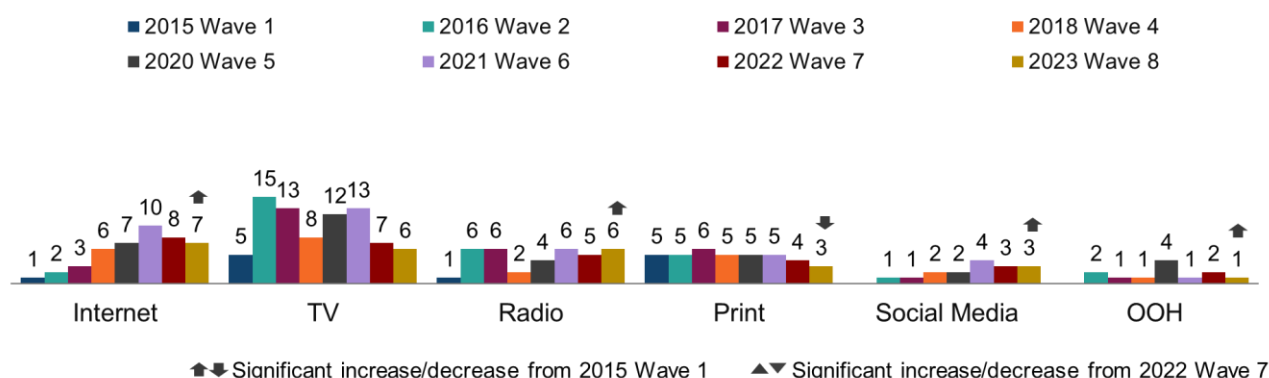
Base: All respondents 2015 W1 / 2016 W2 / 2017 W3 / 2018 W4 / 2020 W5 / 2021 W6[^] / 2022 W7 / 2023 W8: All £500,000+ turnover (1,160 / 1,139 / 2,535 / 2,448 / 2,557 / 1,243 / 2,405 / 2,181), Promote (127 / 130 / 294 / 283 / 368 / 165 / 341), Challenge (466 / 426 / 874 / 840 / 993 / 429 / 875 / 819), Reassure (89* / 99* / 192 / 175 / 148 / 100 / 196 / 152), Sustain (421 / 429 / 1,001 / 957 / 1,025 / 536 / 974 / 805)

*Base size is below 100; treat with caution. [^] Random half sample at 2021 W6.

In 2023, spontaneous awareness of advertising or publicity about exporting decreased among micro businesses (0 to 9 employees) and returned to 2020 levels, with 25% aware, down from 31% in 2022. Among large businesses (250 or more employees), awareness decreased from 38% in 2022 to 20% in 2023, representing the lowest level since baseline (2015; 26%). By region, awareness was highest in North West England (29%) and lowest in North East England (17%). By sector, businesses in manufacturing, raw materials and energy (30%), wholesale and retail (25%) and professional and services (24%) were more likely to be aware of advertising or publicity about exporting than those in the education and health (13%) sectors.

Businesses were also asked to specify where they had seen or heard information or advertising about exporting. As in 2022, internet (7%) was the most mentioned source, remaining higher than mentions of TV (6%, 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 (% of all respondents spontaneously aware of exporting publicity on ...)



Source: 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 / 2023 W8: All £500,000+ turnover (1,160 / 1,139 / 2,535 / 2,448 / 2,557 / 1,243 / 2,405 / 2,181)

^Random half sample at 2021 W6

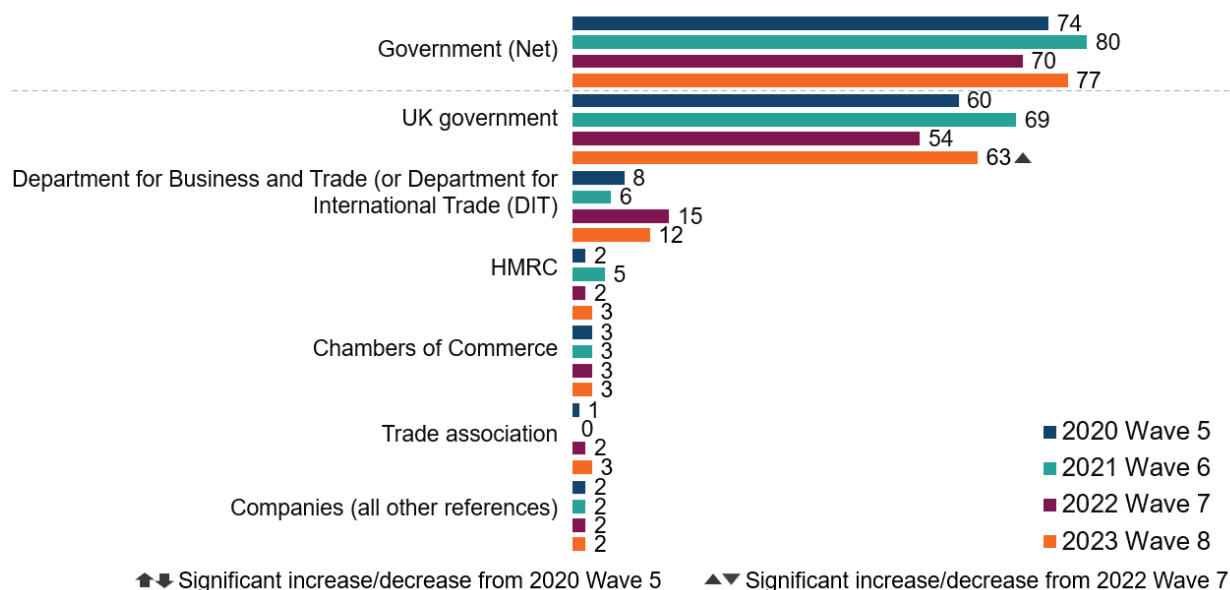
Businesses with experience of exporting (in the 'Sustain' and 'Reassure' segments) were more likely than non-exporters (in the 'Promote' and 'Challenge' segments) to be aware of publicity about exporting from the internet (10% compared with 4%) and social media (5% compared with 1%).

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 (77%). Within this measure, there was an increase in general attributions to the UK government (63%, up from 54% in 2022) although attributions to the Department for Business and Trade (or DIT or DTI)⁴³ did not significantly change (12%, compared to 15% in 2022), as shown in Figure 11.3.

Businesses with experience of exporting (in the 'Sustain' and 'Reassure' segments) were more likely than non-exporters (in the 'Promote' and 'Challenge' segments) to attribute advertising awareness specifically to DBT (16% compared with 8%). Non-exporters were more likely to attribute awareness to the UK government (73% compared with 54%).

⁴³ 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. In 2023, this was changed to the Department for Business and Trade (or DIT or DTI).

