

The State of the Border

Business Experience
of the UK Border 2022

13/03/23



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Executive Summary



Executive Summary

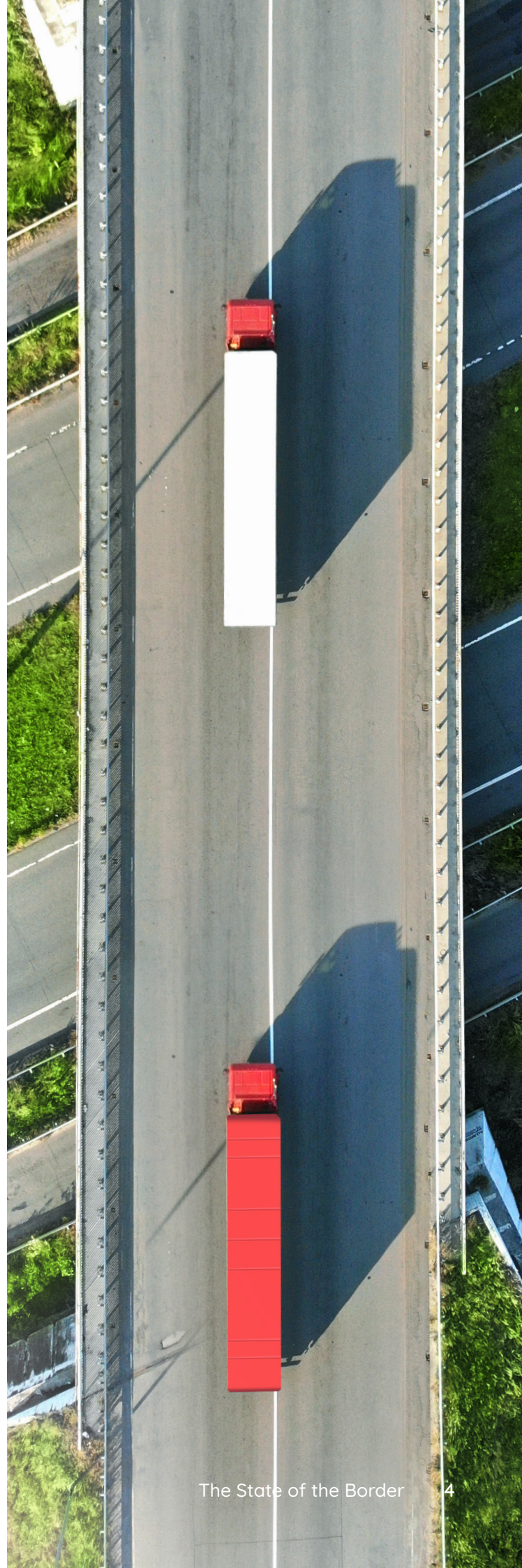
Intro

UK import and export patterns in 2022 are the first since 2019 which do not require immediate Brexit or Covid caveats. 2022 brought plenty of its own disruptions – the war in Ukraine and escalating tension between the West and China. But the picture of the UK border in 2022 begins to reveal the longer term implications of both EU exit and the covid pandemic.

This report assesses businesses' experience of the UK border in 2022 to inform business leaders, officials and wider public debate about how it performed, its impact on international trade and UK growth.

300

We surveyed 300 businesses with experience using the border covering the period January to November 2022. We asked them to report on their experience in a range of areas related to their internal capability, experience of the border, costs, and their commercial strategies in response.



Port usage since 2019

A combination of 2021 and 2022 data allows us to see a number of sustained trends in port usage since 2019. These include:

- **A shift away from lorries.** Lift-on-Lift-Off (LOLO) volumes have been relatively stable across the period 2019-2021, while Roll-On-Roll-Off (RORO) volumes fell in most ports. Port usage data for 2022 suggests this pattern is likely to have been sustained in 2022. This may be explained in a number of ways. EU businesses have reduced use of the 'landbridge' to Ireland, which will have contributed to Dover and Holyhead both experiencing falls in RORO traffic. Some trade may have switched away from UK distribution hubs in favour of direct import into the EU to avoid tariffs on non-originating goods. Some small traders, whose EU distribution would traditionally use the road network, have stopped EU trade.
- **A shift away from drivers.** The composition of RORO trade also changed between 2019 and 2021, with a fall in driver-accompanied traffic both absolutely and relative to unaccompanied RORO. Unaccompanied RORO increased its share of traffic. This probably reflects both shortages of HGV drivers and a preference for unaccompanied transit given the complexities now attached to drivers crossing the border - or the costs of having them sitting with trailers during border processes. Again, we expect this trend to have continued in 2022.
- **Shifts in UK-EU routes.** Volumes entering and exiting the UK from both Ireland and France fell in 2019-2021. In 2022, traffic levels for Dover and Holyhead suggest this trend has continued. This probably reflects a mix of the reduced role of the landbridge and wider shifts to other modes. There is also anecdotal evidence that traders find the Dutch port system easier to navigate, which may be a factor in the rise in traffic through ports like Felixstowe, Grimsby and London since 2019, alongside falls across the Channel straits.
- **A shift in GB-Ireland routes.** 2022 port data suggests an apparent shift away from GB routes to the Republic of Ireland coinciding with rises in GB-NI direct routes such as Heysham. This almost certainly reflects traders seeking to remain in the UK internal market when moving goods between NI and GB.



Trader experience at the border



2022 **58%** 2021 **83%**

of importers experienced delays at the UK border. 55% of exporters experienced similar delays in 2022.



2022 **26%** 2021 **33%**

of importers experienced goods being rejected or impounded at the UK border. 24% of UK exporters experienced similar rejection or impounding in 2022.



2022 **61%** 2022 **49%**

49% of traders experienced rising warehousing costs and 61% rising freight costs.



2022 **24%** 2021 **33%**

of importers experienced delays in perishable goods at the UK border. 20% of exporters experienced similar delays in 2022.

Perceived causes of delays



2022 **47%** 2021 **41%**

of respondents who increased expected delivery times linked this to difficulties moving goods across the UK border.



2022 **21%** 2021 **37%**

of respondents who increased expected delivery times cited issues with shipping or container availability as a cause of delays.



2022 **29%** 2021 **39%**

of respondents who increased expected delivery times cited shortages of UK HGV drivers as a cause.



2022 **31%** 2021 **56%**

of respondents who increased expected delivery times cited Covid related issues as a cause of delays.

Trader confidence



2022 **57%** 2021 **53%**

of traders described themselves as confident or very confident in importing and exporting from the EU. 42% said they become more or much more confident in 2022.



2022 **42%** 2021 **40%**

of traders described themselves as confident or very confident in advice received from HMRC or UK government sources. 56% expressed the same confidence in logistics providers.



2022 **48%** 2021 **51%**

of traders described themselves as confident or very confident in global supply chain security.



2022 **49%** 2021 **52%**

of traders described themselves as confident or very confident in the functioning of the UK border.

Trader strategies



2022 **49%** 2021 **57%**

of traders had increased inventory, especially those trading with the EU.



2022 **59%** 2021 **70%**

of traders have increased expected delivery times for their global supply chains. Of these more than 50% had increased expected times in 2022 by 3 days or more.



2022 **38%** 2021 **47%**

of traders had employed new staff in 2022 to manage customs administration tasks.



2022 **44%** 2021 **58%**

of traders had purchased new software to help manage customs administration tasks.

UK trade and customs traffic in 2022



UK trade and customs traffic in 2022

2022 saw the UK border working as hard as it ever has, despite global volatility and big practical changes to EU-UK trade frameworks. Boosted by energy exports, UK exports to the EU and imports from the EU exceeded 2019 levels by value. Imports from the EU are also well above pre-Brexit levels, as are those from outside the EU. Only UK exports to the rest of the world are below mid-2019 levels (Fig 1), possibly reflecting subdued global economic demand.

Port usage data tells a similar story. However, there are important caveats to any comparison: UK trade data is generally measured by value, whereas port traffic is measured in units or weight. Furthermore, not every good moved through a UK port is imported to or exported

from the UK - it may be in transit across the landbridge to Ireland. So trade and customs data may show different patterns - a fall in traffic is compatible with a rise in exports if the former reflects declining landbridge activity, for example.

Furthermore, neither is a perfect measure of demand on the customs system – which handles consignments. These distinctions are important in a post-Brexit context.

Traders have a strong incentive to consolidate goods into as few consignments as possible to minimise administration: this does not show up in weight measures. However we assess that, for the burden on the customs systems which are run by ports, weight is a better proxy for activity than value.

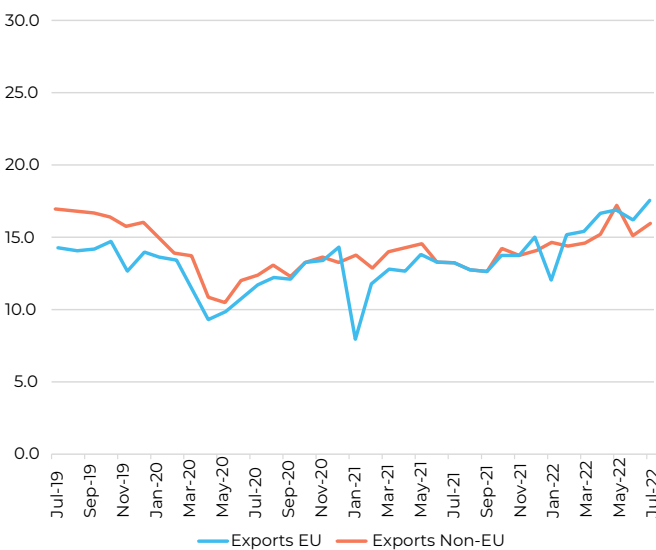
UK Exports and Imports

As in past years, more than 90% of both imports and exports entered the UK via a seaport in 2021. Of the remaining 10%, the most important for considering the border are Heathrow airfreight and Eurotunnel truck-freight movements.

