



# Trade Barometer

Spring 2022



## Executive summary

**We're delighted to present the Santander Spring 2022 Trade Barometer, the 13th wave of this research. This is an exciting time as we look ahead to the launch of our Santander Navigator platform later this year, which will bring together an ecosystem of providers, events, market insights, and more all digitised in one platform and tailored to specific businesses, sectors, and functions.**

**The content and events on Santander Navigator will be informed by our team of market and sector experts, who work with businesses to provide both financial and non-financial solutions tailored to businesses in their respective sectors. Through research and insights such as the Santander Trade Barometer, we understand the different challenges that businesses are facing and work closely with international specialists to enable us to help businesses with both their domestic and international growth. As well as sector expertise, our teams across the UK can assist with a range of solutions to help businesses realise their growth ambitions, whether that's in the UK or in overseas markets.**

UK businesses began 2022 with a renewed sense of optimism. Their confidence has bounced back from the most difficult days of the COVID-19 pandemic, and they hope for accelerated growth as the final restrictions fall away from the UK economy. Their trading performance, both at home and in international markets, has already improved.

This is the landscape in which Santander's Spring 2022 Trade Barometer, the 13th wave of this research, is set. It identifies the opportunities that businesses are most excited about in 2022 and beyond, and the challenges they'll need to overcome in order to turn ambition into reality. It also considers the risks that could threaten businesses as they pursue their goals.

One of those risks, very clearly, is the impact of the war in Ukraine. The research for Trade Barometer was conducted before war broke out, but we have already started to see economic impacts from the conflict. Inflation, in particular, now looks set to be an even more enduring concern, with energy costs and commodity prices rising sharply. Uncertainty is on the rise.

Nevertheless, one conclusion from the report in particular stands out. International trade will be an intrinsic element of the recovery for British businesses.

In no previous edition of Trade Barometer have so many businesses expressed their determination to pursue new international opportunities, whether or not they've started selling overseas.

Moreover, international means global. Brexit has brought frustrations, but the European Union will remain an important market. However, many businesses are also pursuing opportunities further afield, such as North America, Asia, and Europe beyond the EU.

This report is made up of three sections. In part one, we discuss the current state of business confidence and performance. In part two, we consider the challenges and opportunities that lie ahead. Finally, in part three, we focus in depth on businesses' global trade ambitions, and how to overcome the obstacles standing in their way.



## Key findings

- The UK's strong bounce back from the COVID-19 pandemic and optimism of further growth to come is driving higher business confidence. For the second wave running, a record number of respondents are optimistic about their prospects with 76% expecting to grow over the next three years.
- Rising confidence reflects stronger business performance. 47% of businesses surveyed say their performance has improved over the past 12 months.
- Businesses' ability to capitalise on this confidence will depend on their ability to attract skilled staff. 70% say this will be a key factor influencing their growth prospects.
- Concern about the economic outlook is beginning to increase, particularly with inflation now at far higher levels. 43% worry about rising prices.
- Many businesses have made permanent changes following the COVID-19 pandemic, repositioning for 2022 and beyond. 46% have embraced hybrid working, while 31% have embarked on digital transformation.
- International markets will be crucial in delivering a post-pandemic recovery. 37% of businesses cite overseas markets as a crucial driver of recovery, making them more important than any other factor.
- Rising costs, labour market pressures and supply chain pressures, are all now causing significant difficulties for large numbers of businesses. 58% report increased vacancies, 44% say higher transport costs.
- Exports are now recovering, with more respondents reporting increased overseas sales since Brexit, as global demand returns and businesses focus on markets beyond the European Union.
- Concern about Brexit-related costs and delays continue to climb. 39% of businesses worry about the more time-consuming nature of trade with the EU.
- North America continues to extend its lead as the region regarded as offering the most attractive growth prospects. But while the US is still seen as the single most attractive country, Australia has jumped up the rankings.
- While the pandemic remains the threat to international trade that most worries businesses, other risks are rising too. Brexit issues, the macroeconomic outlook, logistics issues and geopolitical risk, are all key agenda items.
- Businesses point to a range of significant challenges as they pursue exports. This includes bureaucracy, logistics, recruitment and the difficulty of finding trustworthy partners. Shipping issues, in particular, are now causing many more businesses significant challenges compared to six months ago.
- The number of domestic businesses considering overseas expansion has increased significantly. In fact, 33% now have ambitions to internationalise in the next three years, more than in any previous edition of Trade Barometer.





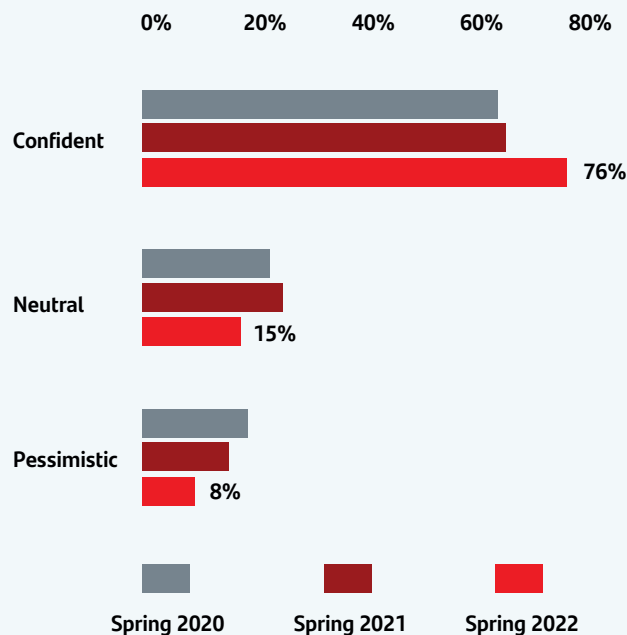
# Part 1: Business confidence leaps ahead

---

## Part 1: Business confidence leaps ahead

British businesses are bouncing back from the disruption of the pandemic over the past two years and now view the future with renewed confidence. For the second successive wave of Trade Barometer research, businesses are more confident than in any previous edition. More than three quarters (76%) are now confident their business will grow over the next three years, which includes 31% of businesses that feel very confident.

### Confidence in three-year growth has hit a new high



This confidence is shared by each of the three groups of businesses included in this research. These are international businesses already engaged in overseas trade, aspiring businesses with plans for cross-border trade, and domestic businesses who are currently focused only on the UK market. However, for the third Trade Barometer wave running, international businesses feel confident about their growth prospects in greater numbers. This is a shift from the historical pattern in Trade Barometer, where aspiring businesses tended to exhibit the greatest levels of optimism. It may be that businesses planning to expand abroad are now doing so amid concern about their UK trading, rather than from a position of strength, as in the past.

