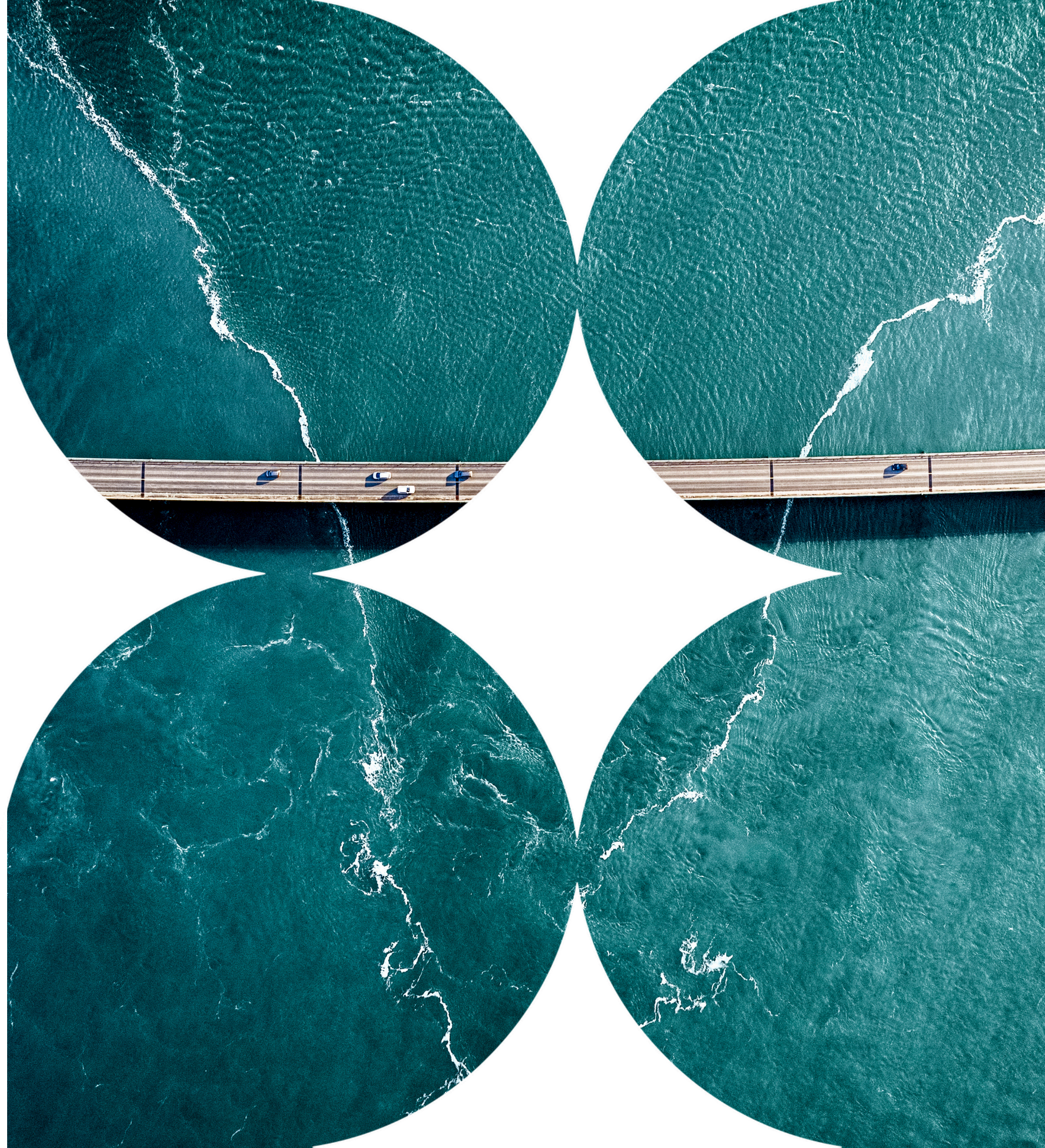




# International trade: Imports & exports

A guide for small &  
medium-sized enterprises

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# Introduction

In 2024, UK businesses demonstrated resilience on the global stage, with total exports of goods and services still reaching £838 billion, despite a 0.8% decrease from the previous year. Notably, services exports grew by 5.5%, highlighting the strength of the UK's service sectors.