Fig 1: UK exports and imports 2019-2022

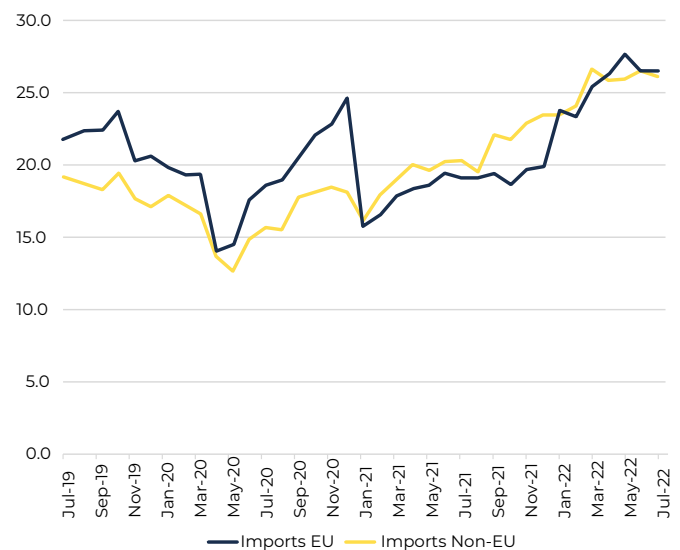
UK exports 2019-2022

Monthly total, £bn



UK imports 2019-2022

Monthly total, £bn



EU-UK trade

The changes that accompanied the UK exit from the single market make EU-UK trade by far the most important area of UK activity for assessments of systemic resilience and trade experience.

UK exports to the EU were around £3.3bn higher in July 2022 than July 2019² - a notable performance in the post-Brexit context³ (Fig 1). However, within these totals there is a degree of compositional change. Some smaller firms appeared to cease trading, affecting the number of trading links but not necessarily the ultimate value of trade⁴. Many UK firms have also established distribution hubs in the EU, which has simplified their basic export pattern - and produced a statistical reduction in trade transactions - but not necessarily total export values.

Finally, products originating from outside the EU/UK are now likely to be shipped directly to the EU rather than being imported into the UK first, to avoid potential tariffs.

Figure 2 compares the first three quarters of 2022 against the same period in 2018 to assess changes to the composition of trade over the Brexit period.

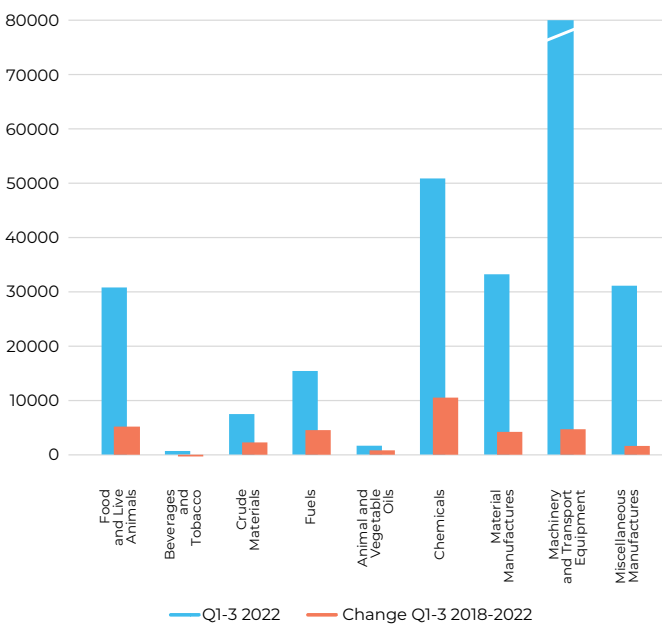
Fuel shows a notable increase. This is mostly the current energy crisis changing the value and quantity of UK energy exports rather than a consequence of UK trade policy. Car exports from the UK to the EU have fallen significantly since 2018; so have imports in the other direction. This is difficult to disentangle from falls in external demand and supply chain issues cited by the industry⁵.

We may see a Brexit effect in falling exports of manufactured goods and tea, coffee and sugar from the UK to the EU. These now require bio-security (SPS⁶) checks on entering both the UK and the the EU which are expensive and cumbersome.

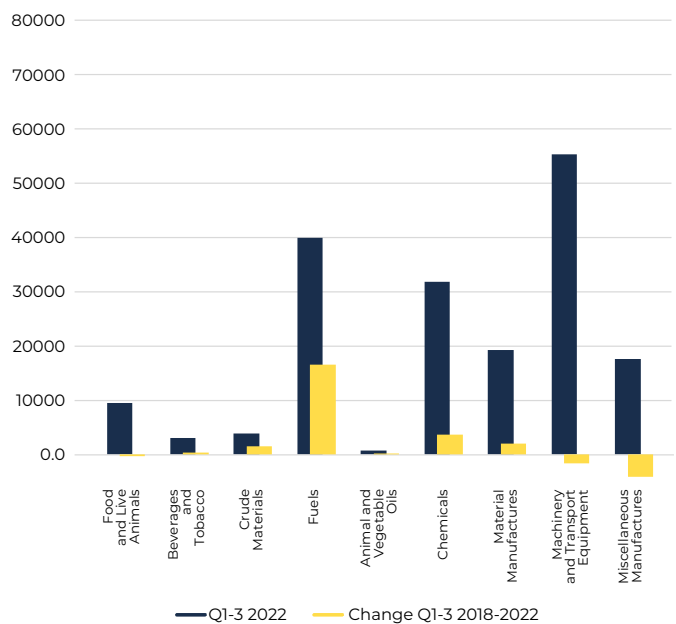
When moving goods from outside the UK/EU, firms now have a strong incentive to send goods directly into the EU to avoid repeating these checks at each border. In addition, many manufactured goods from Asia do not qualify for EU/UK preferential tariffs. Importers may be shipping them directly into the EU rather than into the UK and then on to the EU. On the other hand, export values of other food and live animal which we might expect border protocols to affect, have risen.

Fig 2: Composition of UK-EU trade by key tariff headings

UK imports from the EU



UK exports to the EU



² Changes to UK data collection produced a gap in data for January 2022. Of the apparent £2.9bn fall in exports to the EU in that month, UK HMRC estimates that £2bn is the effect of this data gap.

³ The inference here is not that Brexit is responsible for this relatively strong performance - composition is important and exports could potentially have been higher had the UK remained in the single market - but that there wasn't a collapse.

⁴ UK trade in the wake of Brexit, Centre for Economic Performance. No.1847 April 2022

⁵ UK car production driven down by global chip shortage. Financial Times, 28 July 2022. <https://tinyurl.com/3u5evtj>

⁶ Sanitary and Phytosanitary controls.

Fig 3: EU-UK 2019-2021 Selected Major Ports (000 tonnes)

RORO and LOLO volumes

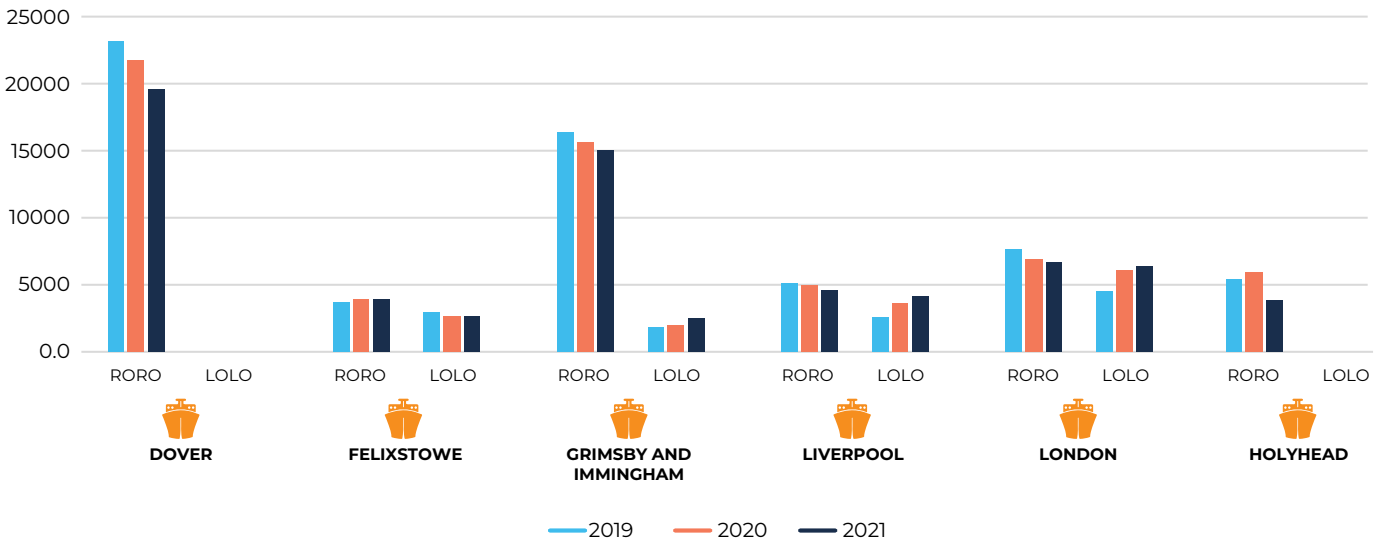
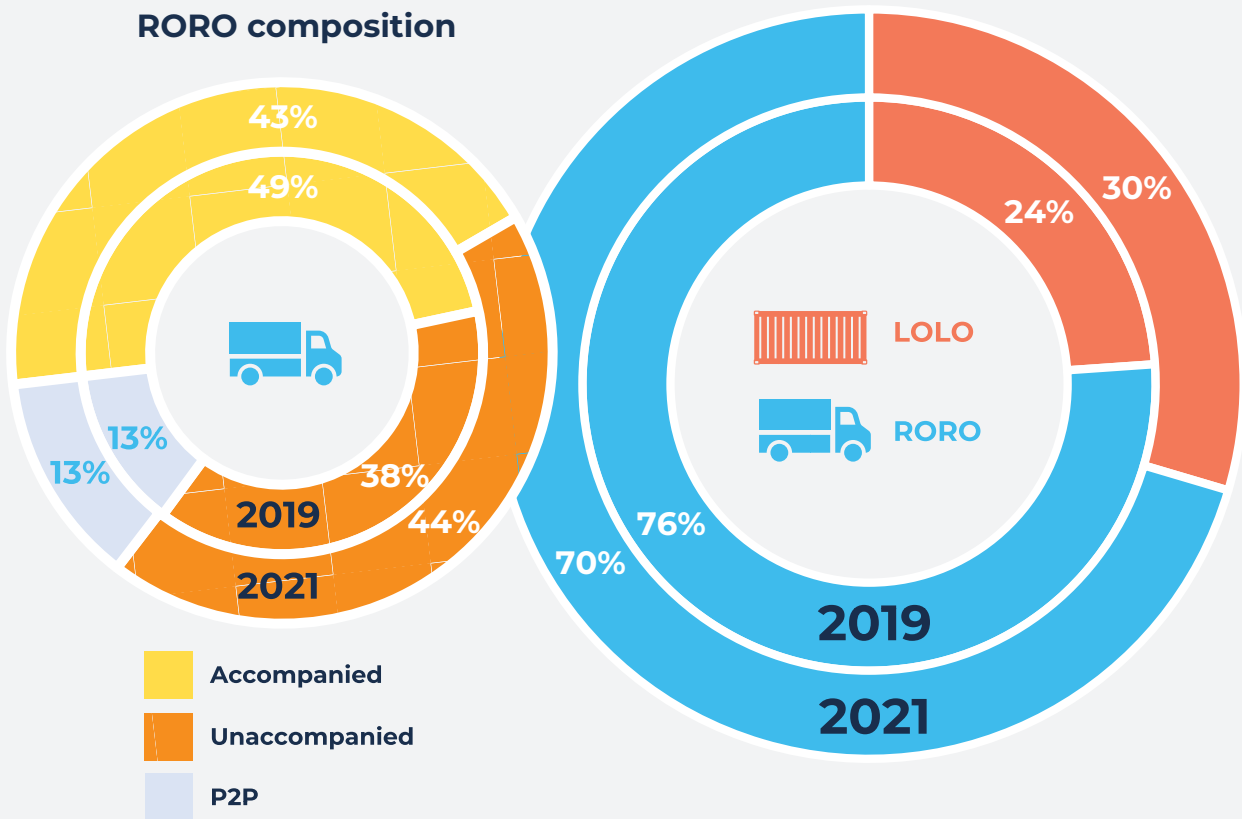