Similarly, business confidence has not risen uniformly across the country. In the Midlands, for example, the Spring 2022 Trade Barometer tracks a small fall in confidence since the autumn. The same is true in the North of England and in Northern Ireland.

Generally, confidence in this wave of the research is encouraging. In part, this reflects the improved performance of many businesses since the height of the pandemic, with 47% reporting stronger trading over the past 12 months. Indeed, even in the travel, tourism and leisure sector, where businesses are most likely to have seen a deterioration (39%), 47% still report an improvement.

The strength of the UK economy during 2021 will certainly have helped. The UK posted higher growth than any advanced economy other than the US according to estimates from the International Monetary Fund (IMF). Indeed, 37% of businesses cite growth in the UK, courtesy of new customer acquisition, as a key driver of their improved performance. But international growth has also been important, as 29% of businesses have seen their performance boosted by overseas trade.

Again, something of a shadow hangs over aspiring businesses. These firms are notably less likely to report improved performance over the past 12 months (35%). This is further evidence that they may be struggling on the domestic front.

## Growth drivers and barriers

The single most important factor influencing businesses' ability to grow over the next three years is likely to be their success, or otherwise, in attracting skilled staff. More than two-thirds of firms surveyed (70%) point to this issue, with businesses in the ICT and travel, tourism and leisure sectors particularly concerned about skills shortages.

Other issues include transport costs, cited by 58% of businesses and as many as 70% and 85% of manufacturers and wholesale and retail businesses respectively. In addition, 51% of businesses point to increased competition, up from 42% in the autumn, while 50% cite the importance of the availability of new technology.

More broadly, the big macro themes are also front of mind, with concern about the prospects for the UK economy (67%), the global economy (61%) and Brexit issues (56%) increasing since the last edition of Trade Barometer. The potential impact of the pandemic on demand (63%) is an ever-present concern. The Ukraine conflict adds to those risk factors.

Against this backdrop, 59% of businesses expect COVID-19 to negatively impact their business over the next 12 months. And anxiety about the wider economy is increasing. Inflation, in particular, is a significant worry, with the Bank of England now predicting that the CPI rate will reach 7% by the middle of the year and remain above the long-term 2% target until 2024.

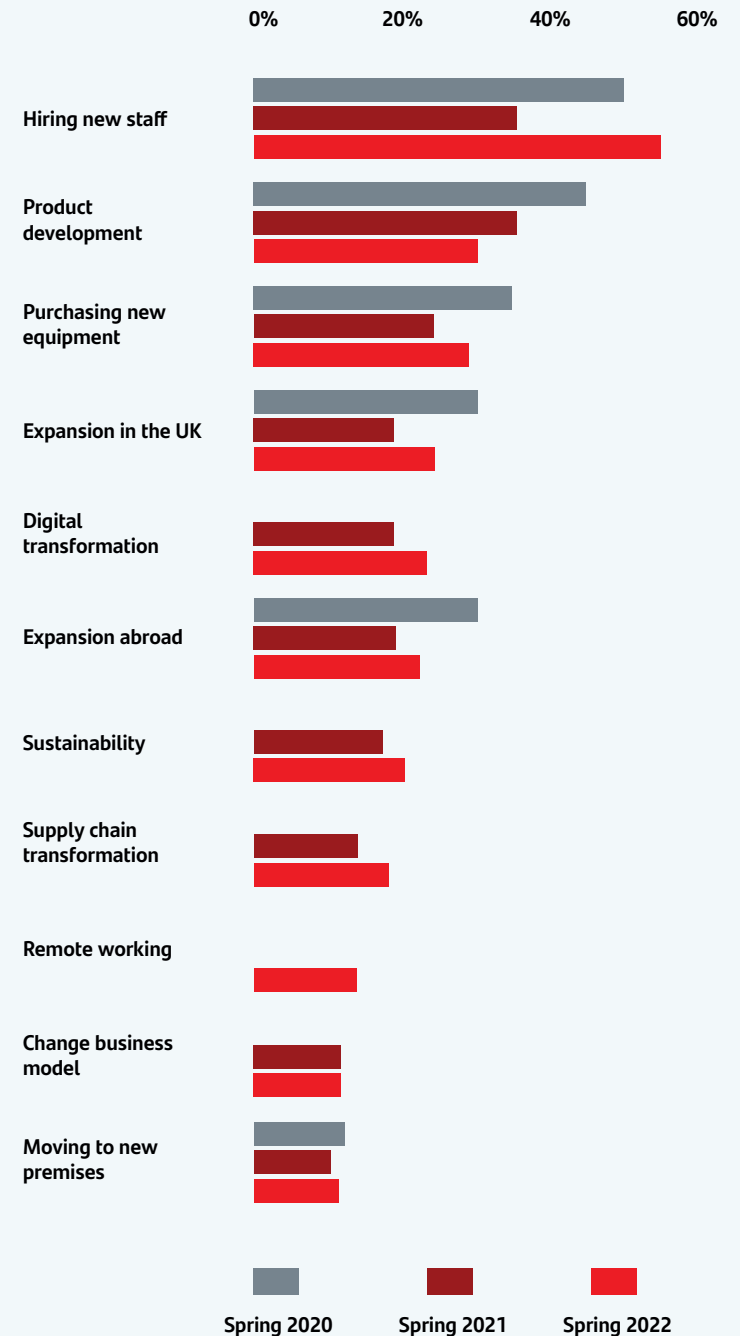
The danger is that these worries now begin to cloud the outlook for businesses, despite their increased confidence about the prospects of growth in the next three years. In fact, there's already evidence of this, with fewer businesses planning investment over the year ahead.

For example, in this edition of Trade Barometer, 45% of businesses say they plan to invest in new staff, down from 48% in the autumn, while 30% expect to invest in new product development, down from 34%. But it's not all bad news, as more businesses now plan investments in new equipment, for example, as well as sustainability. Also, international businesses seem more upbeat on investment plans.

Still, the decline in investment plans is a cause for concern. Even on digital transformation, widely seen as an imperative for many businesses, investment intentions have fallen back since the autumn.

Amongst those businesses that do plan to invest in new technology, cyber security (30%), automation (30%) and cloud computing (29%) are clear priorities. Automation tools, in particular, may help businesses struggling with recruitment challenges.