Figure 11.3: Who businesses thought was responsible for information or advertising they saw (% of respondents who are aware of advertising/publicity)



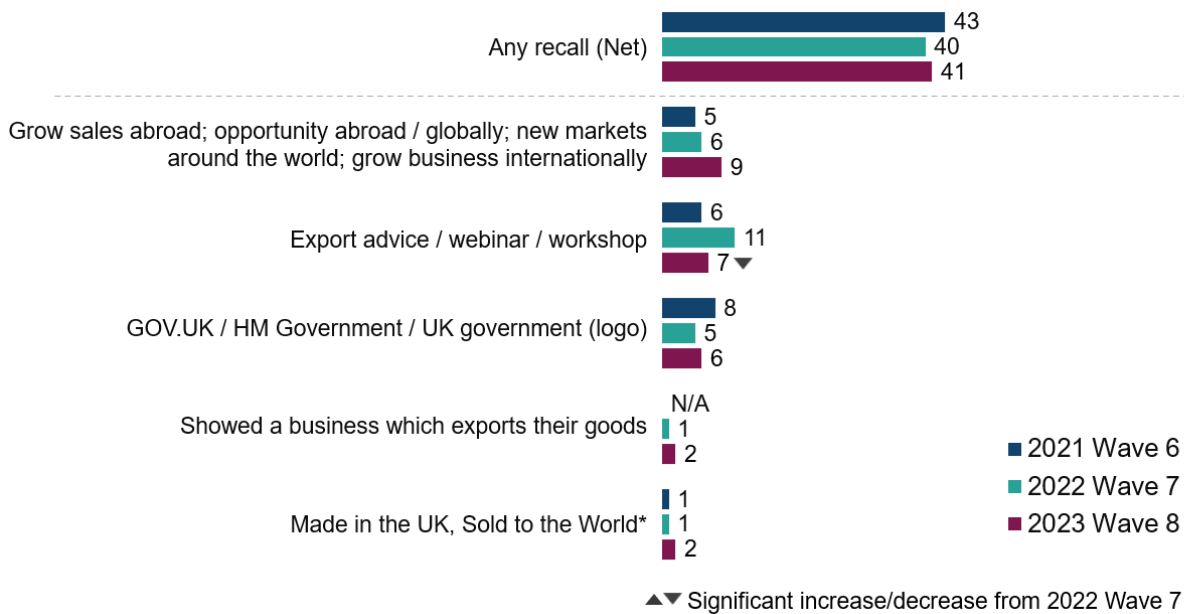
Source: AD4. Who do you think was responsible for the information or advertising you remember seeing?

Base: All aware of advertising or publicity: £500,000+ turnover W4 / 2020 W5 / 2021 W6 / 2022 W7 / W8 2023 (791 / 453 / 676 / 537)

Only showing responses given by at least 2% in 2023

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 2023, 2 in 5 (41%) businesses were able to recall something specific about the advert or publicity they had seen, in line with 2022 (Figure 11.4). Mentions of exporting advice, webinars or workshops decreased (7%, down from 11% in 2022), and mentions of EU Exit also continued to decrease (1%, down from 4% in 2022). However, overall likelihood of recalling specifics about advertisements was otherwise consistent; these two decreases were generally offset by incremental increases in recall of other specifics. Spontaneous recall of the specific 'Made in the UK, Sold to the World' was lower (2%).

Figure 11.4: Elements recalled of information or advertising about exporting (% of respondents who are aware of advertising/publicity)



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

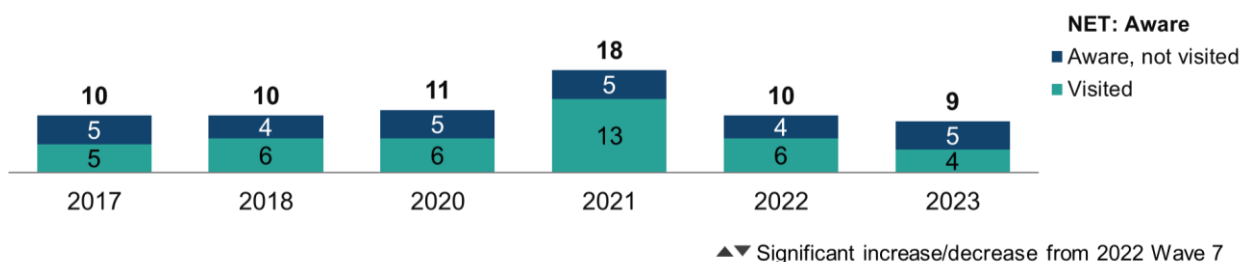
Base: All aware of advertising or publicity: £500,000+ turnover 2021 W6 Q2-Q4 / 2022 W7 / 2023 W8 (318 / 676 / 537) *Q4 only in W6

Only showing responses given by at least 2% in 2023

11.2 Website use

One of the consistent aims of DBT'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 (9% in 2023) and around 1 in 20 having visited it (4% in 2023). 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 the great.gov.uk website (% of all respondents)



Source: AD4A - Have you ever heard of or visited great.gov.uk?

Base: All £500,000+ turnover businesses 2017 W3 / 2018 W4 / 2020 W5 / 2021 W6^ / 2022 W7 / 2023 W8 (2,535 / 2,448 / 2,557 / 1,227 / 2,405 / 2,181)

^Random half sample at 2021 W6

Awareness of the great.gov.uk website was higher among those who were current or previous exporters than those who had never exported (12% compared with 8%). However, visits to the website did not differ (5% for exporters compared to 4% for non-exporters). This may suggest that awareness of great.gov.uk is relatively more likely to result in non-exporters taking action to visit the site, compared with current or previous exporters. Whether that results in non-exporters taking further steps to begin their exporting journey is unclear.

11.3 '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 this.⁴⁴ From the 'Made in the UK, Sold to the World' campaign, respondents were shown a montage of ads from the campaign (Figure 11.6). After viewing, 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' ads shown in interview⁴⁵



Overall, the campaign was recognised by 1 in 7 (13%) of those who were able to view the materials on the survey website (Figure 11.7). By way of comparison, in 2018⁴⁶ the 'Exporting is GREAT' ads were recognised by 21% of those who viewed them.