Fig 4: Changes to freight mode and RORO composition 2019-2021.

Total Freight by basic mode



2022 figures were not available at the time of writing.

Fig 5

EU-UK sea-borne goods trade by mode and point of entry

(2021 and 2019 - 000tn and % activity)



Major ports (% of trade)	Other	Belfast	T&H	Forth	Hull	Portsmouth	Holyhead	Felixstowe	Harwich	Liverpool	London	Grimsby	Dover
2021	10.1	5.7%	9.3%	7.8%	8.7%	-	-	10%	-	15.3%	23.9%	9.1%	-
2021	4.3%	-	-	-	2.2%	2.3%	6%	6.2%	6.5%	7.2%	10.6%	23.8%	31%
2019	12%	6.2%	11.4%	10%	8.9%	2.7%	-	12.6%	-	11%	19.9%	8%	-
2019	5%	-	-	-	3%	2.7%	7%	4.7%	4.8%	6.6%	9.9%	21.3%	30.1%





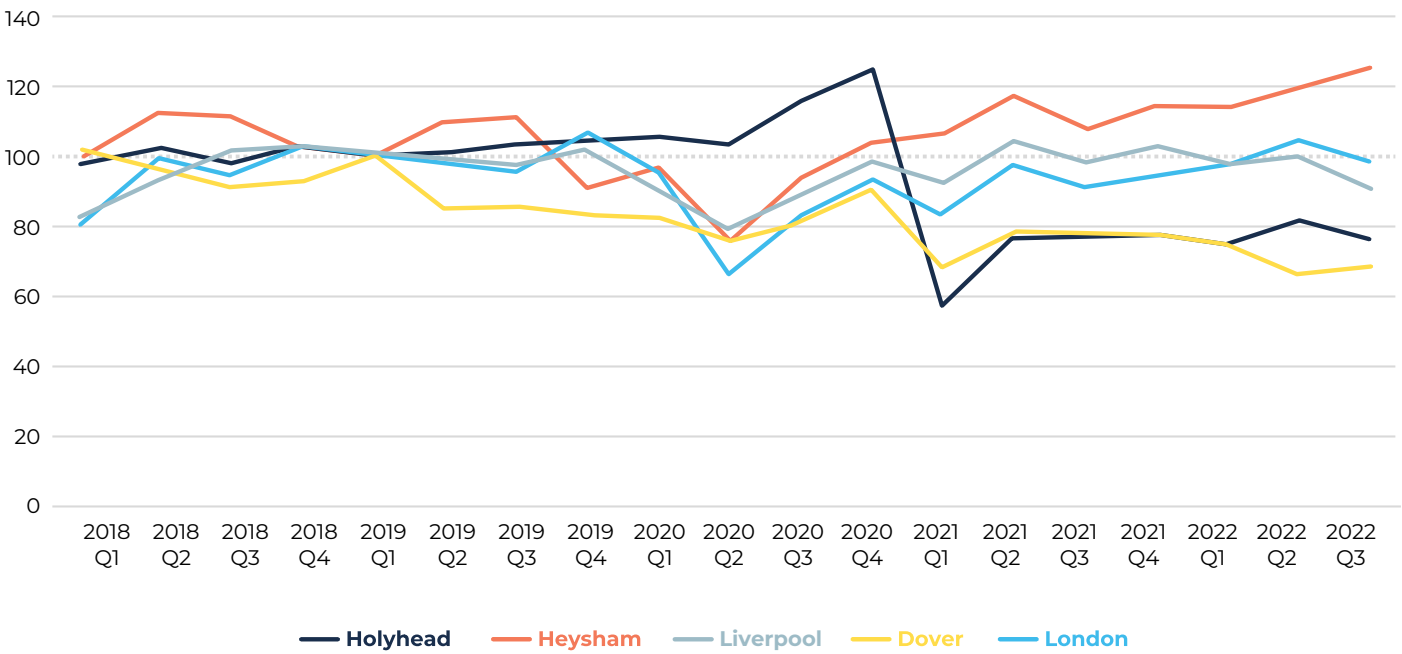
Based on detailed 2021 data and provisional 2022 port data, there are a number of clear trends in EU-UK traffic since 2019.

- **Roll-on-roll-off (RORO) volumes are falling while LORO volumes are rising.** This is clear for 2021 and can be inferred by falling traffic through Dover and Holyhead in 2022 (Fig 3 and 5). Lift-on-Lift-Off (LORO) trade appears to have increased between the EU and the UK, especially through London and Liverpool (Fig 3 and 5).
- **Rising containerised traffic and unaccompanied trailers on UK-EU routes suggests traders are reducing dependence on cross-border drivers (Fig 4).** Unaccompanied units had a materially greater share of RORO trade in 2021 (44%) than they did in 2019 (38%). What we see is consistent with businesses responding to shortages of HGV drivers and a desire to avoid the cost of them needing to cross the border or being delayed with their trailers in the process. It will be interesting to see if the effect continued in 2022: we do not have the official statistics yet but our survey findings suggest driver-related problems eased during 2022.
- **Holyhead traffic appears to be permanently reduced as traders avoid the Republic on trips between Great Britain and Northern Ireland.** GB-ROI trade declined significantly in 2021 and 2022 while GB-NI volumes via Heysham rose (Fig 6). This is likely to reflect a mix of falling landbridge use and route shopping by traders to avoid unnecessary Irish formalities on entry to Dublin⁷. This may soften with changes to the operation of the Northern Ireland Protocol, but the trade pattern has become a settled feature of the current UK/NI/Ireland policy.
- **Traders appear to be shopping between ports and routes.** Dover remains the single most important gateway for EU-UK trade, despite a shift away from driver-accompanied freight. London and East Coast ports (able to accommodate unaccompanied loads) have seen an uptick. Anecdotally, some firms report a preference for Dutch routes for efficiency reasons. France and the Netherlands fell and rose respectively as EU exit/entry points between 2019 and 2021 (Fig 7), and headline port data for 2022 suggests this is likely to be sustained. Similarly, GB-NI routes appear to have fared better than alternatives that require transit through the Republic of Ireland.

⁷ P&O suspended services from Holyhead for part of 2022 which is likely to have affected volumes, but the larger trend is still well below 2019.