### Planned investment has fallen back

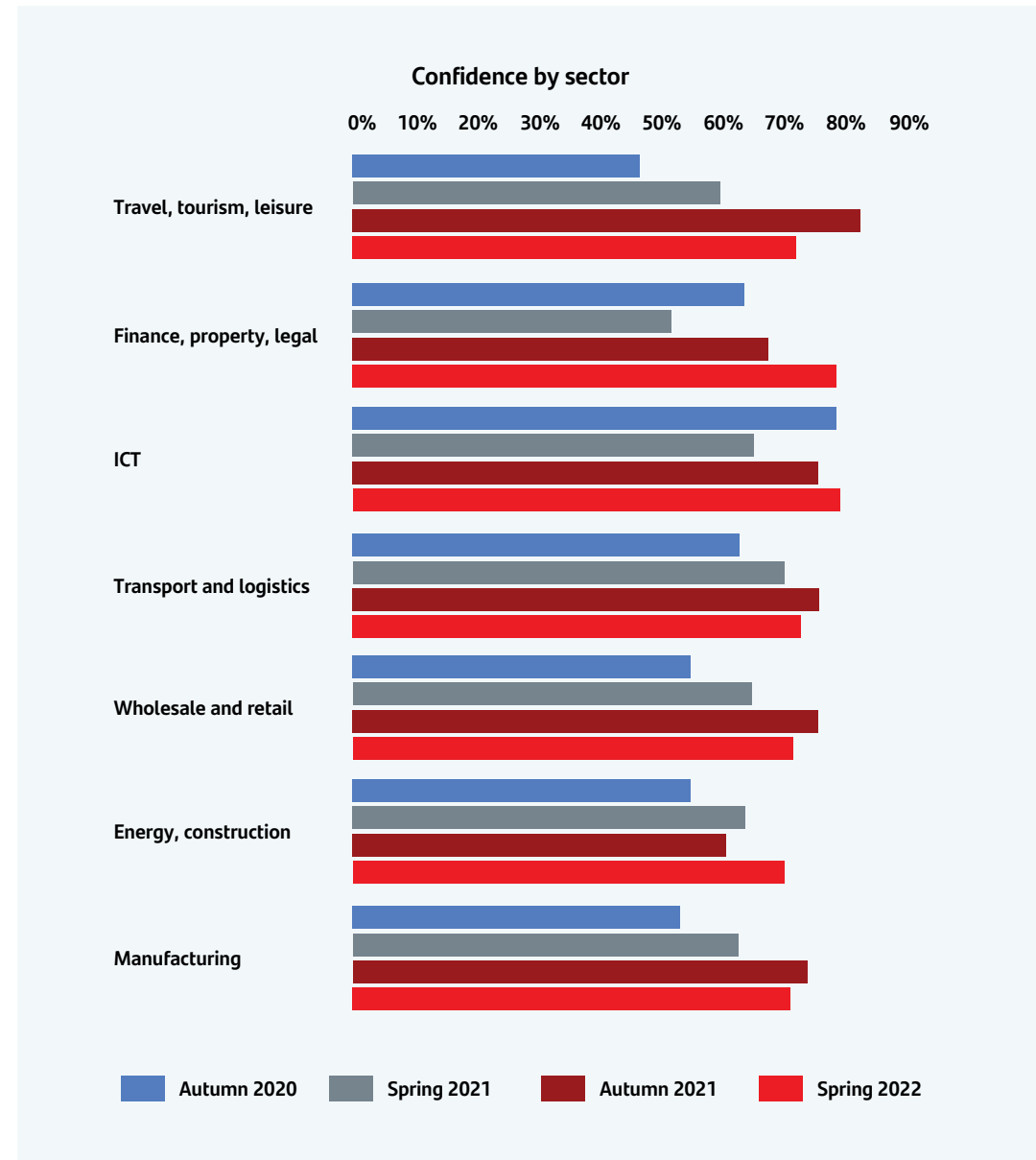


## The view from the sectors

There's also some evidence of sectoral variation in business confidence. While optimism was sharply up in sectors including energy and construction, finance, property and legal and ICT, it's fallen back slightly in sectors such as travel, tourism and leisure, and wholesale and retail.



These consumer-facing businesses continue to have significant anxieties about the COVID-19 crisis, having faced disruption from the Omicron variant over the crucial Christmas holiday period.



## The view from the sectors

Sectoral differences are also apparent in investment intentions. While businesses in every sector pick out hiring new staff as a particular priority, some sectors are more likely to cite other areas for investment.



Manufacturing companies are more likely to be planning to invest in R&D (cited by 45%), in product development (44%) and in purchasing new equipment. Indeed, the sector is the most upbeat of all on investment across the board. Looking across 14 areas of potential investment, the average intention to invest in each area is 25% in manufacturing. That compares to only 20% in travel, tourism and leisure.

Elsewhere, 39% of transport and logistics companies plan on investing in UK expansion, more than in any other sector. Wholesale and retail firms are especially likely to plan investments in changing suppliers (30%) and product development (29%).