Total value of UK trade also decreased slightly year on year, falling to approximately £1,703.4 billion, 0.4% less than in 2023.

Small and medium-sized enterprises (SMEs) play a pivotal role in the international trade landscape, comprising 99.8% of the UK's business population and contributing to 52% of the private sector's turnover. However, a significant opportunity remains untapped, as a considerable number of SMEs with export potential have yet to venture into international markets. Data from UK Export Finance (UKEF), however, does indicate a 30% increase in SMEs utilising export support services, reflecting a growing interest in global expansion.

There are certainly data points to support international expansion. Engaging in international trade has been shown to have substantial benefits, with SMEs that export growing almost twice as fast as those focusing solely on domestic markets.

While the import and export of goods can also introduce its own set of specific challenges, such as exposure to currency fluctuations and the complexities of international logistics, the potential for growth and increased profitability are considerable. By leveraging available support and resources, UK SMEs can navigate these challenges and capitalise on global opportunities.

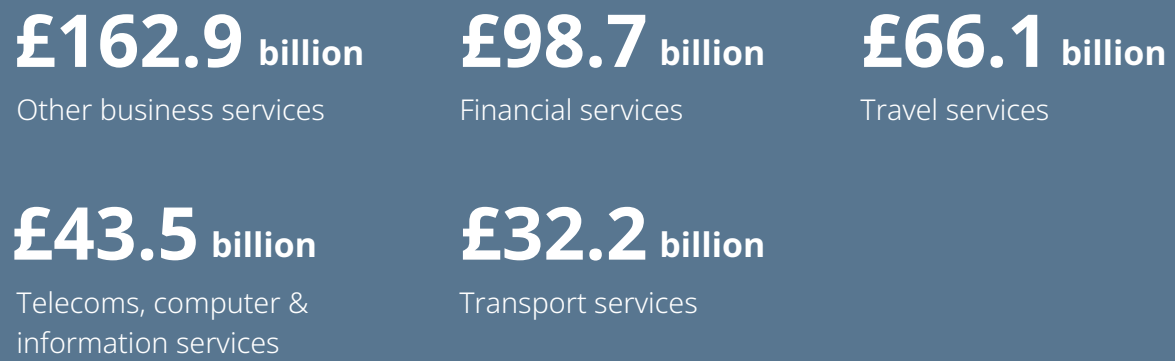
<sup>1</sup> <https://www.gov.uk/government/statistics/uk-trade-in-numbers/uk-trade-in-numbers-web-version>