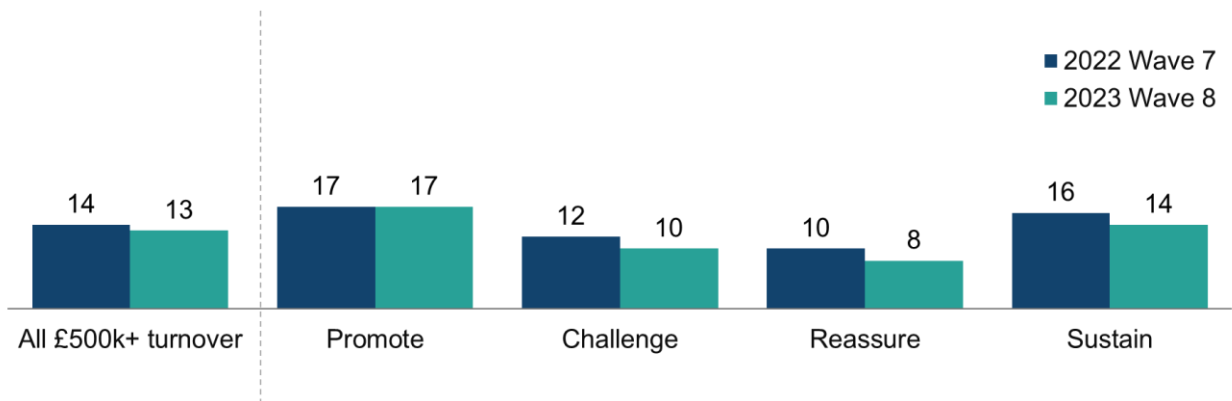
⁴⁴ There could be several reasons why a respondent was unable to access the website, including refusal, lack of computer access, internet issues etc.

⁴⁵ These images, shown to survey respondents, were the latest available campaign materials during fieldwork.

⁴⁶ 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.

Recognition of 'Made in the UK, Sold to the World' ads was highest in Wales (23%), and lowest in the West Midlands (9%) and East of England (9%) regions. There were no significant differences in recognition of the ads between segments. Several elements of the 'Made in the UK, Sold to the World' campaign vary between regions, such as region-specific wording within advertising

Figure 11.7: Campaign recognition – 'Made in the UK, Sold to the World' (% of all respondents recognising 'Made in the UK, Sold to the World' advertisements)

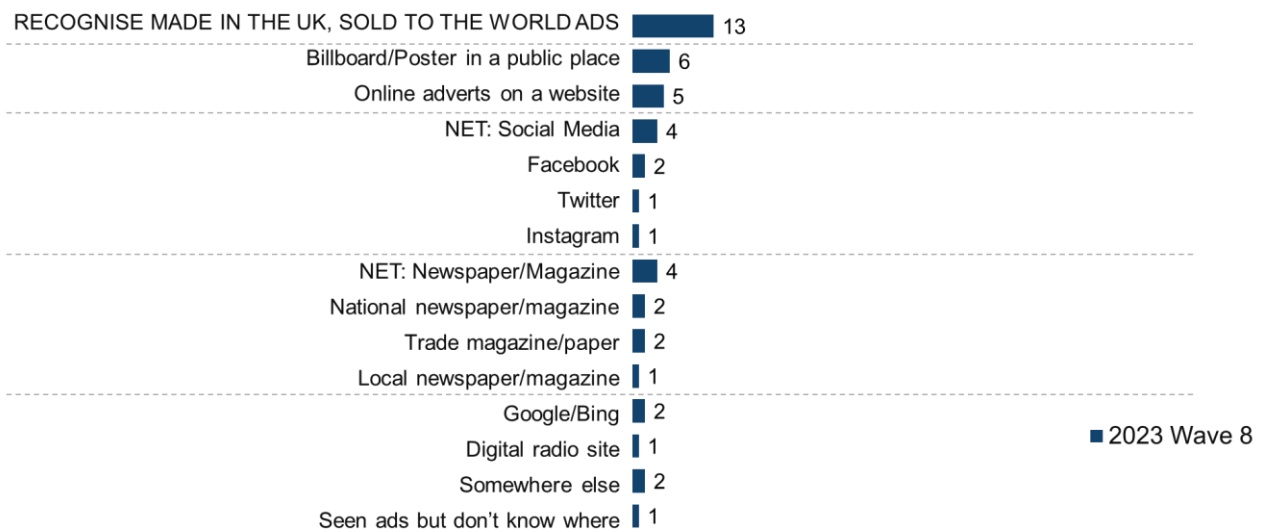


Source: AD7. This screen shows images from a range of adverts. Please scroll down and when you have seen all of the images, I'd like you to tell me whether you have seen any of these adverts, or adverts very similar to them, since October 2022.

Base: All respondents who could access the website during the interview and could view at least one image: 2022 W7 / 2023 W8: All £500,000+ turnover (1,373 / 1,292); Promote (199 / 214); Challenge (445 / 454); Reassure (113 / 95); Sustain (604 / 520)

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 a website (5%), on social media (4%) or in a newspaper or magazine (4%) (Figure 11.8).

Figure 11.8: Recognition and source of recognition of ‘Made in the UK, Sold to the World’ ads (% of 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 October 2022. 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: 2023 Wave 8: All £500,000+ turnover (1292)

11.4 UK Export Academy campaign recognition

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

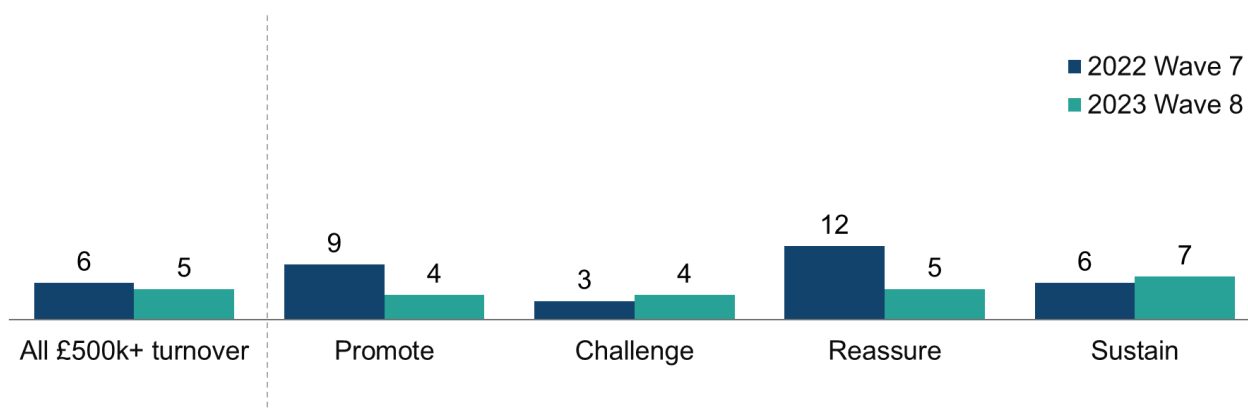
Figure 11.9: UK Export Academy campaign ads shown in interview⁴⁷



⁴⁷ 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.

One in 20 (5%) of the respondents who could access the website and view the images recognised the UKEA ads (Figure 11.10). There were no significant differences in recognition by segments, though was highest among businesses who currently export ('Sustain', 7%) and lowest among non-exporters ('Promote' 4% and 'Challenge' 4%).