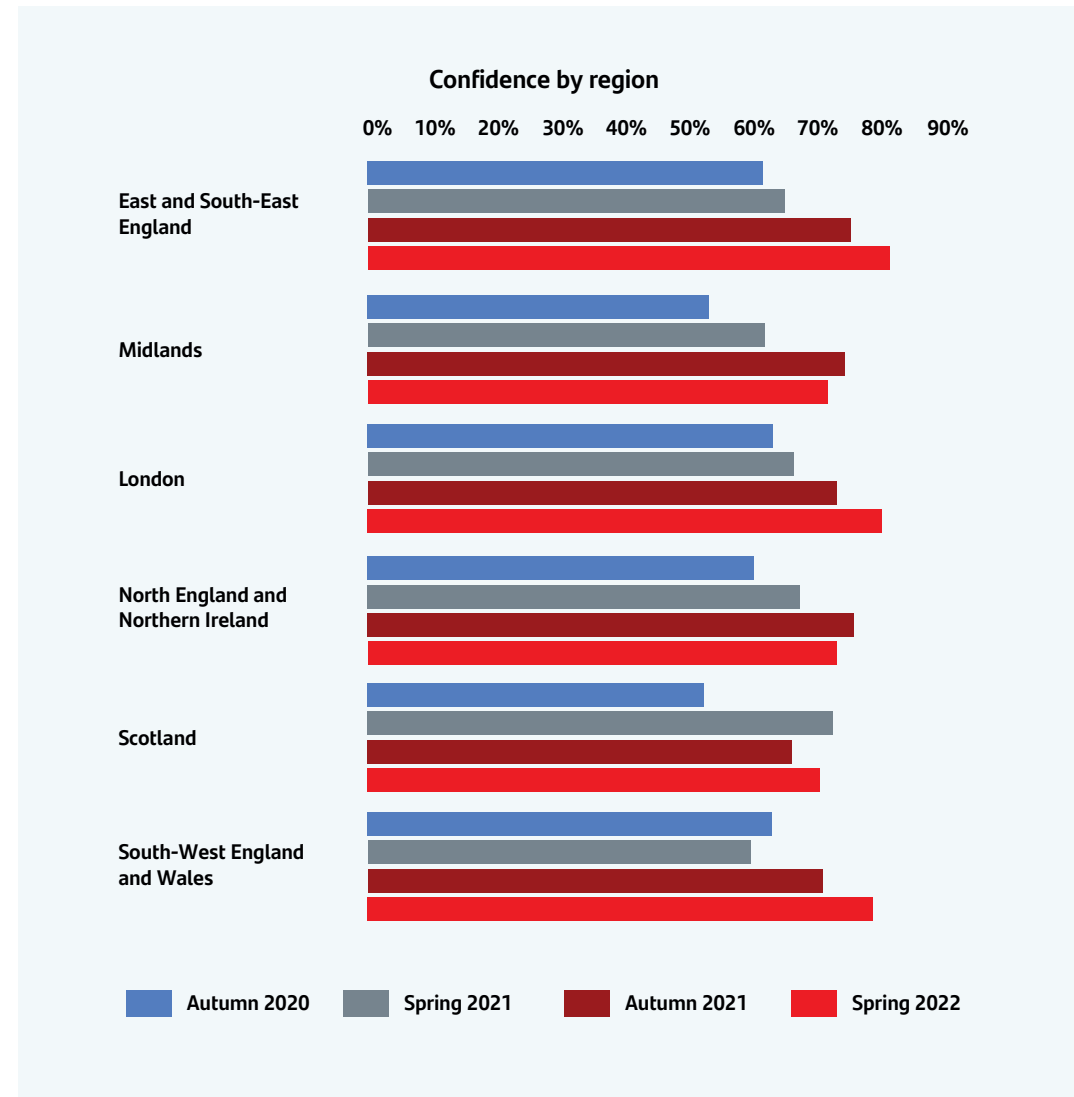
Business Investment	Manufacturing	Energy, construction and engineering	Wholesale and retail	Transport and logistics	ICT	Finance, property insurance and legal	Professional and admin services	Public and caring services	Travel, tourism and leisure
Hiring new staff	43%	41%	43%	32%	50%	35%	48%	45%	50%
Product development	44%	17%	29%	16%	34%	28%	18%	20%	26%
Purchasing new equipment	44%	28%	25%	33%	16%	15%	14%	24%	28%
Expansion in the UK	21%	32%	23%	39%	26%	29%	20%	23%	28%
Expansion abroad	18%	15%	20%	13%	34%	30%	26%	26%	12%
Moving to new business premises	11%	16%	8%	8%	14%	9%	13%	5%	11%
Supply chain transformation	26%	17%	25%	26%	9%	17%	13%	12%	19%
Changing your business model	9%	8%	18%	20%	8%	17%	9%	16%	16%
Investment in sustainability	22%	29%	22%	27%	16%	27%	30%	17%	17%
Digital transformation	24%	20%	27%	29%	25%	32%	23%	29%	18%
Scaling back operation	7%	11%	6%	12%	15%	12%	3%	10%	8%
Switching to a fully remote or a hybrid working model	11%	14%	18%	9%	20%	16%	30%	21%	13%
Research and development	45%	16%	18%	14%	39%	18%	19%	13%	17%
Changing suppliers	26%	24%	30%	21%	14%	14%	14%	13%	19%



## The view from the regions

Business confidence has not risen uniformly across the country. In the Midlands, for example, the Spring 2022 Trade Barometer tracks a small fall in confidence since the autumn. The same is true in the North of England and in Northern Ireland.

Confidence is currently strongest in the East and South-East of England, where 81% of businesses expect to grow over the next three years. In London and in the South-West and Wales, the figure is 79% in both cases.



# The view from the regions

On investment intentions, businesses in every area of the country pick out new staff hires as their priority, though the number planning on doing so ranges from 56% in the South-West and Wales to only 40% in the North and North-West.



The South-West looks set to be a hotspot for research and development, with 37% of businesses in this part of the country planning investment in this area. London-based businesses are more likely than their peers anywhere else to be planning investment in digital transformation (30%).

Business investment	East and South-East	Midlands	London	North and Northern Ireland	Scotland	South-West and Wales
Hiring new staff	45%	41%	47%	40%	54%	56%
Product development	31%	34%	29%	30%	21%	37%
Purchasing new equipment/machinery	27%	38%	19%	29%	30%	39%
Expansion in the UK	21%	29%	28%	21%	16%	26%
Expansion abroad	25%	17%	32%	15%	22%	22%
Moving to new business premises	9%	9%	15%	11%	8%	14%
Supply chain transformation	23%	24%	16%	14%	17%	23%
Changing your business model	11%	12%	16%	8%	6%	14%
Investment in sustainability	22%	20%	28%	21%	16%	26%
Digital transformation	19%	19%	30%	25%	29%	26%
Scaling back operation	7%	8%	10%	8%	7%	9%
Switching to a fully remote or a hybrid working model	17%	11%	24%	10%	20%	14%
Research and development	27%	27%	25%	26%	27%	37%
Changing suppliers	25%	21%	19%	19%	24%	22%



**Part 2:  
Prospects for 2022 – challenges and opportunities**

## Part 2: Prospects for 2022 – challenges and opportunities

**Businesses are emerging from the pandemic in a very different position to how they entered the crisis. Looking inward, many responded to COVID-19 with operational and strategic adjustments that have proved their value and are now likely to remain in place. And the external marketplace has changed too, with new opportunities and challenges now lying ahead.**

It is certainly clear that businesses have evolved in response to the pandemic. For example, 46% say their embrace of hybrid working will be enduring, while 31% are doubling down on their digital transformation efforts. Supply chain resilience and product diversification are ongoing priorities for 28% and 21% of businesses respectively. Indeed, diversification is an important theme for many businesses, with many expressing a determination to find new markets both at home and abroad.

Increased focus on sustainability is also a theme for many businesses. The climate change crisis, the broader focus on environmental, social and governance (ESG) factors, and the need to respond to increased public awareness of these issues in the wake of the pandemic, which has concentrated minds, are all driving the sustainability agenda.

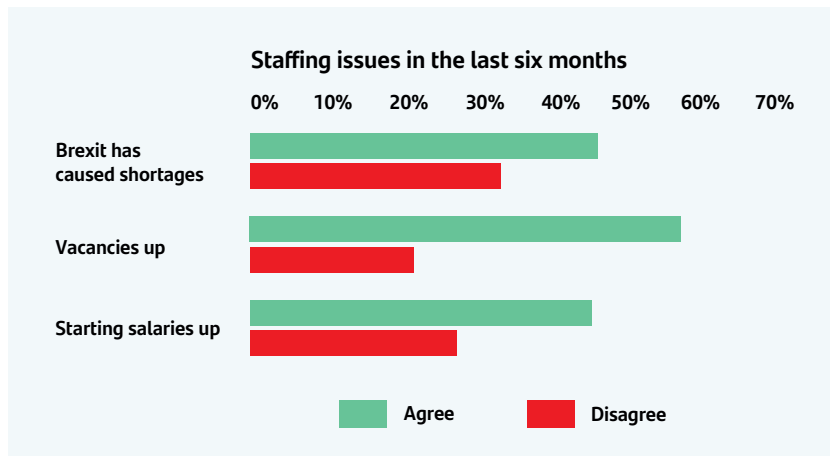
Still, many businesses have their hands full. Larger businesses, those with over 250 employees, are notably more engaged with change in many areas. For example, 49% have moved to hybrid working, compared to only 33% of smaller businesses. Management teams at the latter may lack the bandwidth to focus on operational change.

