

**Deloitte.**



Attitudes To Trade  
Survey 2025

# Contents

Executive Summary	03
Survey Findings	05
Section 1: Businesses are adjusting to the new terms of trade with Europe and are showing signs of positivity about the future	05
Section 2: Businesses are increasingly concerned about global trade barriers and are exploring strategies to mitigate for higher costs.	08
Section 3: Business leaders are increasingly positive about the UK's trade policy and its economic impact, but more can be done to help businesses utilise the benefits of trade agreements.	11
Conclusions	14



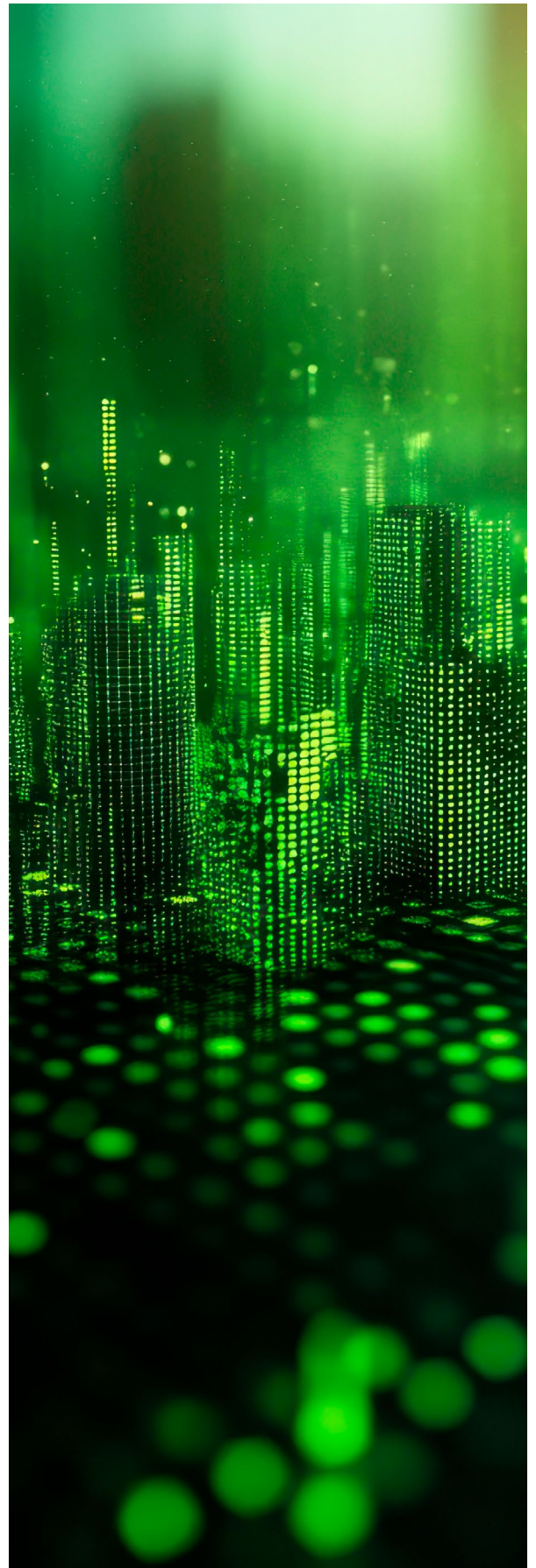
# Executive Summary

In July 2024, the UK saw a new government elected with a mission to place a stronger emphasis on economic growth, committing to a new trade strategy and to “reset” relations with the European Union. Internationally, the global trading environment is becoming more volatile, characterised by fast-moving geopolitical developments, shifts in international supply chains and a more widespread adoption of trade protectionism. The economic, trade and foreign policy tensions between the incoming US administration, China and other countries may provide a further challenge for businesses operating in an already sensitive commercial environment.

With that context in mind, for the third year running we commissioned professional polling partner **Opinium** to conduct field research<sup>1</sup> to gauge sentiment towards UK trade policy and to identify key challenges facing UK businesses. The survey exclusively targeted senior decision-makers representing 750 businesses from the UK who are trading internationally.

One hundred respondents were C-suite representatives of small businesses (10-49 employees); 150 respondents were board level representatives of medium-sized businesses (50-249 employees); 250 respondents were at least senior directors or decision makers at large businesses (250-999 employees); and 250 respondents were at least senior directors or decision makers at large corporates (1000+ employees).

As this survey has demonstrated since its inception, UK businesses have shown resilience in challenging circumstances: adapting to Brexit, the Covid-19 pandemic, a fast-moving external environment and shifts in domestic policy priorities.