Figure 11.10: Campaign recognition - UK Export Academy (% of all respondents recognising UK Export Academy)



Source: 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 images: 2022 W7 / 2023 W8: All £500,000+ turnover (1,376 / 1,281); Promote (201 / 212); Challenge (446 / 450); Reassure (113 / 95); Sustain (604 / 515)

Interestingly, recognition of the two campaigns was largely distinct. The majority of business who recognised any campaign recognised one or the other, with just 16% of those who recognised the MIUK campaign also recognising the UKEA campaign. Why this may be the case is unclear, base sizes were too low to examine differences by subgroups such as segment or sector.

11.5 DBT campaign effectiveness

After viewing the DBT materials from the 'Made in the UK, Sold to the World', and UK Export Academy campaigns, those able to view at least one of the screens of ads⁴⁸ were asked a series of questions designed to assess the effectiveness of the advertising activity. In Quarter 1, 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. In subsequent quarters (Q2 to Q4), these questions were asked after viewing the MIUK materials only, so respondents were only considering the MIUK campaign. However, there were no differences in the findings, so this section includes responses from all quarters.

A quarter (24%) of those able to view the campaign materials said that they had increased their interest in finding out more about exporting. This did not differ among those who were asked after viewing MIUK materials only (24%). This is in line with the 'Exporting is GREAT' campaign in 2018 (27%). Among all of those who viewed the campaign materials, those in the 'Sustain' (30%) and 'Promote' (27%) segments were more likely than those in the 'Challenge' (17%) segment to state that the 2023 DBT materials increased their interest in finding out more about exporting. By sector, interest in finding out more about exporting was highest in the manufacturing, raw materials and energy (30%) and wholesale and retail (29%) sectors.

⁴⁸ The vast majority of those able to access the website and view one screen of campaign materials were able to view all of them.

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).

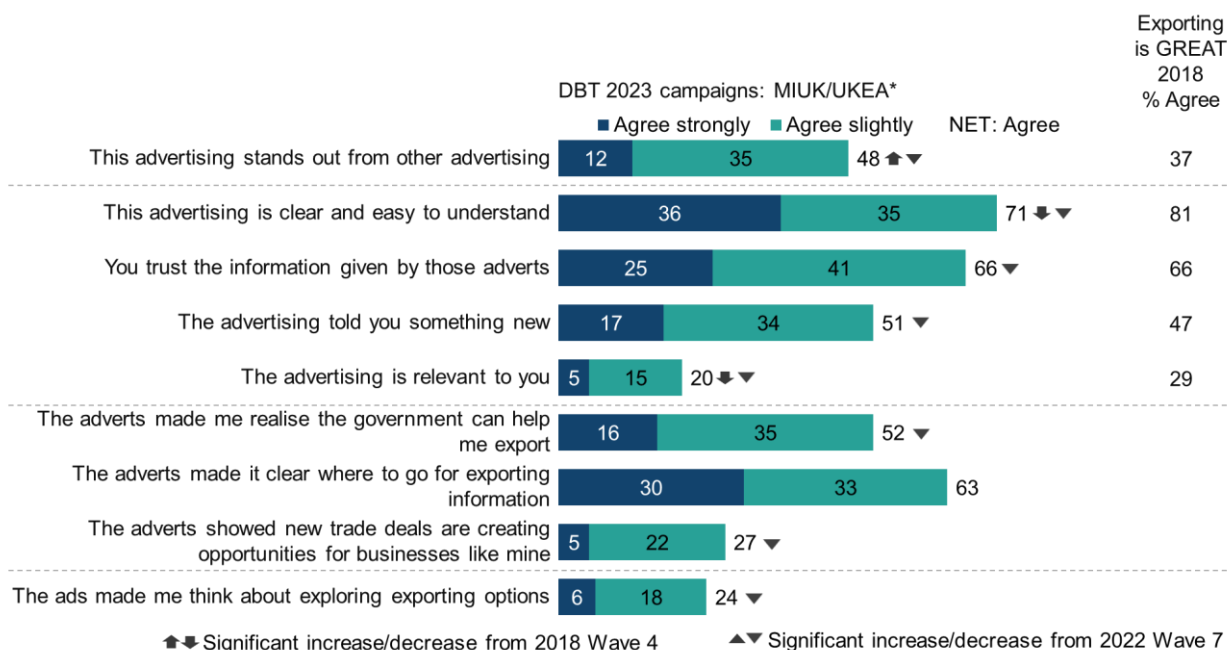
- Just under half (48%) agreed that the advertising stood out from other advertising, making it more impactful than the 'Exporting is GREAT' campaign in 2018 (37%). Agreement that the ads stood out was highest among those in the 'Challenge' segment (52%). In terms of business size, agreement was lowest among large businesses (250+ employees, 35%).
- Information conveyed in the adverts was seen to be clear and easy to understand (71%), a decrease from 84% in 2022.
- Two-thirds (66%) of businesses agreed they trust the information given, a decrease from 76% in 2022, returning to the same level as for the 'Exporting is GREAT' campaign in 2018 (66%).
- Just over half (51%) agreed that the adverts told them something new, a similar proportion to that for the 'Exporting is GREAT' campaign in 2018 (47%).
- One in 5 (20%) respondents felt the 2023 campaigns were relevant to them, lower than for the 2018 'Exporting is GREAT' campaign (29%). In 2023, agreement that the campaigns were relevant varied by segment – it was highest for 'Sustain' (exported in the past 12 months, 34%) followed by 'Reassure' (exported more than 12 months ago, 26%) and 'Promote' (haven't exported but has a suitable product, 20%), with agreement among the 'Challenge' segment (without an exportable product) much lower (6%).

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 more likely to feel the ads told them something new (57%) than current or former exporters in the 'Sustain' (42%) and 'Reassure' (49%) segments.

In relation to specific campaign messages, half agreed the ads made them realise the government can help them export (52%) and that they made it clear where to go for exporting information (63%). However, only around one quarter (27%) agreed the ads showed that new trade deals were creating opportunities for businesses like theirs. Messages taken from the campaign around government help with exporting and the opportunities created by trade deals was greatest among those in the 'Promote' segment (65% and 30% respectively).

The ads prompted one quarter (24%) of respondents to think about exploring exporting options, an overall decrease from 29% in 2022. In 2023, agreement was highest among those in the 'Promote' (32%) and 'Reassure' (29%) segments.

Figure 11.11: Response to DBT campaigns (% of respondents who could view the ads)



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*: £500,000+ turnover 2023 W8 / 2018 W4 (1,295 / 1,428).