All the more so given the very significant problems facing so many businesses, as the labour market and supply chains remain hugely disrupted. More than half the businesses in this research (58%) report that vacancy levels have increased over the last six months, while 46% say they're having to pay higher salaries. ICT, energy and travel, tourism and leisure are facing particularly acute pressure on wage costs.



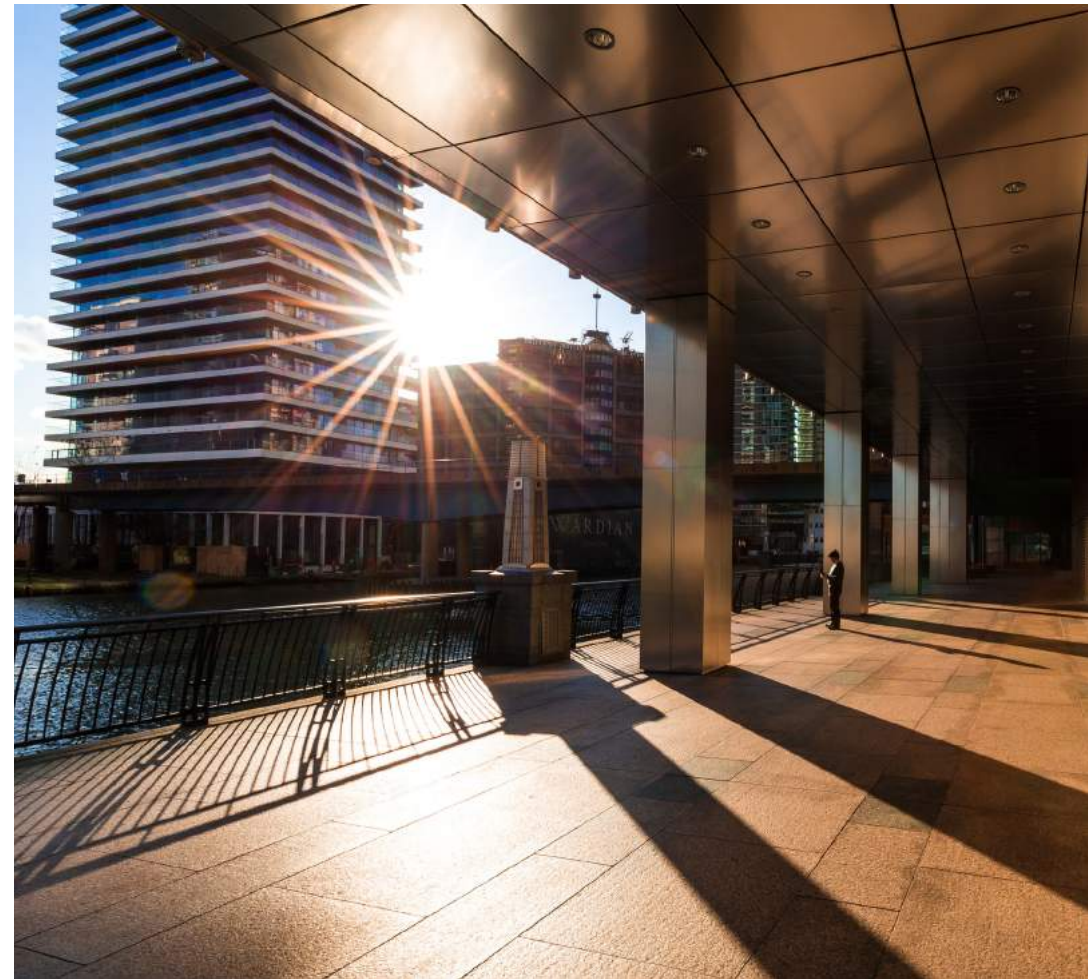
## Part 2: Prospects for 2022 – challenges and opportunities

While the dislocation caused by the pandemic is undoubtedly part of the problem, many firms single out Brexit, which has reduced their access to immigrant workers, as driving labour shortages. And aspiring businesses are particularly worried, with 62% pointing to Brexit-related labour market problems.



Rising labour costs also represents a significant headache for a large number of businesses. But other areas are also having a large impact on businesses. With 44% pointing to higher transport costs (and 58% say it is taking longer for goods to reach their destinations), while 43% and 42% cite higher material and energy costs respectively.

These issues hit different sectors disproportionately. In wholesale and retail, 70% cite rising transportation costs, while manufacturers are particularly concerned about higher input costs (62%). In travel, tourism and leisure, labour costs are the biggest issue (52%).