<sup>1</sup> Fieldwork conducted 28 November - 3 December 2024

This year, our findings can be split into three broad themes:

**1. Businesses are adjusting to the new terms of trade with Europe and are showing signs of positivity about the future.**

- Brexit-related trade losses have largely stabilised, with 57% of businesses reporting a decline in trade with the EU, compared to 74% of businesses two years ago.
- Optimism about the future of the UK-EU relationship is growing, particularly in light of the UK government's intention to 'reset' relations with the EU and the forthcoming review of the UK-EU Trade & Cooperation Agreement.
- Most business leaders believe the UK should undertake some form of alignment with EU rules, but are divided on how much regulatory autonomy the UK should retain

**2. Businesses are increasingly concerned about global trade barriers and are exploring strategies to mitigate for higher costs.**

- High tariffs and taxes on trading are a growing concern for businesses trading in every major region of the global economy.
- The vast majority (90%) of businesses are seeking to mitigate the impact of higher tariff barriers, including by raising prices, exporting to alternative markets and relocating production.
- Despite rising global trade barriers, most business leaders (55%) anticipate China playing an even larger role in their supply chains over the years ahead

**3. Business leaders are increasingly positive about the UK's trade policy and its economic impact, but more can be done to help businesses utilise the benefits of trade agreements.**

- Business leaders have strong and growing confidence in the UK's trade agreement programme, with a clear majority (61%) of business leaders considering it of benefit to their business, and 71% believing it to have a positive impact on economic growth.
- There was a notable increase in support for the UK's accession to CPTPP and a new FTA with the Gulf Cooperation Council.
- By a significant margin, business leaders prefer comprehensive FTAs (64%) over bespoke sectoral agreements (33%) but believe there is considerable room to improve their utilisation, including by striking better terms for services suppliers and providing greater support for participation in trade shows.
- For the third year running, we saw an increase in business leaders' approval of how well the UK government is communicating the benefits of trade agreements, and more businesses are frequently engaging with government about trade policy.

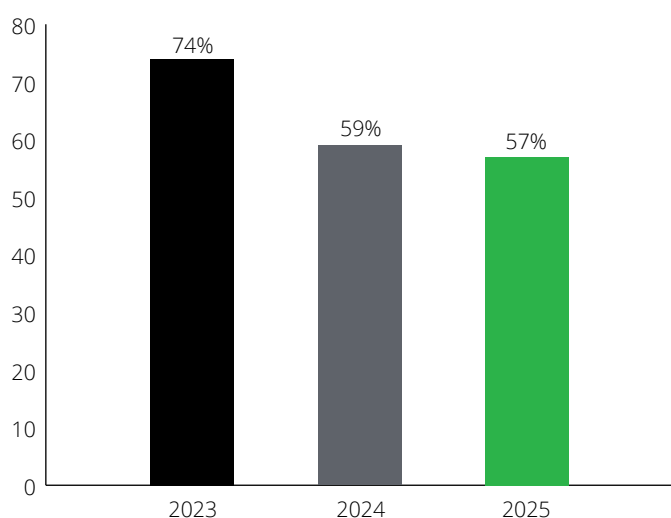


# Survey Findings

Section 1: Businesses are adjusting to the new terms of trade with Europe and are showing signs of positivity about the future.

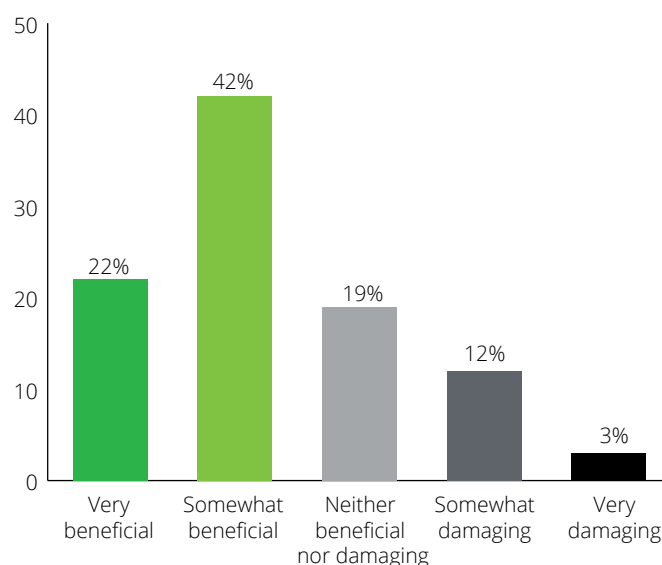
At the time of our 2024 survey, business leaders reported having experienced fewer losses to trade with the EU as a result of Brexit. This year, the situation appears to have largely stabilised, with no significant change on last year's results.