Fig 6: Selected ports (Q1 2019 = 100)

Total Port Traffic



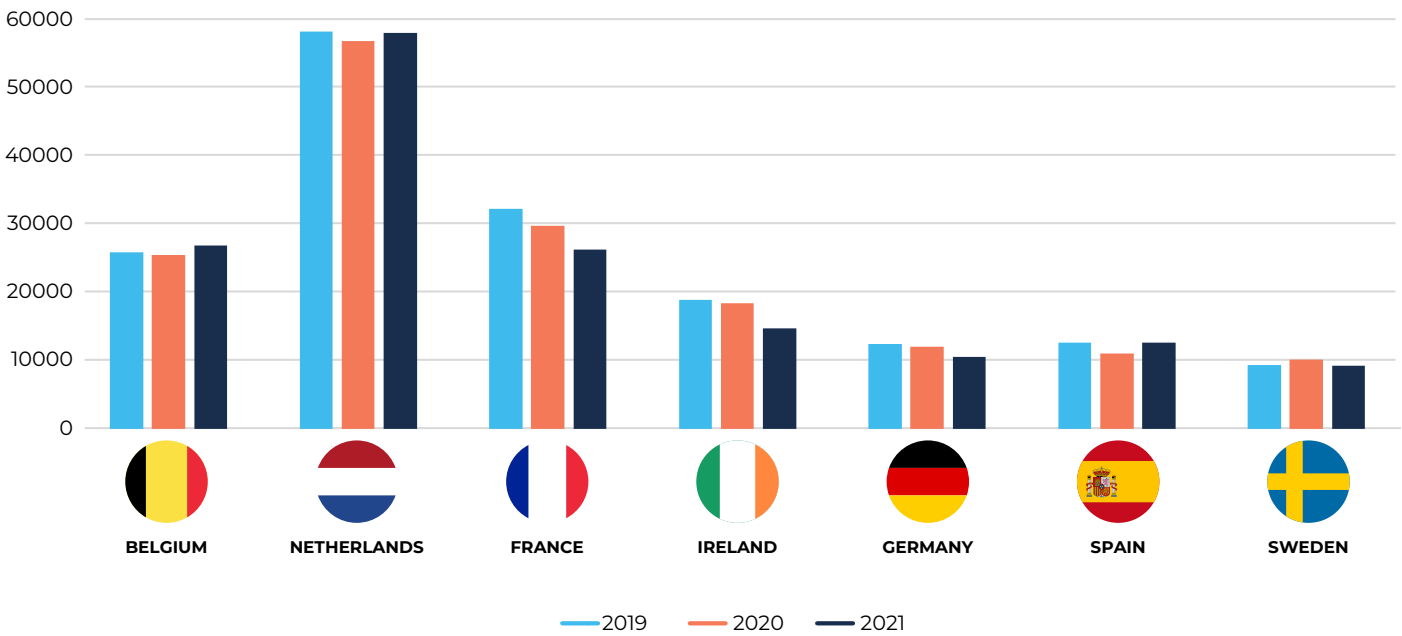
“When we try to send something into France... we didn’t understand it so had to go through the Netherlands, even for deliveries going to France.”

International Logistics Manager, Animal Nutrition Products



Fig 7: Total tonnage on selected routes (000s tonnes).

Tonnage on EU-UK routes



The Channel Tunnel

The tunnel experienced a similar fall in RORO traffic but remains the single leading commercial link for road goods in 2021⁸. The tunnel moved around 1.4m freight vehicles in 2021 - a fall of 10% on 2019 - and carried 1.04m tonnes of train freight, down 25% on 2019. For comparison, Dover Port moved an estimated 2.4m vehicles⁹ but across multiple ferry operators.

⁸ <https://www.getlinkgroup.com/en/our-group/eurotunnel/activity-and-performance/>

⁹ <https://www.doverport.co.uk/about/performance/>

Small firms and trade between the EU and the UK

There is some evidence that the heaviest impact of post-Brexit customs requirements has fallen on small UK and EU firms, who have ceased trading rather than absorb the cost of customs requirements. One common assumption is that this reflects the inherent difficulty that smaller firms face in dealing with customs protocols.

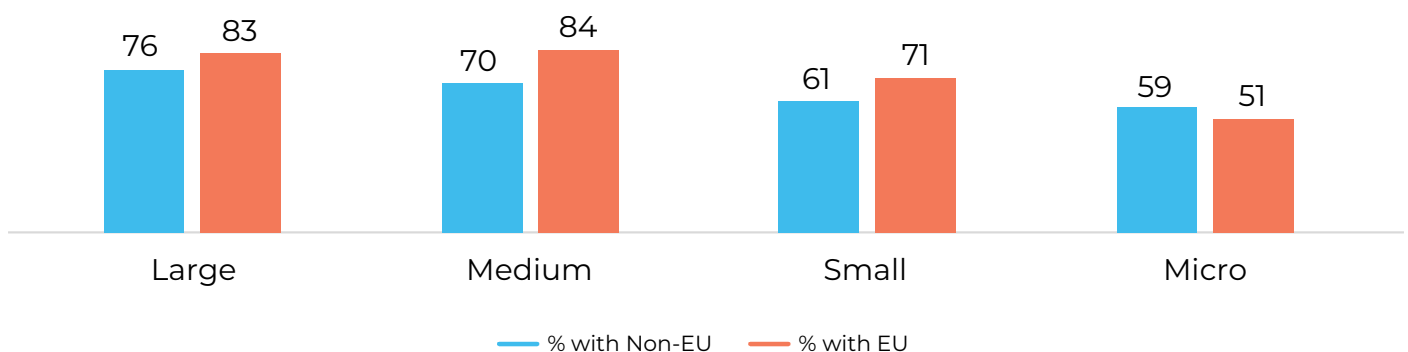
Small firms clearly have less resource for dealing with the complex demands of customs systems, both as importers and exporters. However, UK trade statistics suggest that this argument needs careful nuance. Data for 2020, before the end of the transition period (Fig 9), suggests that small and micro-UK exporters were relatively evenly spread across EU and non-EU markets. At that point non-EU markets required a materially greater capacity for border administration that trading firms were nevertheless able to meet.

“It costs us so much more now to do business with the UK. It is a massive headache to line up transport, certification, customers. We make it work by filling one truck with lots of goods for larger businesses. We can’t service smaller businesses because it simply doesn’t pay.”

Logistics & Operations Manager,
Wholesale Plant Nursery (Republic of Ireland)

Fig 9

Exporting firms export destinations 2020



A significant part of the post-Brexit challenge for UK exporters is likely to be on the EU side. Exporters need importing customers who are willing to complete import protocols for UK goods. In reality, these potential EU customers may be choosing suppliers from within the single market to avoid the hassle - whether perceived or real. This is supported in our interview responses and in our own experience.

This presents a real challenge for the UK government as well as UK exporters. The government must make any new border system as simple as possible for overseas customers to import UK goods – but those import processes are outside the UK’s direct control. In the EU context, the UK can only materially impact these non-tariff barriers in concert with Brussels. This will require a combination of reliable technology and effective policy, but above all political cooperation.

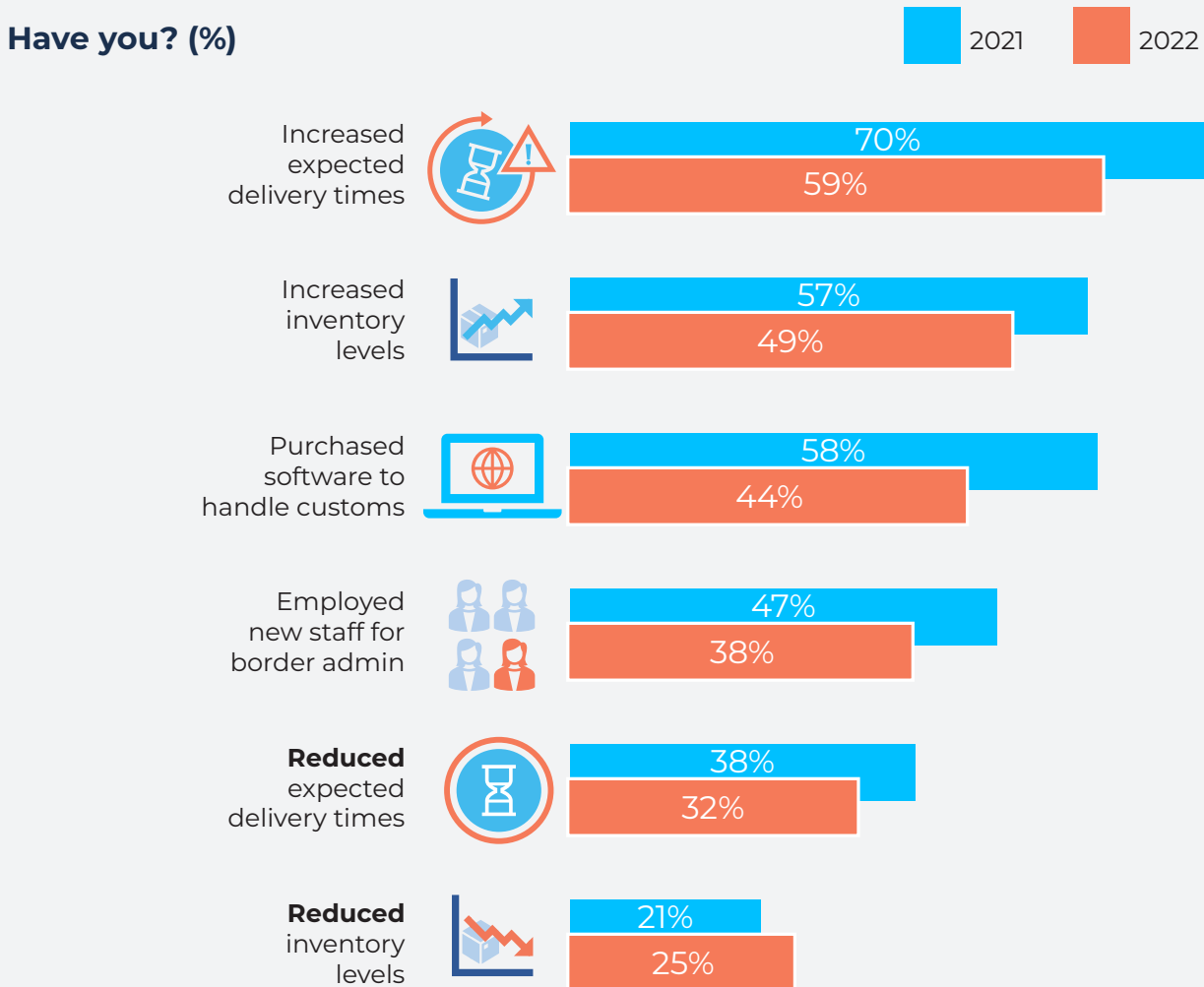
Businesses' Experience



Businesses' Experience

Our survey asked traders to report on their experience of using the UK border over the course of 2022¹⁰. Respondents reported on the ways they have adapted their businesses to manage changing customs requirements; their experience with border processes and some of the commercial strategies they have adopted to deal with evolving practical conditions.