# UK exports in 2024

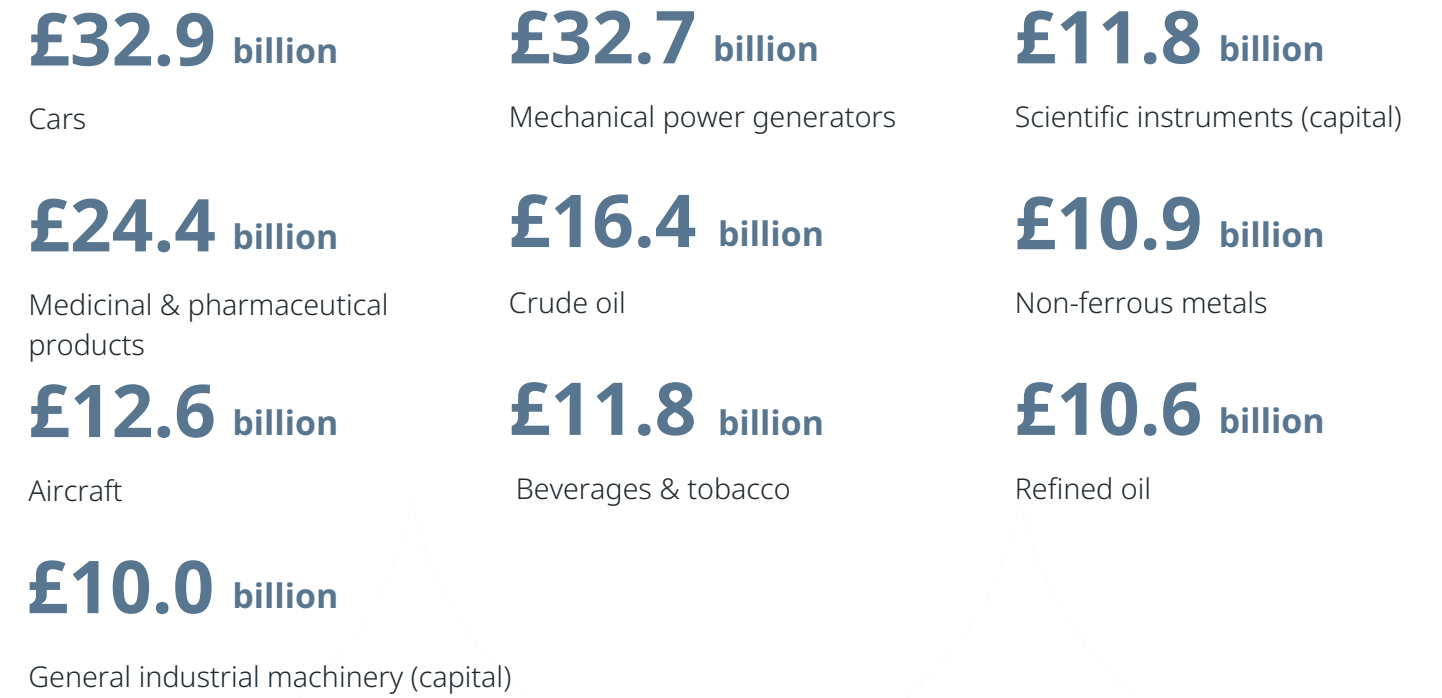
## Top five export markets



## Top five exported services



## Top ten exported goods



# Importing and exporting in a dynamic economic climate

The global trade landscape has undergone significant changes over the past few years. With change comes both challenges and opportunities for UK SMEs engaged in international trade.

This guide aims to provide up-to-date insights and practical advice to help SMEs navigate the current environment effectively and put strategies in place to mitigate the risk of future unknowns.

## What are the key factors at play?

It might be several years since the Brexit deal was agreed and the world was plunged into COVID-19 lockdowns that rocked the global economy, but these factors are still at play today.

### 01 Post-Brexit trade relations

The UK's departure from the European Union continues to influence trade dynamics. Since Labour took power in July 2024, renewed efforts are underway to enhance customs arrangements with the EU to facilitate smoother trade; however, going as far as rejoining the customs union or single market remains off the table.

### 02 Global trade policies and tariffs

The re-election of President Donald Trump has introduced new complexities in international trade. The UK and the EU face potential tariffs on exports to the US, particularly affecting industries like steel and aluminium. Additionally, changes in US import rules, like the suspension of the de minimis rule for Chinese parcels, may impact supply chains and increase costs for UK businesses relying on Chinese manufacturing.

### 03 Supply chain disruptions

Global supply chains are continuing to experience shifts off the back of geopolitical events, labour strikes, and changes in carrier strategies. The potential for disruptions, supplier diversification, maintaining healthy inventory levels, and exploring alternative logistics solutions to mitigate risks should be part of any international trade strategy.

### 04 Financial considerations

Global economic conditions and political events influence fluctuations in currency exchange rates and can significantly impact profit margins. An uncertain economic and geopolitical landscape can exacerbate these fluctuations and require a robust foreign exchange risk management strategy to mitigate the impact of adverse currency movements.

### 05 Regulatory compliance and customs procedures

Changes in customs regulations, both within the UK and internationally, are constantly on the horizon. There are upcoming adjustments in EU and UK customs procedures that may affect documentation requirements and border controls to consider, as well as potential changes when trading across the Atlantic. Access to compliance expertise can prevent costly delays and penalties and allow businesses to plan ahead to accommodate any new legislation.

