

Embargoed – WEDNESDAY 20th OCTOBER 22:00

NEW DATA SHOWS EXPORT RECOVERY REMAINS FLAT AMID DISRUPTION TO SUPPLY CHAINS

- **Proportion of UK exporters reporting increased export sales (30%) rose slightly from Q2 (27%)**
- **However, proportion reporting decreased sales remained stubbornly and historically high at 26%, while 45% report no change**
- **Recovery in manufacturing exports began to fall back slightly from previous quarter**

A survey of 2,600 UK exporters has revealed that the recovery in export sales has largely stalled in Q3. The proportion of firms reporting increased sales rose only three points (to 30%) from Q2 (27%), whilst the proportion reporting decreased sales fell by just two points (Q3:26%/Q2: 28%).

The balance of **manufacturers** reporting increased export sales was +7%, down from +8% in Q2.

The balance of **service** sector firms reporting increased export sales was +6%, up from –7% in Q2.

Respondents cited issues arising from the supply chain crisis, as well as Brexit related problems, as the main causes of difficulties with export sales. Some said that they had ceased exporting to the EU altogether due to issues such as red tape and delays at borders. Respondents also pointed to the surging cost of shipping as a serious issue, with one firm noting a single container from China rose in cost from £2100 in the previous year to £15000, as well as the shortage of lorry drivers as impacting export sales.

Elsewhere, UK exporters were slightly more likely to report increased investment plans (30%) than non-exporters (25%), although both groups remain at historically low levels. However, on other key indicators such as cash flow, both groups were broadly aligned – 34% of exporters reported increased cash, compared to 33% of non-exporters, while 23% of exporters reported a decrease, compared to 22% of non-exporters.

Responding to the findings, Head of Trade Policy at the British Chambers of Commerce, William Bain said:

“A whole range of factors is currently providing sustained headwinds for our exporting firms to operate in. This data must act as a warning to take export-boosting measures now.

“Exports of goods are key to our economic recovery from the pandemic, but trading conditions remain fragile, and businesses need further supportive measures. Everything from the new UK-EU trading conditions to raw material costs to the costs of container hire in overseas markets is constraining export growth and supply.

“More focus needs to be given to lowering business costs with trade partners and addressing non-tariff barriers, which present roadblocks to exports. The government must also acknowledge the scale of the problem in shipping markets.

“The UK government should act now to reintroduce SME Brexit Support Grants and use its export strategy, and the Spending Review, to provide stronger export finance. It should also work with the accredited chamber network to kickstart overseas exports from SMEs across the UK.”

Ends

Notes to editors:

- **Spokespeople are available for interview**
- **The survey was conducted between 23rd August and 13th September 2021**
- **The figures for the Trade Confidence Outlook are drawn from the BCC’s bellwether Quarterly Economic Survey (QES) -**
<https://www.britishchambers.org.uk/media/get/QES%20report%20Q3%202021.pdf>

About the British Chambers of Commerce

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 53 Accredited Chambers of Commerce across the UK, representing thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with over 60 markets around the world. For more information, visit: www.britishchambers.org.uk

Media contacts:

Steve Partridge – Head of Media and Communications

s.partridge@britishchambers.org.uk

+44 (0) 7825 746812

Mark McVitie – Press and Communications Officer

m.mcvitie@britishchambers.org.uk

+44 (0) 7772 910507