*In W8 Q2 – Q4, asked after viewing only MIUK adverts

11.6 Overall impact of campaign materials

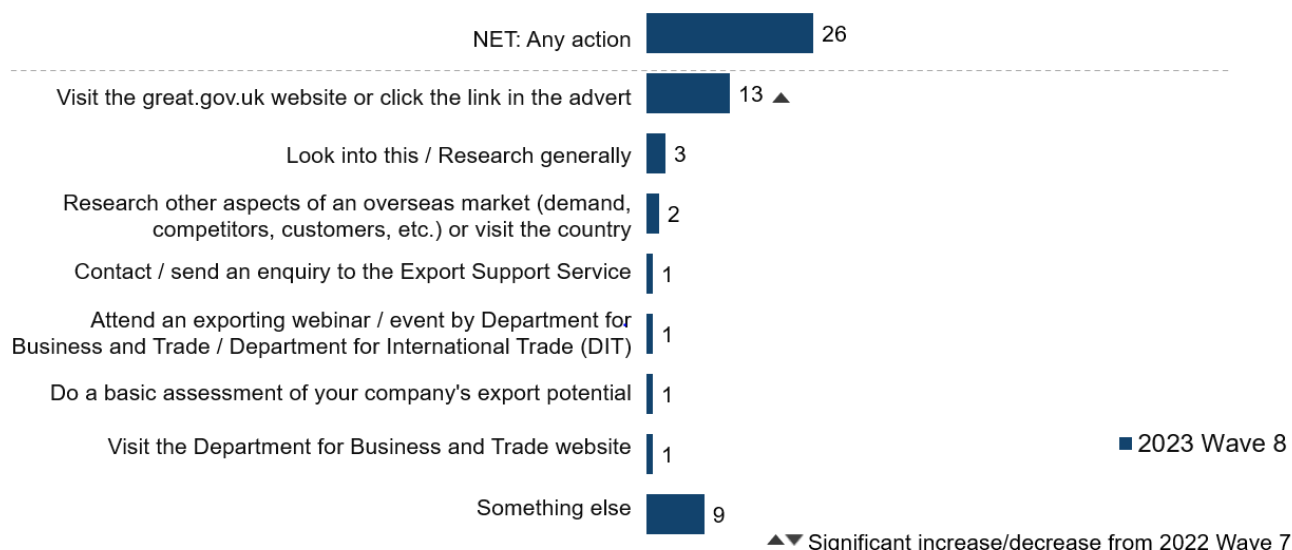
Those who had seen the campaign materials prior to interview were additionally asked if they had done anything, planned to do anything, or would consider doing anything having seen the ads. Among those who recognised the ads (i.e. reported having seen them prior to the interview), 1 in 10 (11%) had already taken some action. This represents a higher proportion, though not a significant difference (due to low base size), from 2022 (5%). In addition, 1 in 6 (17%) said there were actions that they planned to take or would consider taking (20% in 2022). 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.

Still among those who recognised the ads, specific actions already taken as a consequence of seeing the 2023 DBT campaigns were visiting the great.gov.uk website (1%, 1% in 2022), visiting the DBT website (1%, 0% in 2022), attending an exporting webinar or event held by DBT (1%, 0% in 2022) and researching aspects of an overseas markets such as demand, competitors, or customers (1%, 1% in 2022).

Combining actions already taken with those planned or considered, 26% 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 visiting the great.gov.uk website (13% up from 3% in 2022), looking into exporting or doing some general research (3%), or researching aspects of an overseas market such as demand, competitors, or customers (2%). This

suggests that the campaigns are reasonably successful at prompting businesses to act if they are aware of them. However, overall awareness remains relatively low (13% MIUK, 5% UKEA); DBT should aim to increase overall awareness and recognition of campaigns and ensure clear signposting and calls to action to encourage more businesses to explore exporting.

Figure 11.12: Action taken, planned to take or will consider taken as a result of seeing ads (% of respondents who recognised ads)



Source: 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: 2023 Wave 8: All £500,000+ turnover (187)

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 or the UK Export Academy (UKEA) campaign adverts, and those who recognised both 'Made in the UK, Sold to the World' and UKEA campaigns.

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 also includes those with a turnover below £500,000.

The majority of the total registered business population is made up of small and micro businesses, and the data explored in this chapter are strongly influenced by these. In the total sample, £500,000+ turnover businesses were oversampled relative to their true proportion in the wider population, reflecting DBT'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

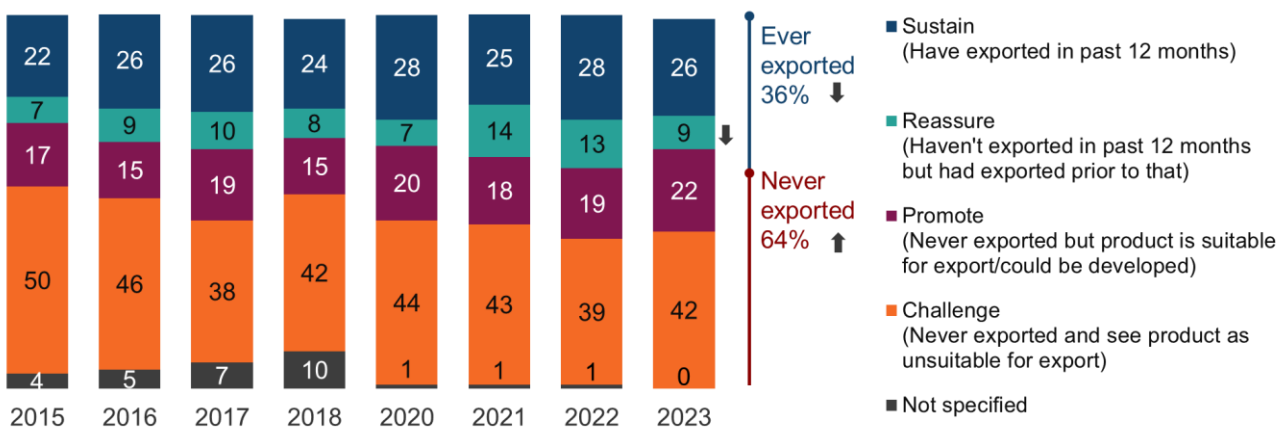
- Just over a third of businesses (36%) in 2023 reported having ever exported, which continues a decrease since 2022 (41%) though remains higher than 2015 (29%).
- Almost 8 in 10 (79%) of the total business population had heard of FTAs, though less than 2 in 10 (17%) reported any knowledge about them. Despite limited self-reported knowledge, 2 in 5 (42%) agreed that FTAs will benefit their business.
- Six in 10 (60%) businesses reported having adequate supply chains to export. Just under 3 in 10 (29%) businesses stated that they were currently experiencing supply chain issues. Among these, supply chain issues were attributed to the UK's exit from the EU (68%), general economic or inflationary pressure (62%) or COVID-19 (55%). Of those that had faced issues that were now resolved, 40% were able to use alternative suppliers or routes to export.
- Of businesses that believed their product and services can be exported, just over a third (34%) stated that they had poor or no knowledge of how to export, which was similar to 2022 (32%). This was higher than the percentage among businesses with a turnover of £500,000 or more (28%).
- In the total business population, just over a third (35%) of businesses had growth as an integral part of their business plans, whilst just over a quarter (29%) intended to grow their business but had no concrete plans on how to do this. A further 22% were aiming to consolidate instead and 14% were aiming to return to profitability first.
- Just over 3 in 10 (31%) businesses believed UK exports would increase over the next 12 months.
- Just under a quarter (24%) 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, 21% agreed that it was relevant to them, while 77% disagreed. Overall, when

asked whether the adverts shown increased their interest in finding out more about exporting, 2 in 10 (21%) responded yes, whilst almost 8 in 10 (78%) responded no.