Fig 10



Our survey shows UK traders continuing to adapt to rising costs and changed terms of trade between the EU and the UK.

Changes created by the UK's departure from the EU continue to feature prominently, but their importance has receded since 2021. Importers and exporters continue to report similar issues (Table 1 and Fig 10).

¹⁰ The survey was conducted between 17th and 25th November 2022 and asked about experience during the preceding year.

Table 1: Importers and Exporters

2021 2022

Have you experienced? (%)

Increased fees



Delays at the UK border



Changing your usual port of entry/exit



Goods being rejected or impounded



Perishable goods held up at the border



If you experienced delays, what caused them? (%)

Time taken for checks on goods



Problems with paperwork from suppliers/customers outside the UK



Lack of border capacity



Problems with paperwork from your firm



IMPORTERS

EXPORTERS

Delivery times and inventory strategies

Reported delivery times and stock levels increased in 2022, following the same responses in 2020 and 2021. Six in ten respondents reported increased delivery times and five in ten said they had further raised inventory levels (Table 1 and Fig 10). Extended delivery times and greater inventory stocking were more prevalent with firms that trade with the EU than those that trade with the rest of the world.

Between January 2022
and November 2022,

59%

reported an increase
in their expected
delivery time.

of firms reporting an
increase in delivery times:

58%

increased their
expected delivery
time by up to 3 days.

47%

cited issues with goods
entering or leaving the UK,
the single largest cause.

Issues with goods entering or leaving the UK were cited as the single largest cause of extended delivery times in 2022 (47%), an increase on 2021. Around four in ten businesses experienced extended timeframes because of delays elsewhere. A similar number cited delivery delays passed on from suppliers. Big factors behind slower delivery times in 2021 such as covid-19, shortages of HGV drivers and shipping containers, diminished sharply in 2022.

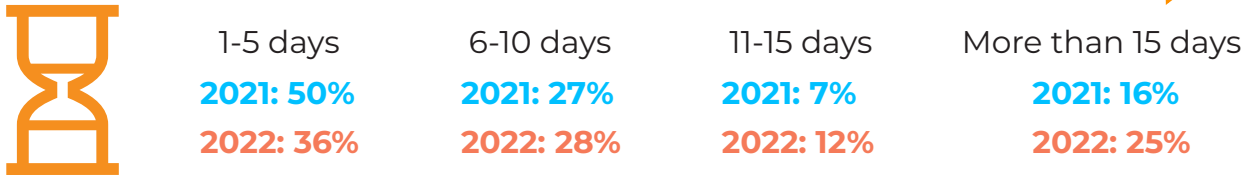
The most common reasons cited for increased inventory levels were concerns about global supply chains and future price rises. A quarter of respondents reporting increased stock levels cited difficulties crossing the UK border. It is worth noting that inventory expansion can also reflect order levels and confidence: a third of respondents cited actual or anticipated order increases as a cause for inventory expansion.



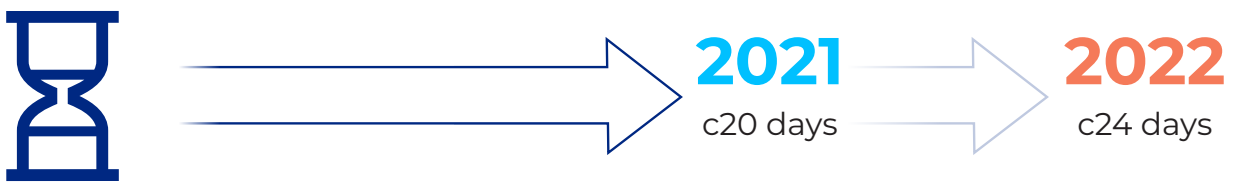
Fig 11

Estimated delivery times (all goods)

Estimated AVERAGE delivery times (all goods)



Estimated MAXIMUM delivery times (all goods)



Change EXPECTED delivery times 2022



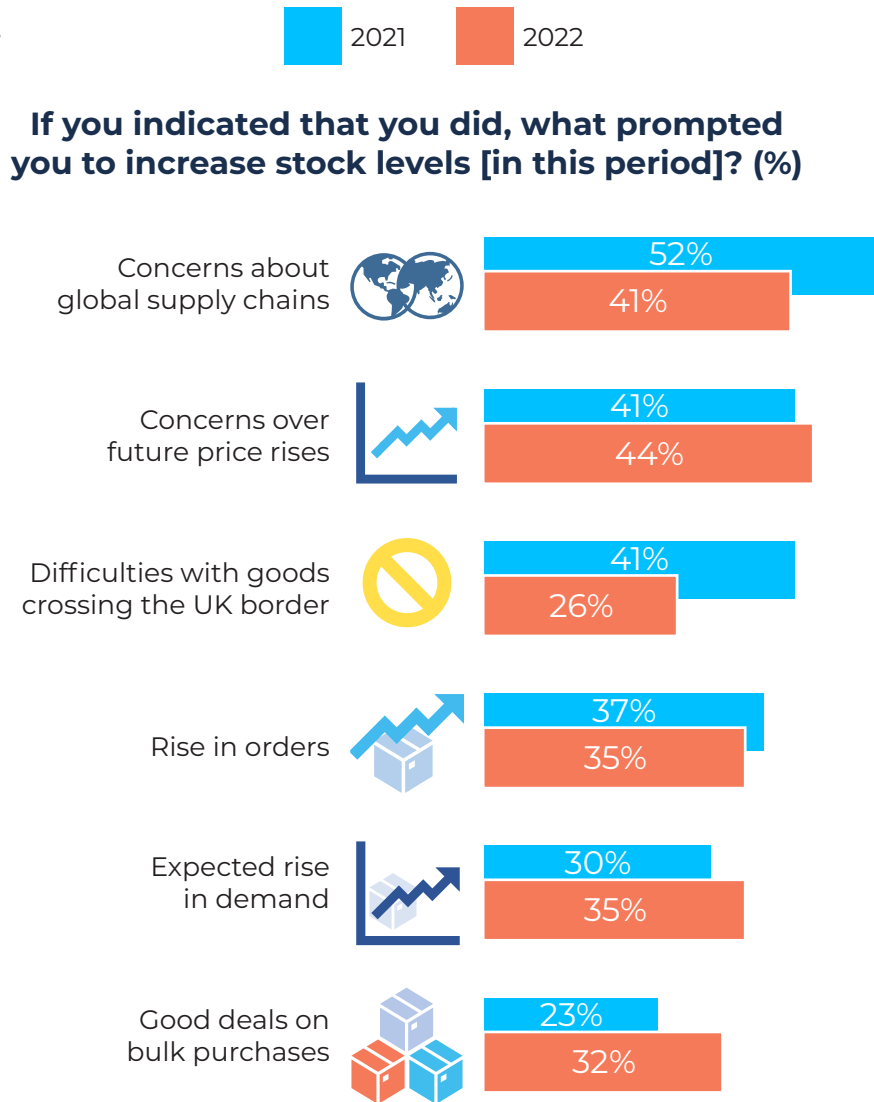
Nominated causes for extended delivery times

	2021		2022
Difficulties with goods entering or leaving the UK	41%	↑	47%
Difficulties with goods entering or leaving other countries	35%	↑	41%
Delays passed on from suppliers	42%	↓	38%
Shortages of HGV drivers or logistics workers in the UK	39%	↓	29%
Shortages of shipping and containers	37%	↓	21%

“The process is so inefficient. Drivers are often advised that they need to go for inspection, then there is lots of back-and-forth between haulier and clearing agent to get paperwork.”

Supply Manager, Specialist Food Provider

Fig 12: Stock increases



“The GVMS system is the common cause of delays. It does not function particularly smoothly.”

Clearance Operator, Logistics and Supply Chain Services

Costs

Cost increases were a major feature of survey responses for 2022. For one in five businesses, this was a function of increased trade (Fig 11 and 12). For others, 65% of respondents blamed inflation for rising costs in freight, with just over half attributing cost rises (in whole or part) to instability in global supply chains. Four in ten identified issues with customs. Breaking out different cost components:

67% of respondents reported increased or greatly increased **delivery costs**

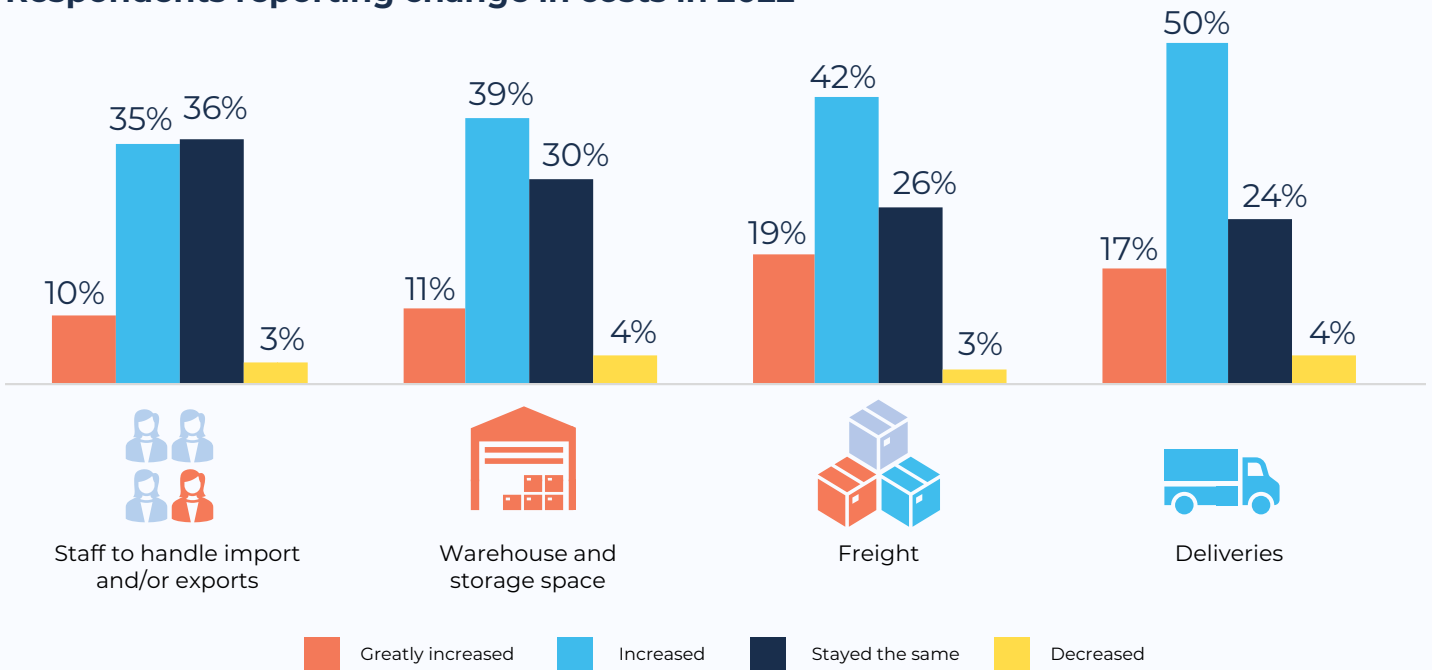
61% of respondents reported increased or greatly increased **freight costs**

49% of respondents reported increased or greatly increased **warehousing costs**

46% of respondents reported increased or greatly increased **staffing costs** for managing import and export processes

Fig 13

Respondents reporting change in costs in 2022



Nominated causes for rising freight costs 2022

65% General inflationary pressure

52% Instability in global supply chains

42% Customs issues at the border

20% Importing/exporting more

Confidence

Against this backdrop, the other notable feature of survey responses is robust confidence in businesses' abilities to manage these challenges.

70%

reported being confident or very confident in managing their supply chain.

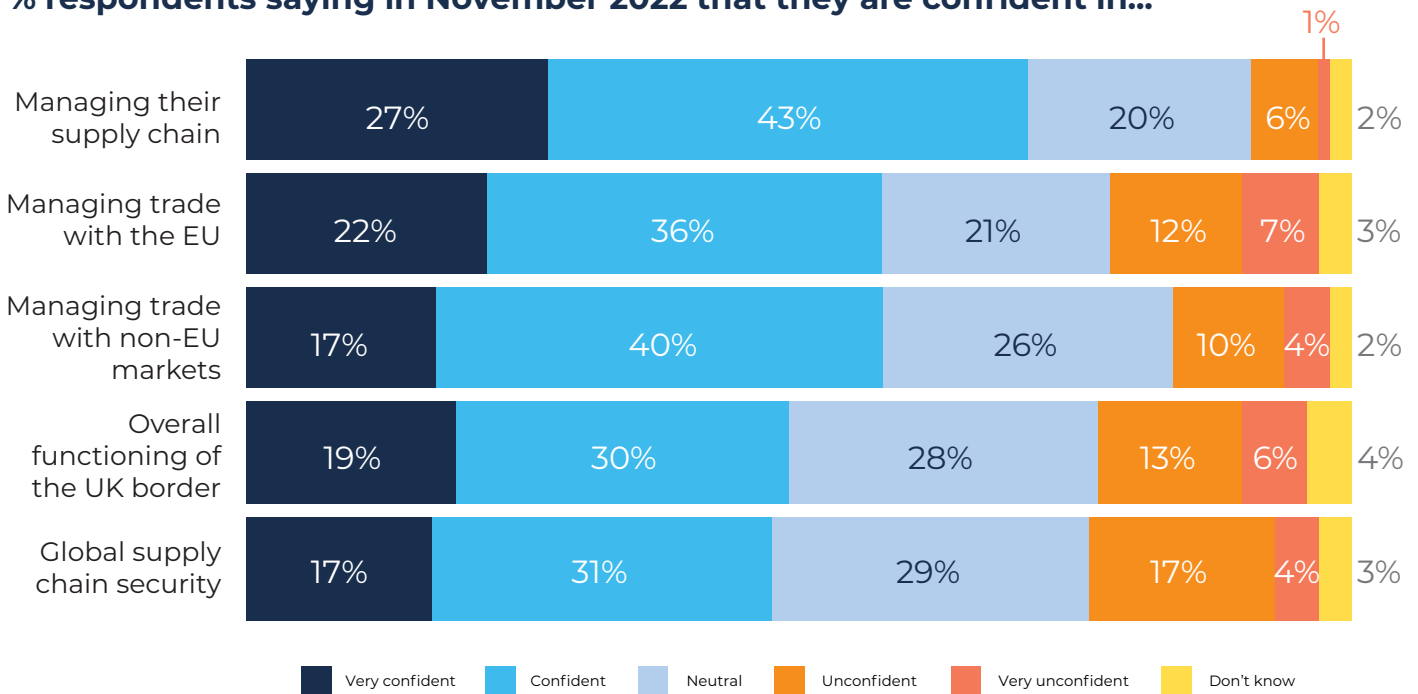
57%

reported being confident or very confident in managing imports and exports with the EU.

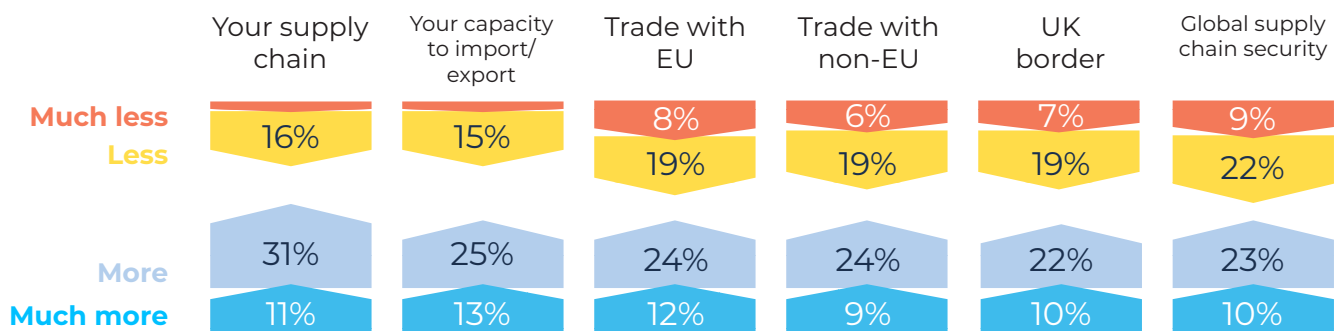
2022

Most business reported feeling confident or more confident across supply chain and trade related themes in the course of 2022.

% respondents saying in November 2022 that they are confident in...

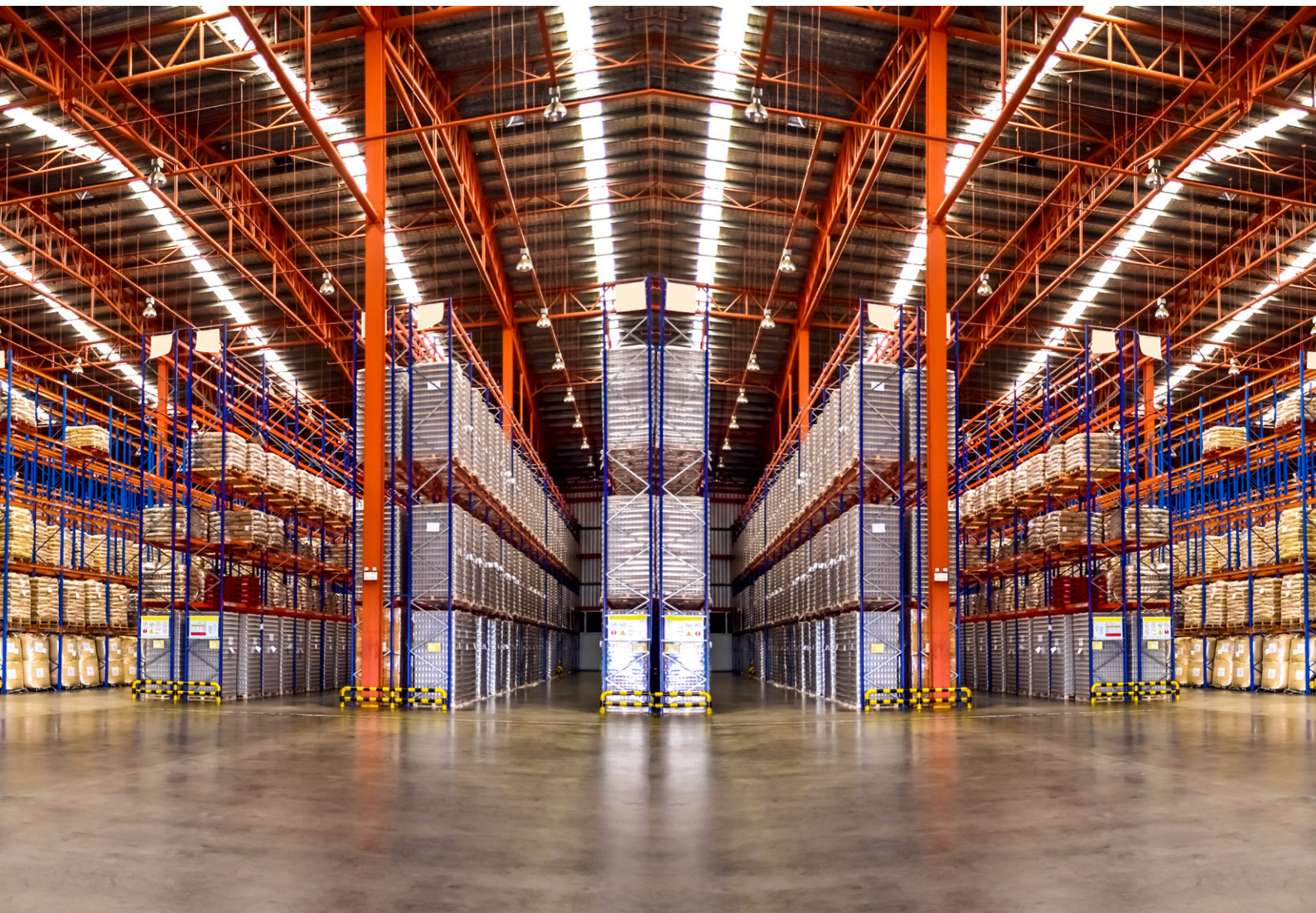


...and perceived change in level of confidence 2022



“I feel confident because we have gained so much experience and knowledge in the last year. If you had asked 6 months ago, I would have said I was not confident at all.”