### 06 Trade agreements and opportunities

While trade with Europe has been considerably more difficult since Brexit, the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in December 2024 has opened new markets across the Asia-Pacific region. This agreement gives businesses the opportunity to expand export destinations with reduced tariffs and streamlined regulations.

## Actionable steps for SMEs

#### Stay informed:



Regularly monitor trade policy updates, tariff changes, and international agreements affecting your industry.

#### Assess supply chains:



Evaluate the resilience of your supply chains and consider diversifying sources to mitigate potential disruptions.

#### Enhance compliance:



Invest in understanding and adhering to evolving customs regulations to ensure smooth import and export processes.

#### Explore new markets:



Leverage opportunities presented by new trade agreements like the CPTPP to expand your market reach.

#### Manage financial risks:



Develop strategies to manage currency exchange risks and other financial risks. Explore the products and services available to you to help you mitigate the risks of currency volatility.

By proactively addressing these areas, UK SMEs can navigate the complexities of the 2025 trade environment more confidently and position themselves for sustainable growth in the global marketplace.

## UK industry and innovation across the world



Exports of goods and services to the EU were worth £356 billion in 2023, accounting for 42% of all UK exports.



The UK's financial services sector continues to lead globally, achieving a trade surplus of \$98.1 billion (£78.9 billion) in 2023, ahead of other major economies.