## The lure of international markets

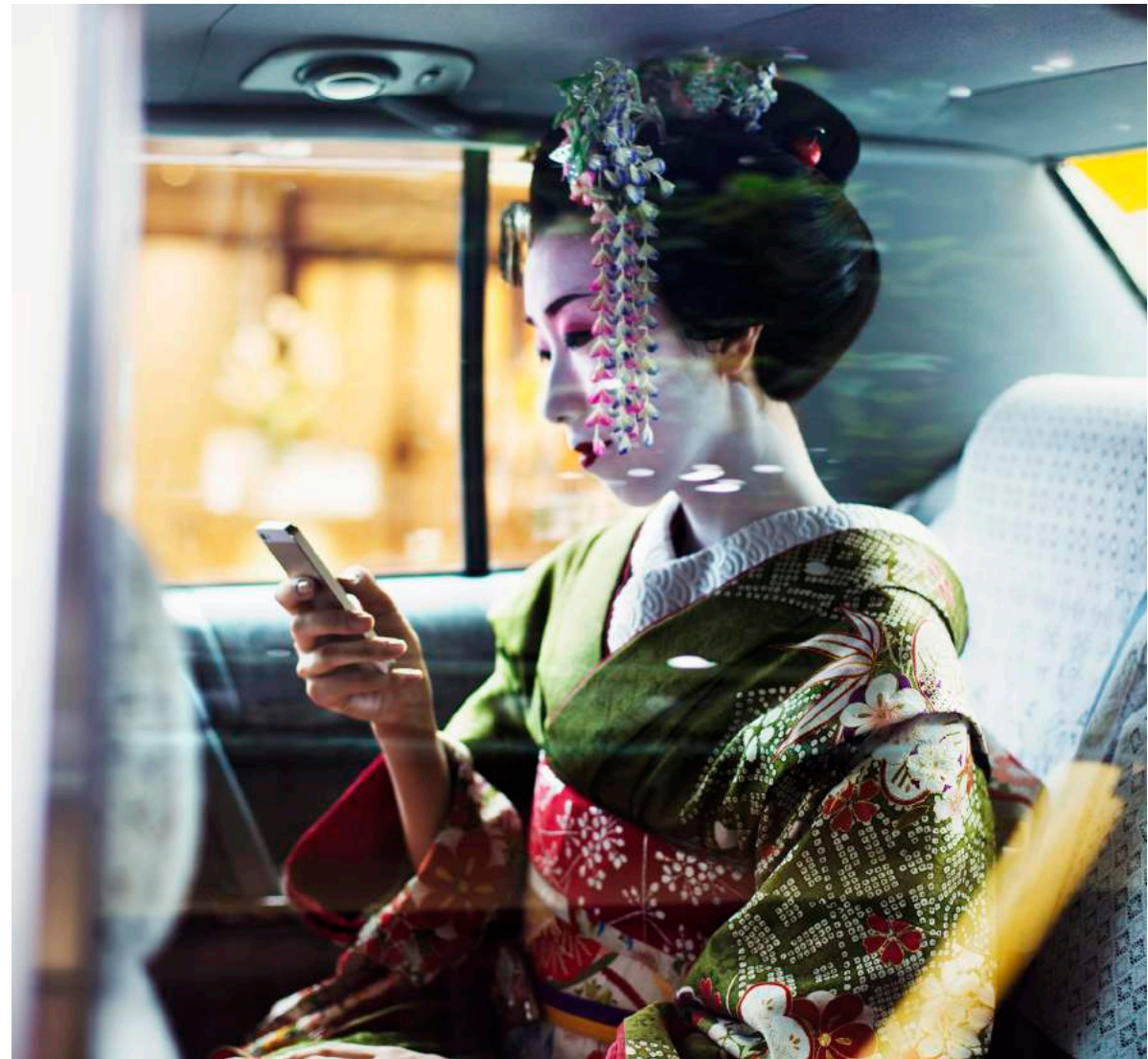
How will businesses overcome these problems to secure growth in the years ahead? This research suggests global Britain is set to be a central theme of the recovery from the pandemic. International markets, both new and existing, are the single biggest opportunity for recovery cited by businesses in this wave.

More than a third (37%) of businesses point to new and existing markets overseas as a main driver of their recovery from the pandemic, ahead of domestic growth (34%). This is the first time in the Trade Barometer research that businesses surveyed have singled out overseas markets as their most important recovery driver.

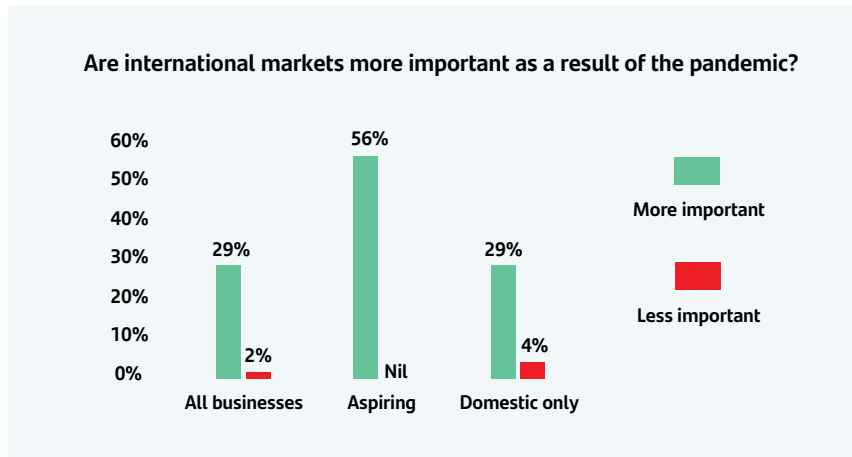
There will be other opportunities too, of course. The numbers of businesses looking for digital growth (19%) and driving sustainability (17%) have increased since the autumn edition of Trade Barometer. More than a fifth of businesses (22%) hope new technology can deliver increased productivity.

Still, it is the international opportunity that stands out in the wake of the pandemic. In the Autumn 2021 Trade Barometer, 21% of businesses said they expected international markets to become more important as a result of the pandemic. In this latest research, that figure has risen to 29%. More than half of businesses with international aspirations (56%) agree and strikingly, even domestically focused businesses (29%) accept that international markets are now set to become more important.

Clearly, then, businesses hoping international markets will drive their recovery are going to look far and wide for new opportunities. More than a third of businesses say the current Brexit trade deal is not sufficient for them to continue trading with the EU and 52% believe the Northern Ireland protocol is causing significant difficulties for UK plc. Aspiring businesses, in particular, are adjusting their plans accordingly. 51% now say they will look outside the EU as they pursue their international ambitions.



## The lure of international markets




The good news, is that for businesses that already trade overseas, exports are now improving. A quarter of businesses (25%) say they're now selling more in international markets than prior to Brexit on 1 January 2021, while only 20% report a deterioration. These figures have reversed since the autumn, when 22% said exports were down and just 17% had seen an increase.

Importantly, this progress reflects a range of factors, rather than any sense that Brexit frustrations are easing. The global economic recovery is part of the story, 52% of businesses exporting more say increased demand is one element of the explanation. And more than a third (35%) have worked hard to focus on new markets beyond the European Union.

Indeed, Brexit concerns still loom large. Among those businesses selling less overseas, 66% blame increased costs, while 43% point to extra regulation in EU markets.

In fact, many businesses are now more frustrated than ever with the impacts of Brexit, potentially reflecting the full implementation of customs checks at the border between the UK and the EU on 1 January 2022. Now, 39% of businesses say trading with EU partners has become more time-consuming, up from 37% in the autumn, while 25% warn costs and bureaucracy are limiting trade (previously 23%). Higher tariffs are a concern for 40% of businesses in this research, compared to only 37% six months ago.



The image shows a desert landscape at sunset or sunrise. In the foreground, two people are riding camels. The person on the left is a woman with long hair, and the person on the right is a man. They are silhouetted against the bright, hazy sky. In the background, a modern city skyline is visible, featuring several tall skyscrapers, including the Burj Khalifa on the far left. The overall scene is a blend of traditional desert life and modern urban development.