Global Sales Director, Health Food Products



“More pragmatic solutions coming in... technological progress is made... more competence, more people doing the jobs.”

Supply Chain Director, Retailer

The state of the border



The state of the border

Disruption and adaptation

For the first time since they started, we can begin to untangle the impacts of Brexit and Covid on UK trade.

Some of those impacts are transitory. For example, Covid-related disruption and aspects of Brexit uncertainty are beginning to recede. Some appear to be enduring. For example, businesses are planning for longer global delivery times and trade patterns between Great Britain and the island of Ireland have shifted.

At the level of total trade value, Brexit has not been the disaster for UK trade that some feared. It may have damaged trade relative to the UK remaining an EU member¹¹. But measured by trade values, UK trade appears largely to have recovered from Covid and EU exit-related dips.

Brexit has of course prompted important changes in the structure of UK distribution into the EU, including Ireland. Undoubtedly it has been damaging, even fatal, for some businesses, especially smaller ones. But the UK is adapting albeit at a cost, some of which will endure. All of this comes through clearly in our survey.

“Brexit isn’t a challenge in itself. Rather, the trickiest thing for us is the continual pushback of legislation and border checks... Preparing for things that never happen is our biggest challenge.”

Supply Chain Director,
Organic Food & Drink Products

¹¹ “The Cost of Brexit to June 2022,” John Springford, Centre for European Reform, 21 December 2022. <https://tinyurl.com/yk459eat>



Our survey also suggests confidence is returning to UK trade. However, while Covid and Brexit were universal shocks, the recovery is uneven. Larger businesses in our survey (over 250 employees) with larger resources have adapted noticeably more than small businesses. Larger businesses are more likely to have committed resources, absorbed price rises and adjusted operations.

UK importers are coming to terms with import processes which are largely within their control (albeit some of these are still suspended). UK exporters to the EU struggle with customers who are put off by the requirements – and perception – of customs administration.

Uncertainty is the biggest cost of the border. Border controls represent an added element of risk in company supply chains - in addition to the expense of actual administration - which has an outsized impact on companies and their customers' willingness to trade. Consequently, uncertainty weighs differently on EU and non-EU trade. For non-EU trade, global political insecurity complicates supply chain calculations. But for EU trade, uncertainty comes from the impact of new and still unfamiliar border controls.

“We have started to ramp up our stock. We hold a bit more than we previously would have to anticipate delays.”

Supply Manager, Specialist Food Provider

Thrivers, Strugglers and Survivors

Three broad groups of businesses emerge in our view of the trade and borders ecosystem: thrivers, survivors and strugglers.

Thrivers are benefitting from the change in the UK regulatory regime. They are providing new border services to meet demand for a 'pre-Brexit' experience between the UK and EU. For example, wholesale importers of food products who can consolidate imports efficiently are able to serve retail customers in each market. Freight forwarders and customs agents that have invested in technology and VAT/duty reclaim services on both sides of the UK/EU border report strong demand.

Survivors are adapting, albeit with additional costs. They are holding onto their EU markets, absorbing costs and adjusting routes and processes. Larger businesses feature heavily among the survivors. While larger firms (250+ employees) do not necessarily have a better experience of the border, they are more likely to have the resources to invest in change. Larger businesses were at least as likely to report experiencing difficulties but they were more likely to have increased stock, employed staff, purchased customs software and/or applied for authorisations.

Strugglers have reduced or stopped exporting to the EU in particular. They may have continued other international sales, where processes and customer expectations are well established, but their EU trade relationships have changed dramatically. This group contains many small businesses, who are less able to absorb border costs. Exporters and business-to-consumer sellers also face additional hurdles on the import (overseas) side, where EU customers may simply choose Single Market suppliers to avoid the hassle of importing.

“We are no longer competitive against our European counterparts. We have retained 60% of our customers in Europe as we can only do large orders.”

Global Sales Director, Health Food Products



“We have as of last week made decision to stop selling certain products to Europe... it will get harder and harder to service European customers. We’re making decisions now about how to pause that business.”

Supply Chain Director, Retailer



This effect is emerging as perhaps one of the most important of Brexit. UK exporters must either persuade their EU customers to adapt with them - for example in handling import VAT and duty administration, leading to a poor customer experience – or do it themselves, incurring additional cost.

The problem is acute for business-to-consumer sellers, where individual EU consumers are unprepared for additional requirements. These businesses must either pay a parcel service to handle the administration on both sides of the border, establish their own entity on both sides, or rely on an importer of record. All bring added costs.

This suggests a key policy challenge for the UK is to find innovative ways of making the experience of buying from the UK as simple as possible - recognising that much of the process is beyond direct UK control.

The clearly positive message from this year’s survey is of growing confidence. Businesses are increasingly confident in their own management of the UK border and their international trade.

Respondents are more confident in their own supply chain (63%) than in global supply chains (27%); businesses with over 250 employees are more confident; so are those based in London. But confidence overall has grown since our 2021 report. This applies across EU and non-EU trade.

However, confidence in the UK border has remained low.

The number confident in the overall performance and functioning of the UK border remains low at 30%. Similarly, confidence in global supply chains fell, likely as a result of geopolitical tensions beyond the UK's borders. Government is the least trusted source of assistance for trade.

Key messages for business from this report are that adaptation is possible, new cross border services are available but that supporting customers is a critical challenge.

- The border is an established feature of all UK supply chains with an identifiable impact on business planning assumptions. Understanding its performance is critical to supply chain planning, including for EU trade.
- Business confidence in handling trade processes can improve, and has. Staff training, skills and familiarity are key to efficiency and process-wide improvement.
- Buyer experience for overseas customers is a key challenge for UK sellers. EU customers are newer and often less alive to import requirements than either UK sellers or non-EU customers.
- Services for delivering cross border trade without VAT and duty charges at the point of delivery are increasing, including for business-to-consumer shipments.

The message for the UK government is also clear as it prepares major reforms to the border. This report identifies distinct features of businesses' experience that these changes must address.

- Delays, and the expectation of them, remain a stubborn feature of businesses' experience of the border, even as Covid, driver shortages and recent supply chain disruption recedes.
- Confidence in the functioning of the UK border has not increased, despite some of its more onerous aspects, like safety and security declarations, being suspended throughout 2022.

- Businesses' confidence in their own abilities has increased. They continue to invest in capacity and seek facilitations to improve their trade experience. This suggests potential demand for greater self-service and improved border services.
- Government is the least trusted source of assistance for trade. Logistics providers and agents are the most trusted. Any improvement in the experience of trading businesses will need to strike a careful balance with the intermediary sector.

The government is implementing reforms that must address these issues. It starts a highly ambitious Single Trade Window programme this Spring. It has promised a new regime for import controls for Autumn 2023, though this timeframe now looks improbable.

For the time being, the UK border delivers an unsatisfactory mix of administrative burden for business and inadequate protection for the country. Our findings clearly identify businesses' experience of cost and delay; but, from the government's perspective, the border remains partly suspended and is, in some respects, unguarded.

Effective information management is at the heart of resolving this dilemma. Quality, timely, information is the key to the government's ambition to control the border and target unwanted goods and people. At the same time, efficient, reliable information collection is key to businesses' desire to reduce costs and the risks of delay.

The government's proposals have the explicit aim of reducing costs for business and improving the security for government. Our findings suggest that those needs are as great as ever.

Approach



Approach

The findings in this report draw on research using a variety of methodologies and data sources to build a comprehensive picture of experiences of using the UK border:

- **Analysis of trade statistics.**

We reviewed trade data from official sources, including ONS and DfT. The findings from this review are used to provide context for the original primary research and describe the UK experience of trade.

- **Survey of trading businesses.**

We conducted an online survey of 300 senior decision-makers at UK businesses who import products into the UK, export products from the UK and/or carry out international deliveries originating from the UK. The findings from the survey are used to provide high-level insight into businesses' experiences of using the border – and to understand how this might have changed in the past 12 months.

- **In-depth interviews with trading businesses.**

We conducted in-depth qualitative interviews with 9 senior decision-makers at businesses with direct experience of using the UK border. The findings are used to provide explanatory insight and illustrative colour to supplement the findings from the quantitative survey.