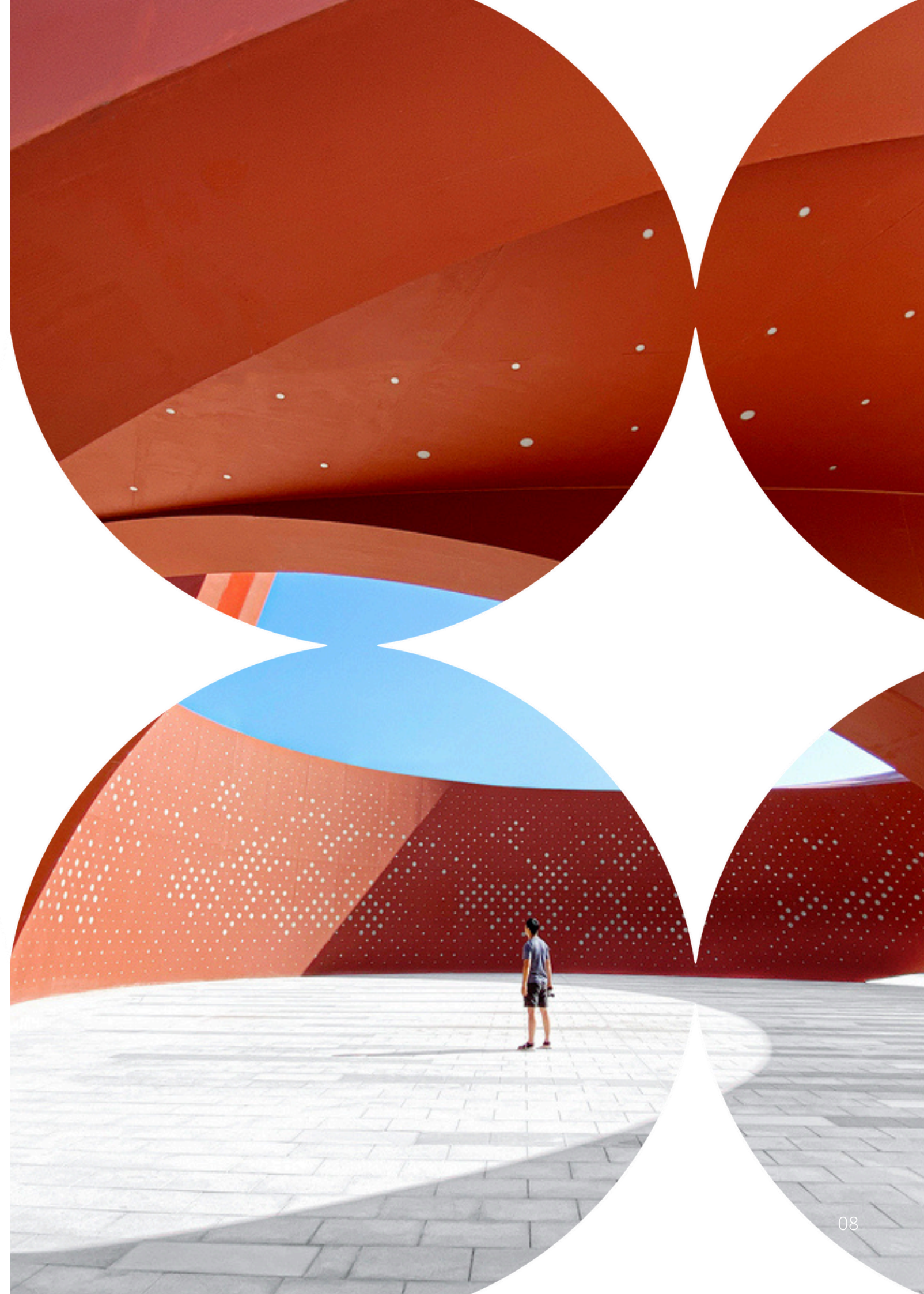


Total goods exports in 2023 decreased by £15.2 billion (4.6%) compared to 2022, with notable declines in exports to both EU and non-EU countries.



The United States remains a significant trading partner, with the UK exporting £126.3 billion in services to the US in 2023, representing 27.0% of all UK service exports.

Data sourced from the Office for National Statistics and TheCityUK.



# Opportunities for UK businesses

While the global trade landscape presents challenges, it also offers significant opportunities for UK SMEs to grow and expand their international presence.

By understanding and embracing emerging trends, businesses can leverage the current environment to their advantage and position themselves for success.

## 1. Access to new markets via trade agreements

The UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in December 2024 unlocks new trade opportunities across 11 major economies, including Japan, Canada, Australia, and Mexico. This agreement provides:



Lower tariffs on key exports such as food, beverages, and manufactured goods.



Easier market entry with streamlined regulatory processes.



Diversification away from reliance on EU trade.

This presents a unique chance to expand into fast-growing Asian-Pacific markets with less trade friction.

## 2. Growth in nearshoring and friendshoring

Due to recent supply chain disruptions, many businesses are shifting towards nearshoring (sourcing from nearby countries) and friendshoring (trading with politically aligned nations). The UK government is encouraging trade with Commonwealth nations and North America, offering:



More reliable supply chains with fewer geopolitical risks.



Reduced transport costs and lead times for imported raw materials.



Easier compliance with shared regulatory standards.

Businesses could benefit from this shift by identifying alternative suppliers within these regions like India, Canada, and the UAE.

## 3. Digital trade and e-commerce expansion

The rise of digital trade agreements (such as the UK-Singapore Digital Economy Agreement) and advancements in AI-driven logistics are making international trade more accessible. Key opportunities include:



**E-commerce growth:** With global online sales continuing to rise, UK SMEs can expand their digital storefronts to reach international customers more efficiently.



**AI-powered logistics:** Smart inventory management and predictive analytics reduce costs and improve delivery efficiency.



**Blockchain in trade:** Blockchain technology isn't just for cryptocurrencies; it is also being leveraged to help improve security and transparency in cross-border transactions.

By investing in digital trade tools and e-commerce strategies, SMEs can expand their customer base globally with lower operational costs.

## 4. Demand for UK-made products

Global consumers increasingly associate UK-made products with quality, sustainability, and innovation. Key sectors experiencing growing demand include:



**Food and beverage:** British brands are sought after, particularly in Asia and the Middle East.



**Green tech and renewables:** The UK is operating at the frontier of eco-friendly products and energy solutions, making exports attractive to sustainability-focused markets.



**Luxury goods and fashion:** The UK's reputation in design and craftsmanship provides a foundation for businesses entering premium international markets.

High-quality, sustainable, and British-made products have a ready-made differentiator for businesses to take advantage of in competitive markets.

## 5. Government and financial support

The UK government is actively supporting exporters through:



**Grants and incentives:** Programmes like the UK Export Finance (UKEF) and SME Brexit Support Fund offer financial aid.



**Trade missions and networking:** The Department for Business and Trade (DBT) facilitates introductions to global buyers.