**Part 3:  
International trade in the spotlight**



## International trade in the spotlight

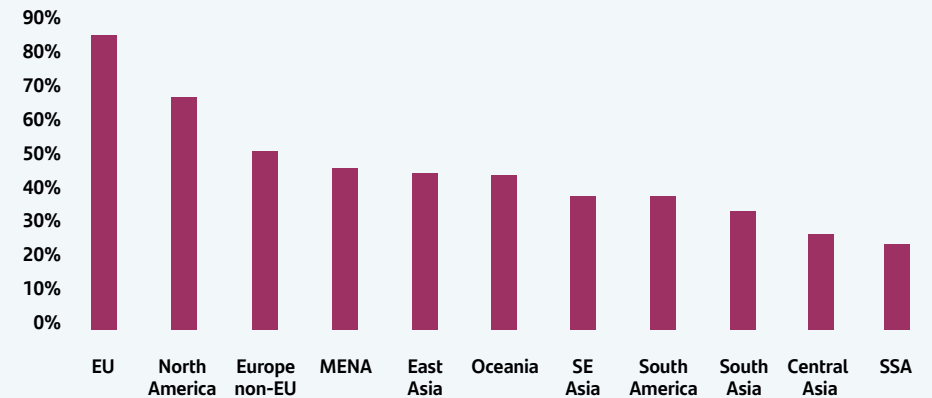
Amid the concern about the increased difficulty of trading with the EU and the growing enthusiasm for other markets, it's important to remember that Europe is still a crucial partner for British businesses. Indeed, of those businesses that currently trade overseas, 83% say they're selling to and/or buying from the EU, more than any other international market. Brexit may have brought the potential for cost and delay, but the EU will remain at the centre of many businesses' international strategies.

Still, it is increasingly clear that when it comes to new opportunities, many businesses are also now looking further afield. A year ago, in the Spring 2021 Trade Barometer, North America overtook the EU as the region where businesses now see most growth in the next three years and it has extended its lead since then. In this latest research, 45% pick out North America as their top growth opportunity, against 37% citing the EU. The Asia-Pacific region in particular, East Asia (29%), South-East Asia (24%), and Oceania (27%) is also an increasingly important target.

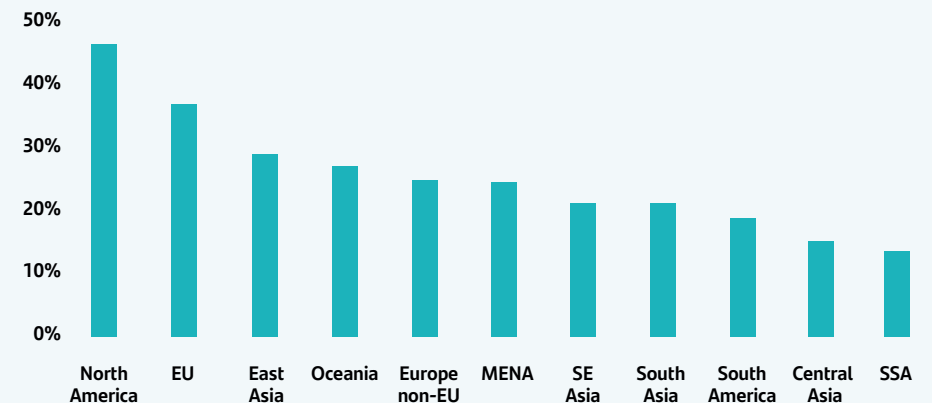
Many businesses are also focused on specific countries. Again, the US leads the way, cited by 37% of businesses as offering the most attractive growth prospects, but it is striking how Australia has moved from fourth to second place in the ranking since Santander's Autumn 2021 Trade Barometer. More than a fifth (22%) of businesses now pick it out, potentially reflecting the trade agreement signed with the UK in December.

In addition, Germany (19%), China (17%), France (16%), and India, Canada and the UAE (all 14%), will all be important target markets.

Current regions of operation



Where growth is expected





## Overcoming adversity

However, to take advantage of these opportunities, businesses will need to confront a number of significant risks.

Indeed, risk looks increasingly elevated. For one thing, concern about the potential for COVID-19 to disrupt international trade, on either the demand or the supply side, has risen since the autumn. With concern about new variants heightened by the Omicron outbreak – not surprising given high numbers of infections at the time the research was conducted – and ongoing supply chain disruption, 43% of businesses now worry about this risk, up from 40% six months ago.

Other risk factors are weighing heavier too. More than a third of businesses (36%) pick out Brexit uncertainty, compared to 32% six months ago. Anxiety is similarly higher about the cost of moving goods (32%) and the costs, more generally, of trading internationally (26%). Plus macro factors, including the impact of overseas regulation (29%), sluggish global growth (28%), and geo-political risks (17%), are all increasingly seen as a threat. The latter factor, in particular, will now be seen as much more pressing, given the outbreak of war in Ukraine since the research was conducted.

At the same time as thinking about how to mitigate these risks or even whether to proceed at all, businesses are having to deal with the operational challenges of trading internationally. And while the scale of the export opportunity should not be underestimated, these challenges are significant.

The biggest such issue appears to be the bureaucracy of selling overseas – from completing documentation to managing staff on the ground – which worries 42% of businesses. Transport and logistics issues, including the rising cost of international freight, are a challenge for 39%, while 29% express concern about the difficulty of finding key partners in local markets. Skills issues, cited by 26%, are problematic too.

In each of these areas, the challenges are numerous. To succeed in international trade, in existing markets, as well as new ones businesses must get to grips with a wide range of issues.

## International businesses – operational challenges in detail

### For those who said bureaucracy is an operational challenge

Export documentation	66%
Difficulty in tax or hiring laws	45%
Product regulations	39%
Difficulty in setting up an entity	31%

### For those who said transport or logistics issues are an operational challenge

Shipping delays	73%
Rising container costs	65%
Costs associated with red tape	63%
Rising air freight costs	56%

### For those who said skills issues are an operational challenge

Expertise in dealing with red tape	53%
Sales and marketing	38%
Expertise in cross-border trade	34%
Expertise in financing export activity	19%

### For those who said issues in finding partners are an operational challenge

Problems finding suppliers and business partners	48%
Need partners to simplify trade	47%
Inability to contact potential partners due to COVID-19	42%
Need help with logistics/regulations	32%

Moreover, to add to these ongoing problems, businesses have had new issues thrown at them over the past two years. More than a third (38%) say that post-Brexit regulation is now a significant challenge and 36% point to the additional difficulties caused by the pandemic.

Naturally, the specific nature of these challenges varies by target market – there can be no one-size-fits-all approach to overcoming the barriers to international trade. In China, for example, shipping costs now tops the list of challenges worrying British businesses. In India it's bureaucracy and in France it's Brexit issues.

And some markets are more challenging than others. For Canada and Germany, 58% and 45% of British businesses say they face no particular operational challenges at all when trading in these countries. At the other end of the scale, only 19% say trading in China is problem-free.