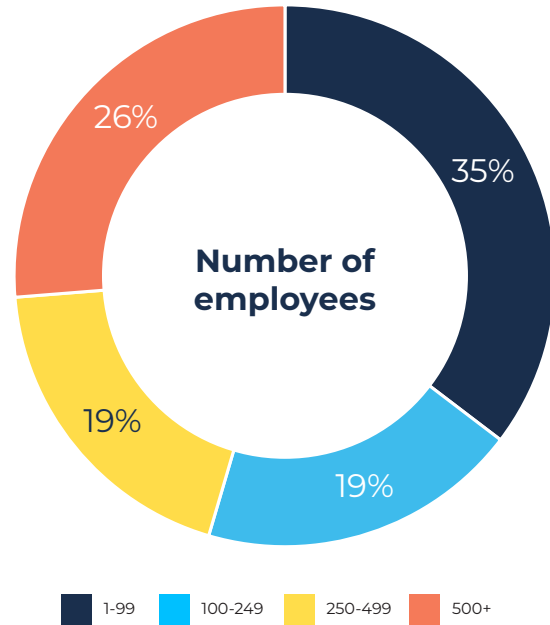
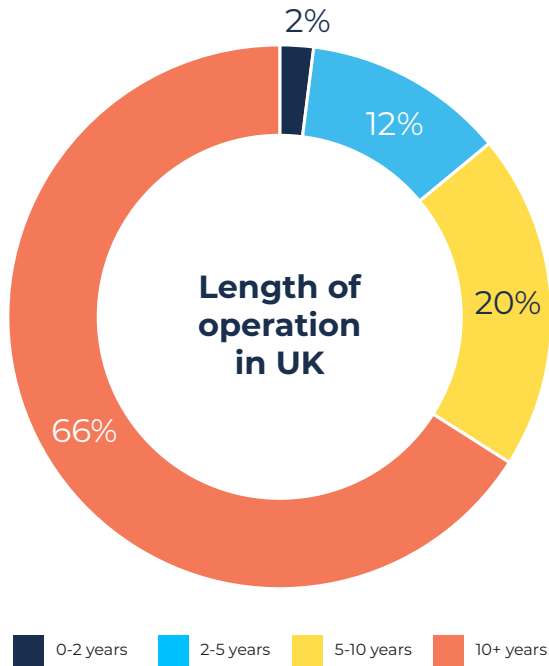
Survey fieldwork was completed between 17th and 25th November 2022. Interviews were completed between November 2022 and January 2023.

Where relevant, this report compares findings with the findings from our previous State of the Border research. The survey of businesses replicated the questionnaire from the previous survey – but changes to the methodology and sample composition mean that any differences in survey data between the two waves should be treated as indicative only. As with the previous survey, no quotas were applied and data are unweighted. Note that in some cases totals may not add to 100% due to rounding.



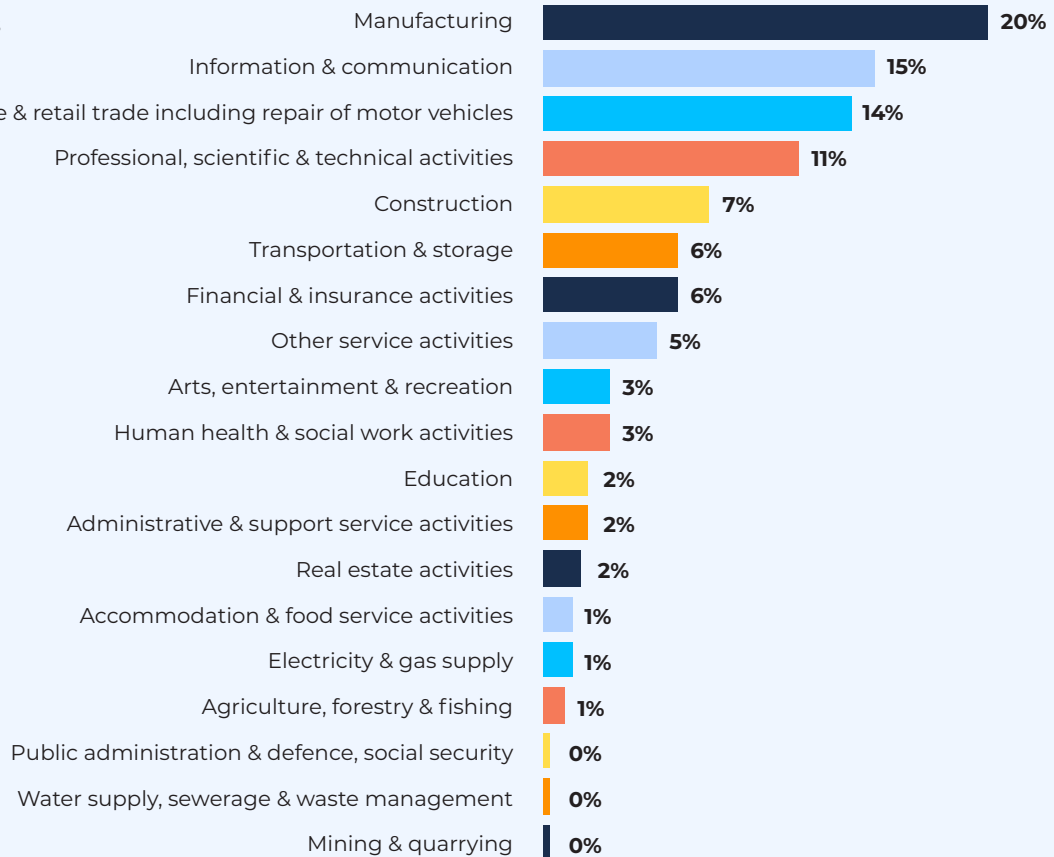
Profile of survey respondents

We surveyed a total of 300 senior decision-makers (Director-level and above) involved in UK import/export/delivery.



Sector composition

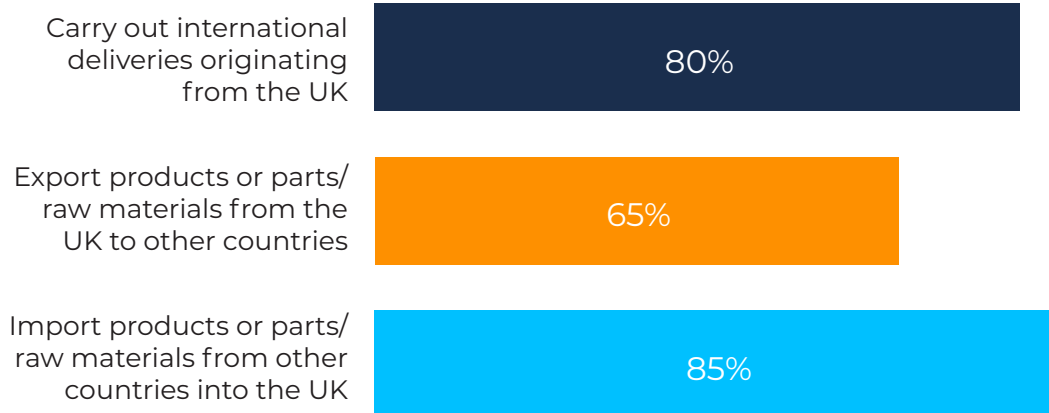
% of all respondents



Trade Characteristics

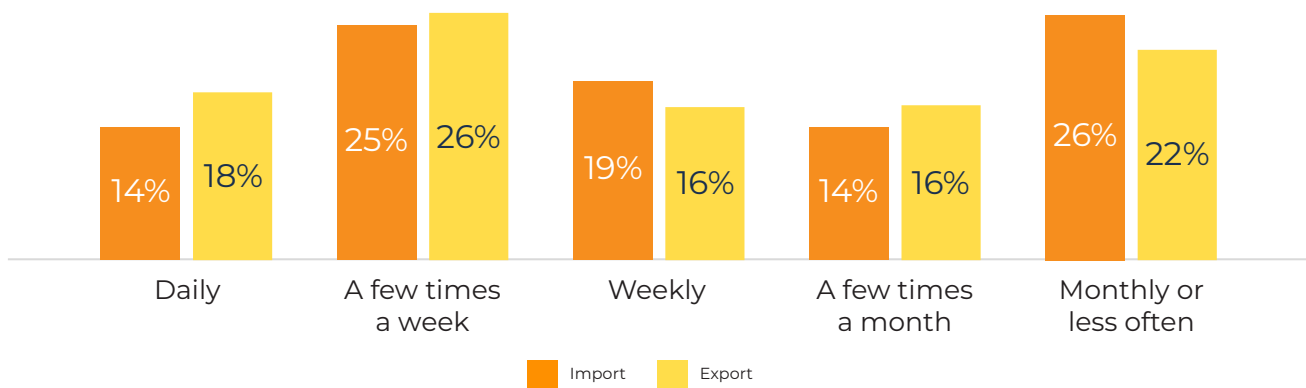
Importers, exporters and international deliveries

% of all respondents



Frequency of import/export

% of respondents who import / export





Profile of depth interview respondents

In-depth interviews were conducted with 9 decision-makers with direct experience of using the UK border. Interviews were conducted by Zoom and lasted 30-45 minutes.

Global Sales Director

Health food products.
7+ years trading.
5-10 employees.

Logistics and Operations Manager

Wholesale plant nursery.
40+ years trading.
50+ employees.

Clearance Operator

Logistics and supply chain services.
110+ years trading.
50,000+ employees.

Founder

Organic food products.
16+ years trading.
200+ employees.

International Logistics Manager

Animal nutrition products.
90+ years trading.
5,000+ employees.

Branch Manager

Logistics and supply chain services.
100+ years trading.
100+ employees.

Supply Manager

Specialist food provider.
30+ years trading.
120+ employees.

Supply Chain Director

Organic food and drink products.
5+ years trading.
5-10 employees

Supply Chain Director

Retailer,
170+ years trading.
3900+ employees.

Written by Christopher Salmon and Stephen Adams.

This report was produced by clearBorder and Global Counsel. Global Counsel conducted polling between 17th and 25th November 2022. Interviews were completed between November 2022 and January 2023.

Full survey results are available [here](#)

Any errors or omissions are ours.



About clearBorder

clearBorder helps businesses adjust to and optimise for international trade. We provide online training products for individuals, teams and businesses; independent advice to help businesses adapt supply chains, systems and data; and expert insight into policy and technology shaping the future trade borders.

<https://clearborder.co.uk/>



Global Counsel

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