**Export credit insurance:** Protection against payment defaults when trading internationally.

By taking advantage of government-backed financial support, SMEs can reduce risk and scale their exports with confidence.



## Managing currency risk in international payments

### Understanding your business objectives



Before making international payments, businesses need a clear FX strategy that aligns with their commercial goals. How much exposure can your company handle? What level of risk is acceptable? These decisions should be made upfront so your approach to foreign exchange supports long-term business stability rather than creating unexpected financial pressures.

### Assessing the market before you trade



Currency markets are constantly shifting due to factors such as supply and demand, central bank policies, inflation rates, and global political events. Before entering a new market, businesses should analyse the economic conditions that could influence currency volatility. A proactive FX strategy allows you to adapt to market changes rather than react to them.

### The strength of sterling and what it means for you



A strong pound benefits importers by making overseas goods cheaper. Exporters, on the other hand, may find their products or services less competitive in international markets if sterling appreciates. If your business depends on foreign revenue, you need a plan to manage these fluctuations.

### Planning for risk and setting target exchange rates



Rather than hoping for favourable rates, businesses should define a budgeted exchange rate for the year ahead. This ensures stability in pricing and forecasting. A structured approach to FX planning should factor in payment schedules, market trends, and potential risks.



# Building a strong FX strategy: Key considerations

## Have a clear foreign exchange policy

Rather than hoping for favourable rates, businesses should define a budgeted exchange rate for the year ahead. This ensures stability in pricing and forecasting. A structured approach to FX planning should factor in payment schedules, market trends, and potential risks.

## Leverage expert support

FX specialists offer more than just competitive rates—they provide strategic insight and risk management tools tailored to your business needs. Working with an expert helps you identify potential vulnerabilities and implement safeguards.

## Strengthen supplier relationships

Ensuring smooth payments is key to maintaining trust with international suppliers. Automated payment tracking and real-time notifications help businesses confirm when funds have been received, reducing delays and improving cash flow.

## Optimise payment processes

Managing international transactions goes beyond exchanging currencies. Payment delays, high fees, and manual processing can erode margins. Businesses should explore online payment platforms that automate transactions, verify banking details, and improve efficiency.

## Avoid speculation

Chasing favourable market movements without a structured plan can be risky. Short-term gains can quickly turn into losses when markets move unpredictably. Instead, businesses should focus on structured risk management solutions that provide stability.

## Monitor and adjust

Markets change, and so should your FX strategy. Businesses that regularly review their approach can take advantage of new opportunities and mitigate unforeseen risks. A reporting system that tracks transactions, hedging performance, and market trends is essential for long-term success.

## A smarter approach to international payments

Managing FX risk is about control, not chance. A structured strategy helps businesses protect profits, plan for the future, and avoid unnecessary exposure to currency volatility.

For businesses trading internationally, the right FX partner makes all the difference. If you're looking for a tailored approach that ensures cost efficiency, risk mitigation, and market insight, now is the time to reassess.



# How we can support your global payments

Navigating the complexities and unpredictability of currency markets can be challenging. As a specialist in international payments, Moneycorp is here to simplify this process for you.

Our tailored FX risk management and cross-border payment solutions are designed to help your business manage risk and optimise international transactions. Here's how we can support you:

## Foreign exchange risk management strategies

Our FX experts work with you to understand your exposure and guide you through the treasury tools and strategies that will enable you to mitigate risk on your FX.