12.1 Exporting behaviours

Just over a third of all businesses said they had ever exported (36%), which is a decrease compared with 2022 (41%) but remains higher than 2015 (29%). These proportions are similar to businesses with a turnover of £500,000 or more with 39% having ever exported, although a slightly higher proportion of the £500,000 or more group fell into the 'Sustain'⁴⁹ segment (31% compared with 26%). The proportion of businesses who had never exported (64%) increased since 2022 (58%). In 2023, less than 1% fell into the 'unallocated' category (1% in 2022).

Figure 12.1: Exporting segments (% of all respondents)



↑↓ Significant increase/decrease from 2022 Wave 7

Source: Composite measure merging data from several variables

Base: All respondents: 2015 W1 / 2016 W2 / 2017 W3 / 2018 W4 / 2020 W5 / 2021 W6 / 2022 W7 / 2023 W8: Total (1,405 / 1,418 / 2,991 / 3,000 / 3,001 / 3,002 / 3,001 / 3,004)

As a proportion of all businesses, 13% stated that they had exported only goods in the last 12 months. This was statistically significantly higher among businesses with a turnover of £500,000 and above (17%) compared with 11% of businesses with a turnover below £500,000. One in 10 (10%) had exported only services, with no difference between businesses below £500,000 (11%) and businesses £500,000 and above (10%). Overall, only a minority (3%) had exported both goods and services. However, this was significantly higher among businesses £500,000 and above (5%) compared with businesses below £500,000 (3%).

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 (37%) than an increase (19%). Among those exporting services (excluding exports to Republic of Ireland), the proportion was more even with 22% stating they had increased and 29% decreased.

⁴⁹ See section 3.5 'Segment Definitions' for a full explanation.

Among businesses that had never exported, two thirds (66%) believed that their products or services would never be suitable for export, compared with 34% who believed their products or services could potentially be developed for export.

Almost 1 in 4 exporters (23%) reported taking an active approach to exporting, intentionally targeting customers in specific countries, an increase from 17% in 2022. This increase is not observed in the £500,000+ group and is driven by an increase in active exporters within the under £500,000 turnover group (22%, up from 15% in 2022). Within the total business population, 3 in 4 (74%) reported a more passive approach (responding to orders from abroad when received, but not specifically targeting customers in other countries).

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). In 2023, the proportion of business reporting they have sufficient managerial time, and access to support and advisory services increased (58% and 61%, respectively). This is consistent with the trends observed among businesses with a turnover of £500,000 or more, where 63% reported sufficient access to support and advisory services (up from 55% in 2022).

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



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 W5 / 2021 W6 / 2022 W7 / **2023 W8: Total (1,789 / 1,813 / 1,921 / 1,885 / 888)

*2020 Q2-Q4 only. **W8 half sample.

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

- Goods
 - barriers related to product or production processes: 15%, unchanged from 15% in 2021
 - barriers related to customs procedures: 53%, up from 25% in 2021
 - barriers related to business conditions abroad: 22% compared with 14% in 2021, although this was not a statistically significant change – this was lower among the £500,000 and above group (16%)
- Services
 - barriers related to administrative costs, burdens and regulations abroad: 30%, compared with 20% in 2021, although suggesting an increase, this was not a statistically significant change – this was lower among the £500,000 and above group (24%)
 - barriers related to conditions for the supply of services abroad: 27%, up from 13% in 2021
 - barriers related to the different treatment of domestic and foreign businesses: 22%, compared with 13% in 2021, again suggesting an increase, although not a statistically significant change

12.3 Free Trade Agreements (FTAs)

Among all respondents, 8 in 10 (79%) had heard of FTAs, though less than 2 in 10 (17%) stated they have any knowledge about them, consistent with 76% and 17% respectively among businesses with £500,000 turnover or more.

Overall, just over half (52%) of businesses who have ever exported said their exports were eligible for benefits related to FTAs. Most commonly, these were the ability to easily transfer data between countries (25%) and reduced customs duties (23%). The proportion of businesses with £500,000 turnover or more that said their exports were eligible for any benefits was similar (53%), though they were slightly more likely to say their exports were eligible for reduced customs duties (30%).

Among those businesses whose goods or services are eligible for any FTA related benefits, 7 in 10 (73%) said that their exports benefitted at least some of the time, with 1 in 4 (26%) saying that they did so always or almost always.

Among all respondents, 2 in 5 (42%) agreed that FTAs between the UK and other countries will benefit their business, while 27% disagreed. However, just under a quarter (23%) agreed that they are confident they would know how to trade through an FTA and 16% agreed that the government is providing information and support to help businesses access the benefits of FTAs (55% and 40% disagreed with these statements, respectively).

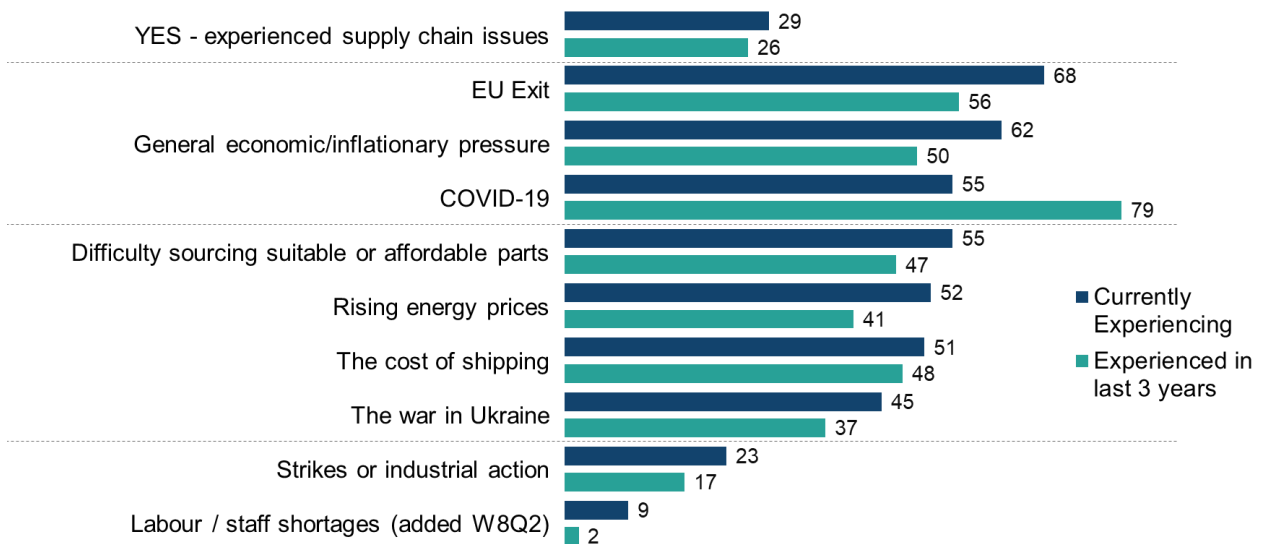
To find information and support on FTAs, respondents most commonly reported that they would refer to GOV.UK (82%), business or professional contacts (59%), or the UK government (general mentions), including DBT (54%).