# International businesses – operational challenges by country

**CHINA** 


Shipping costs	34%
Bureaucracy	33%
Regulations	28%
Finding partners	25%

**US** 

Shipping costs	31%
Competition	21%
Protectionism	20%
Bureaucracy	19%

**JAPAN** 

Language / culture	29%
Shipping costs	25%
Bureaucracy	16%
Adapt products	13%

**FRANCE** 

Brexit issues	37%
Border delays	32%
Red tape	29%
Shipping costs	26%

**CANADA** 

Shipping costs	19%
Bureaucracy	11%
Local practices	9%

**POLAND** 

Shipping costs	20%
Bureaucracy	13%
Skills	11%
Economic conditions	10%

**INDIA** 

Bureaucracy	29%
Price sensitivity	26%
Finding partners	20%
Corruption	18%

**GERMANY** 


Bureaucracy	26%
Shipping costs	23%
Competition	14%
Logistics	8%

**UAE** 

Bureaucracy	22%
Business culture	22%
Language	20%
Finding partners	19%

**SPAIN** 

Bureaucracy	24%
Shipping costs	20%
Different tax regimes	14%

**ITALY** 

Bureaucracy	26%
Shipping costs	25%
Finding partners	13%
Logistics	13%

## Domestic businesses target overseas markets

One striking finding of this edition of Trade Barometer is surging interest in international markets among businesses that currently trade only domestically. The number of these businesses with international aspirations now stands at a higher level than in any previous edition of this research.

Almost half of the domestic businesses in this wave of Trade Barometer (46%) say they have considered expanding abroad over the past three years – and a third (33%) say they will consider doing so over the next three years. The latter figure has more than doubled since the autumn, when only 15% of domestic businesses were making plans to target international markets.

The likely growth rates on offer from international markets are alluring as they're expected to outstrip the UK in 2022 and beyond. But it's also now easier to take the first steps into overseas markets than in the past, with online trading offering an opportunity to test out demand in new markets, and to begin to develop supply routes.

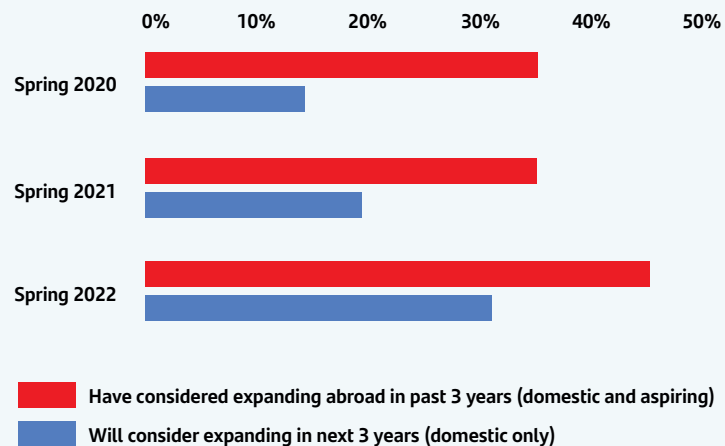
Indeed, among aspiring international businesses, 42% expect to use an online marketplace, while 40% think they will use their own ecommerce site. Just 20% would consider setting up physical stores as a first point of market entry.

However, this is not to discount the potential obstacles standing in the way of domestic businesses as they consider their first forays into international markets. Not least, given the uncertainties and challenges of the domestic market, many businesses simply lack the time required to devote to expansion overseas. 40% cite a lack of managerial time as a barrier to internationalisation, the single biggest problem for domestic businesses.

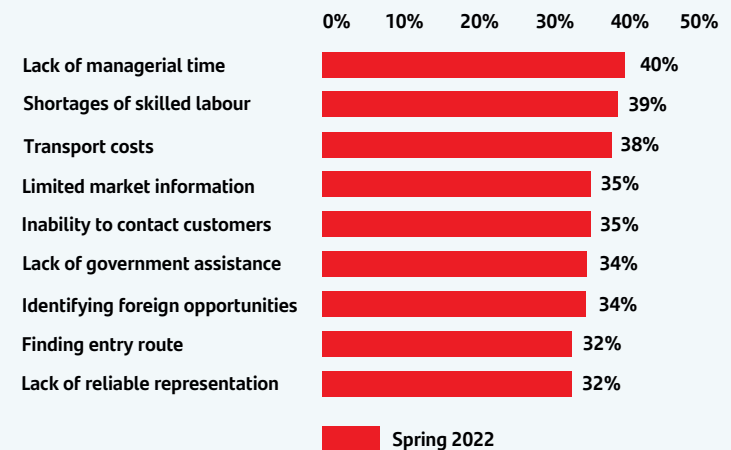
Many of the other barriers for domestic companies are similar to those facing businesses that are already trading overseas, but the latter have an advantage due to experience of dealing with them. More than a third of domestic businesses (39%) worry that skill shortages will hold them back as they target new markets, while 38% are concerned about transport costs.

In addition, there are practical questions such as how to choose the right markets to target and the right means of access. Some 35% cite limited market information, 34% worry about identifying foreign opportunities, and 32% pick out the need to find an entry route.

**Domestic businesses' overseas growth plans are surging**



**What stops domestic businesses becoming international?**



## Conclusion: Driving the growth agenda

Santander's Spring 2022 Trade Barometer highlights the growing number of British businesses that are determined to enter international markets for the first time, or to expand their overseas sales. Indeed, international trade has never felt more important for large numbers of businesses, overseas sales now sit at the heart of their recovery plans.

Equally, however, it's clear that businesses need support and advice in order to help them fulfil those ambitions. This assistance will come from many different parties and what's required will vary enormously. Businesses that already operate internationally, for example, cite advice from local business partners as crucial to them. Domestic-only businesses do not have access to such valuable support.

To be of the greatest value, moreover, this advice will need to be bespoke. This edition of Santander's Spring 2022 Trade Barometer identifies a number of priorities for supporting businesses:

- Advice and support with digital transformation (including new technologies, products and solutions) such as how to make use of online marketplaces, sales channels and supply chain solutions.
- Support with skills and logistics, as businesses work out how to close the gaps they have identified and tackle issues such as rising transport costs.
- Support with market access. As more businesses focus on the UK's new relationship with the EU and look to opportunities further afield, they will need partners able to help them move past the operational obstacles they have already identified.
- Solutions to help businesses find new ways to identify and connect with trade partners around the world.
- Support with identifying which opportunities to focus on, as businesses look at a range of new markets and sales channels.
- Advice on how to navigate bureaucracy and regulatory change.
- Practical assistance as organisations look to diversify their operations and rethink their business models.

**Santander stands ready to support you. Your international journey. It Starts Here.**

Primary sources of advice on international expansion