## Hedging solutions

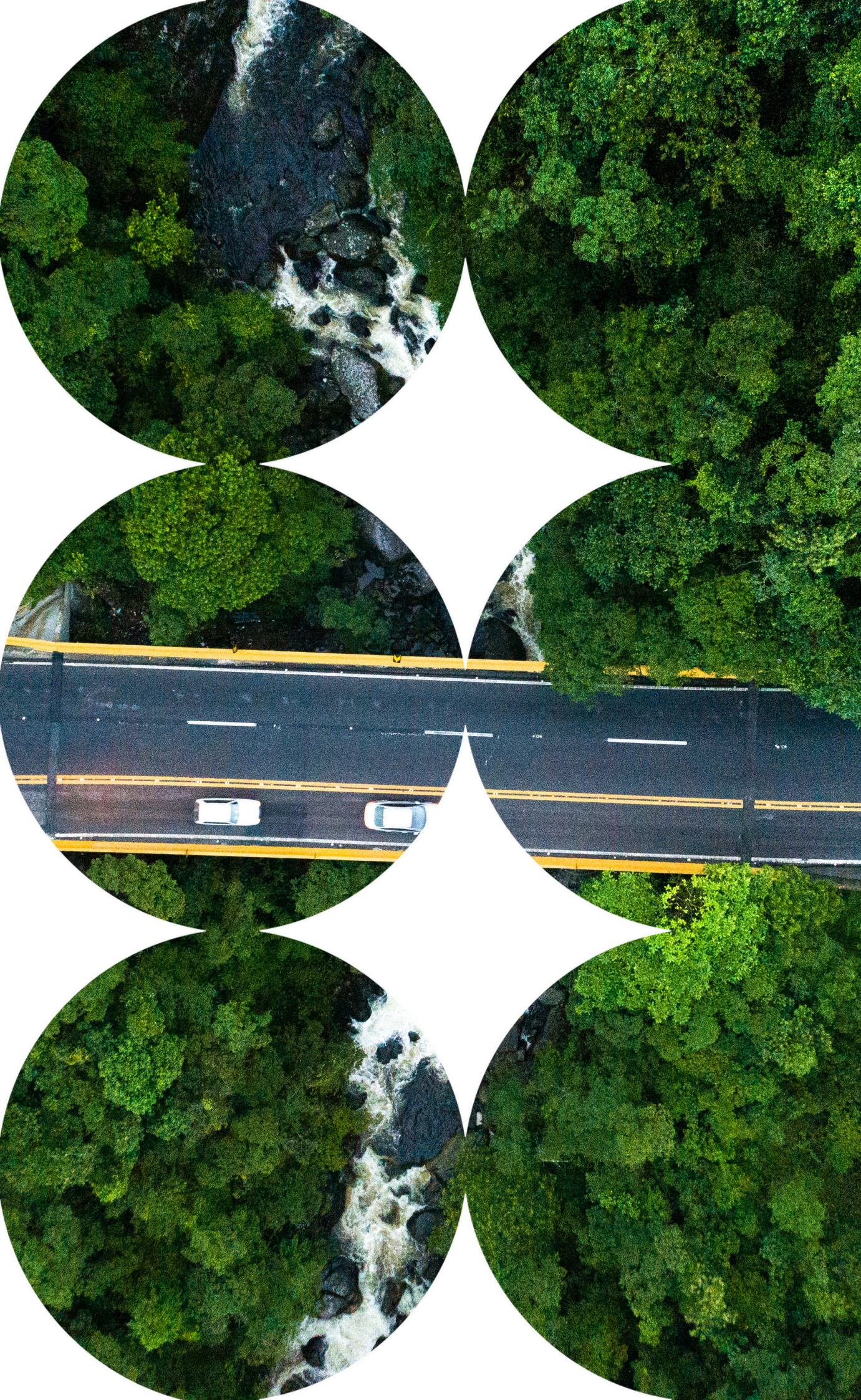
We execute on your FX strategy to help protect your business against exchange rate fluctuations, aligning them with your risk appetite and business plans.

## International payments

Our dedicated team will help you make an overseas payment in over 120 different currencies to 190 countries or send money using our online portal with access to 34 different currencies.

## Streamlining mass and frequent payments

Streamline your international payments workflow with access to our comprehensive suite of payment tools. These tools integrate seamlessly with your existing accounting systems to remove payment processing complexities and provide direct API connectivity to our payments platform. For nuanced requirements, our experts can build bespoke end-to-end technology solutions.



# Let's talk about how we can power your global transactions

✉ [Partners@moneycorp.com](mailto:Partners@moneycorp.com)

☎ 02078287000

🕒 Monday-Friday 07:30 - 18:00

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Current status Authorised MiFID Investment  
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Effective date  
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