12.4 Supply chains

In 2023, 6 in 10 (60%) reported adequate supply chains to start or continue exporting, remaining unchanged from previous years (63% in 2020, 61% in 2021, 57% in 2022). Among all businesses, almost 3 in 5 (57%) had any experience of supply chain issues, with 3 in 10 (29%) reporting they were currently experiencing these. One quarter (26%) reported they had experienced supply chain issues within the last three years but were now resolved (30% among businesses with £500,000 turnover or more).

As shown in Figure 12.3, among those currently experiencing supply chain issues, almost 7 in 10 (68%) attributed this to the UK's exit from the EU, 6 in 10 (62%) to general economic or inflationary pressure and just over half (55%) to COVID-19. Among businesses reporting supply chain issues that were now resolved, 4 in 10 (40%) were able to use alternative suppliers or routes to export.

Figure 12.3: Experience of and cause of supply chain issues (% of respondents experiencing / experienced supply chain issues within last 3 years)



Source: SCHAIN2. Which of the following do you feel caused the supply chain issues you are currently experiencing/experienced within the last 3 years but now resolved?

Base: All respondents who are currently experiencing supply chain issues, All respondents who have experienced supply chain issues within the last 3 years but which have now been resolved. Total 2023 Wave 8 (Q1-4: 946, 865 / Q2-4 only 654, 679)

12.5 Knowledge, information and support

Of businesses that believed their product and services could be exported, just over a third (34%) stated that they had poor or no knowledge of how to export, which was similar to 2022 (32%). This is higher than the percentage among businesses with a turnover of £500,000 or more (28%), with the percentage for businesses below £500,000 being 35%.

Almost one quarter (24%) of businesses reported a high level of knowledge of where to go for information about exporting (23% of businesses below £500,000, 29% of businesses £500,000 and above), similar to 2022 (27%). However, the proportion of all businesses reporting poor or no knowledge of where to go for information decreased from 24% in 2022 to 17% in 2023 (19% of businesses below £500,000, 14% of businesses £500,000 and above).

Similarly, the proportion of all businesses reporting a high level of knowledge of where to go for help and support with exporting was unchanged in 2023 (23%) compared to 2022 (24%). However, the proportion reporting poor or no knowledge decreased from 27% in 2022 to 19% in 2023 (21% of businesses below £500,000, 15% of businesses £500,000 and above).

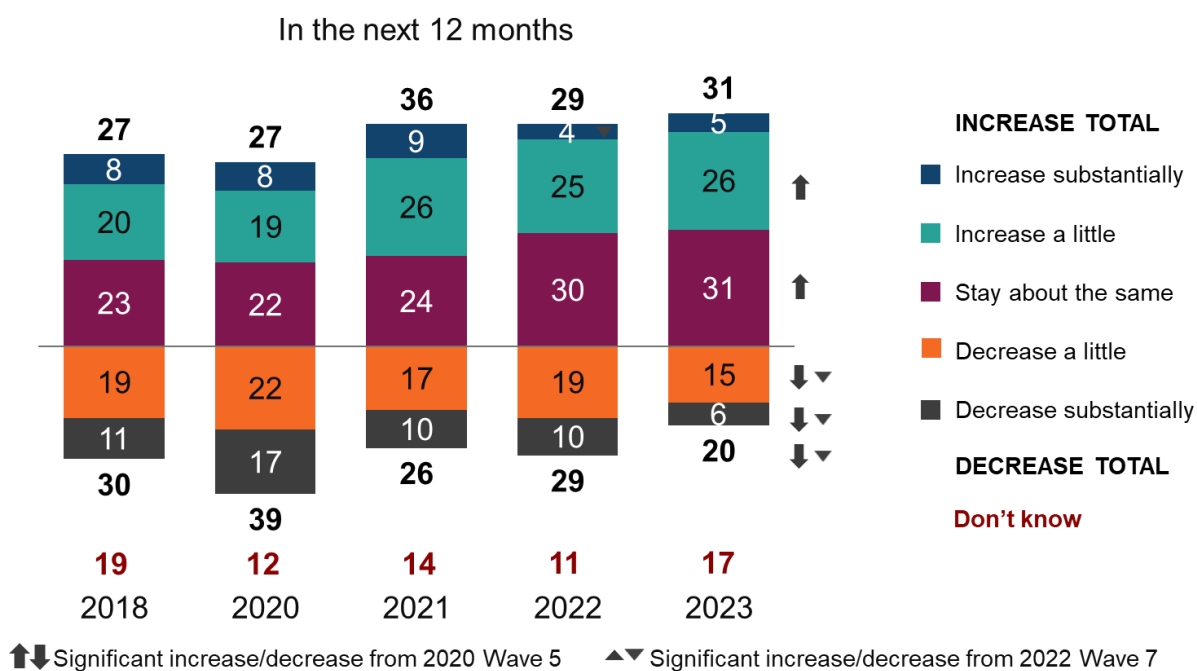
Of those businesses who have exported or could potentially export, almost a third (32%) said they had ever sought advice or support with exporting, with very little year-on-year change since 2015.

12.6 Expectations for growth and trade

In the total business population, just over a third (35%) of all businesses had growth as an integral part of their business whilst just over a quarter (29%) intended to grow their business but had no concrete plans how to do this. Rather than growing the business, a further 1 in 5 (22%) 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 2022.

Overall, 31% of all businesses thought the total UK export value will increase over the next 12 months (32% of businesses below £500,000, 28% of businesses £500,000 and above), in line with 2022 (29%), (see Figure 12.5). However, the proportion of businesses who thought the total export value will decrease was significantly lower in 2023 (20%) compared with 2022 (29%) and 2020 (39%). This suggests that overall, expectations for future exports are beginning to improve.

Figure 12.4: Whether businesses believe UK exports will increase or decrease in the next 12 months (% of all respondents)



Source: Thinking about UK exports 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 / 2022 Wave 7* / 2023 Wave

8*: Total (3,000 / 3,001 / 3,002 / 1,497 / 1,514)

*W7/W8 asked of random half sample

In contrast, when cross-referenced with other exporting attitudes metrics, there remained evidence of some concerns about exporting potential over the next year and about levels of demand. For example, business agreement that there is a lot of demand for UK goods or services around the world dropped from 59% in 2021 to 53% in 2022 and continued to trend downwards in 2023 (50%), although this was not a significant decrease in the last year. This continues a pattern of decline from 2018 when a figure of 73% was recorded and highlights ongoing moderation of expectations.

Furthermore, just over half of all businesses (52%) agreed that since the UK left the EU there has been less demand for UK products and services. This compared with 21% who disagreed. Although similar to 2022 (49% agreed, 24% disagreed), this represents a continued trend since 2021 where these responses were more even at 39% and 42% respectively, although some of this change could reflect an amendment to the question wording from 'Now we have left the EU, there will be less demand for British products and services' in 2021, to 'Since the UK left the EU in January 2020, there has been less demand for UK products and services' in 2022 and 2023.

Other statements exploring attitudes to exporting provide further evidence for mixed views. Of businesses that do export or could export, just over a third (35%) felt there would not be enough demand for their business overseas to make exporting worthwhile, which is an increase from 26% in 2022. In addition, half (50%) felt that there is a lot of opportunity for their business to grow internationally, compared with 57% in 2022.

There are also indications that some businesses may be looking beyond exporting to facilitate growth. Just under half (47%) agreed that there are enough opportunities for growth within the UK to mean their business is not interested in exports (49% in 2022). Meanwhile, 2 in 5 (40%) of businesses felt that there are too many risks in taking a business international, unchanged from 2022 (40%).

12.7 Advertising and Campaign metrics

A quarter (24%) of all businesses said they had seen any advertising, publicity or other information to make them think about exporting. This is similar to 2022 (27%) following a fall from the over 1 in 3 (36%) reported in 2021. These findings are in line with trends among businesses with a turnover of £500,000 or more. Recognition of any DBT campaign ('Made in the UK, Sold to the World' / UK Export Academy) was at 16%. Recognition of the 'Made in the UK, Sold to the World' adverts was 12% (12% in 2022). Recognition of adverts relating to the UK Export Academy was 6%.

When businesses were asked where they had seen any advertising or information, 7% of all businesses were aware of internet advertising, 6% for radio, 4% print, 8% for TV, and 4% for social media. This is similar to the proportions reported in 2022, except for TV recognition which was higher compared with 2022 (8% from 5%).

Around 8 in 10 (79%) businesses reported that the government was responsible for this advertising (up from 70% in 2022), with the UK government more generally (66%) being the most prominent response (although again up from 50% in 2022). Recognition of the Department for Business and Trade (or Department for International Trade (DIT)) was 14% (unchanged from 14% in 2022), whilst all other sources were 3% 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 8% mentioned responses relating to GOV.UK / HM Government / UK government logo, 8% growing sales/opportunities abroad; whilst 5% recalled the advertising mentioning 'Export advice/webinar/workshop' support (down from 11% in 2022). Awareness of any other elements from advertising were at 2% or below.

As described in section 11.5, after viewing the DBT materials from the 'Made in the UK, Sold to the World', and UK Export Academy campaigns, those able to view at least one of the screens of ads⁵⁰ were asked a series of questions designed to assess the effectiveness of the advertising activity. In Quarter 1, 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. In subsequent quarters (Q2 to Q4), these questions were asked after viewing the MIUK materials only, so respondents were only considering the MIUK campaign.

One in 5 (21%) of those able to view the campaign materials said that they had increased their interest in finding out more about exporting. This was higher among those who were asked after viewing MIUK materials only (23%), compared with those who were asked after viewing UKEA and MIUK adverts (16%).

There was evidence of a negative shift in attitudes towards the advertising in 2023 compared with 2022. However, there were some differences between those who were asked after viewing MIUK materials only compared to those who were asked after viewing both UKEA and MIUK adverts, indicating more positive views towards the MIUK campaign:

- one in 5 (21%) agreed that the advertising was relevant to them, while 77% disagreed, representing a change from 28% and 70% in 2022, respectively. However, agreement that the adverts were relevant was higher among those who were asked after viewing MIUK materials only (23%), compared with those who were asked after viewing both UKEA and MIUK adverts (16%).
- just under half (49%) agreed that the advertising told them something new, compared with 48% who said that it did not, again representing a change from 63% who agreed and 33% who disagreed in 2022
- almost two-thirds (65%) said that they trusted the information in the adverts (down from 73% in 2022), compared with 30% that did not (up from 22% in 2022)
- half (50%) agreed that the adverts made them realise the government can help them to export (down from 58% in 2022), compared with 46% that did not (up from 38% in 2022)
- only 26% agreed that the adverts showed that new trade deals are creating opportunities for businesses like theirs (down from 33% in 2022), compared with 70% that disagreed (up from 63% in 2022). Agreement was higher among those who were asked after viewing MIUK materials only (28%), compared with those who were asked after viewing both UKEA and MIUK adverts (19%).
- just over 2 in 5 (62%) agreed that the adverts made it clear where to go for exporting information, but only 23% stated that the adverts had made them think about exploring export options (down from 32% in 2022)
- overall, when asked whether the adverts shown increased their interest in exploring exporting options finding out more about exporting, 21% responded yes, down from 31% in 2022, whilst 78% responded no, up from 67% in 2022. Agreement was higher among those who were asked after viewing MIUK materials only (24%), compared with those who were asked after viewing both UKEA and MIUK adverts (18%).

All businesses (excluding those that could never export) were asked about their awareness of government export support services. Of this group, 3 in 5 (62%) said they were aware of GOV.UK tools such as 'Check how to import or export goods', 'Check duties and customs procedures for exporting goods' or information about using FTAs. There was also some awareness of International Trade Advisors (30%) and Export Support Service and/or Ask the export support team a question' on GOV.UK (23%). These findings are in-line with 2022 figures.

⁵⁰ The vast majority of those able to access the website and view one screen of campaign materials were able to view all of them.

Around 9 in 10 of the total business population reported never hearing of or visiting great.gov.uk (89%), consistent with 2022 (91%). This is comparable to the equivalent statistic for businesses with a turnover of £500,000 or more, of which 90% had never heard of or visited great.gov.uk, unchanged from 89% in 2022.

About the Department for Business and Trade

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

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