**Have you lost any trade (in goods and services) with the EU as a result of Brexit?**



In our 2023 survey, we found that 74% of businesses had lost at least some of their trade with the EU. In 2024, we found that this had significantly declined to 59%; and in this year's survey, we recorded a negligible drop to 57%. This potentially reflects the passage of time as the point of EU exit recedes into the distance and suggests that the period of adjustment to the new terms of trade that occurred post-Brexit may have come to a close. It is plausible that what businesses are encountering now is the new normal.

**Do you anticipate the UK government's trade policy towards Europe being beneficial or damaging for your business over the next five years?**



In July 2024, a new UK government was elected with a clear trade policy commitment to "reset" relations with the European Union<sup>2</sup>. The new Prime Minister has held dialogues with the EU and leaders from across the continent, hosted a meeting of the European Political Community and has promised a new UK trade strategy for 2025 with a focus on both broad free trade deals and more use of standalone sector deals and recognition agreements. The new Chancellor and Foreign Secretary have also made visits to EU counterparts. The approach taken by the government so far appears to have been well received by businesses, with 64% of respondents anticipating the government's trade policy towards Europe to be beneficial for their business over the next five years.

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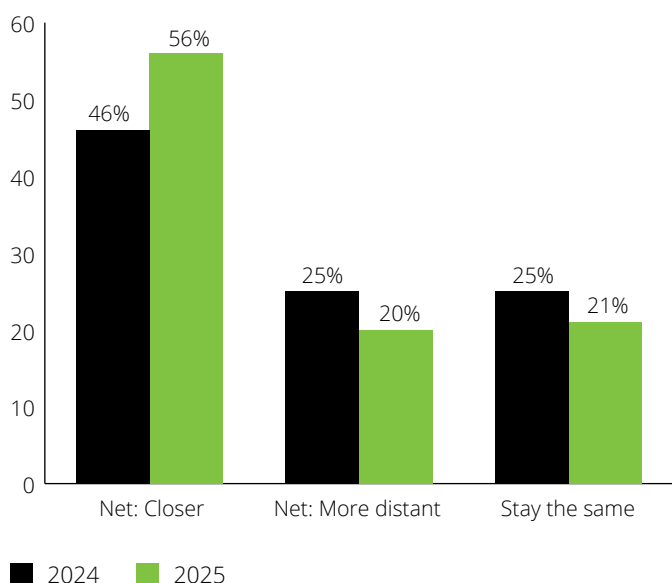
The period of adjustment to the new terms of trade that occurred post-Brexit may have come to a close

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<sup>2</sup> "Change", [The Labour Party](#), 2024.

Similarly, there has been an increase in the number of businesses believing that the review of the UK-EU Trade and Cooperation Agreement (TCA) will lead to a closer relationship. The review is formally due to commence by 31 December 2025, but is likely to take place in 2026.

**Do you think that the Trade and Cooperation Agreement (TCA) review in 2025/26 will result in a closer or more distant relationship with the European Union?**

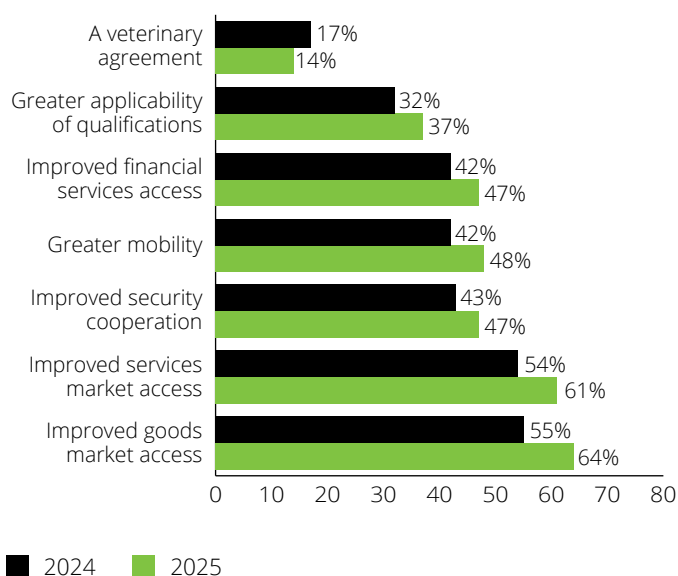


Of the 56% of respondents who thought the TCA review will result in a closer relationship, we found in this year's survey that they were more ambitious in what they think the government may achieve, with a small increase in almost all of the areas we asked about (see next chart).

For goods trade, the government has stated its intention is to negotiate a veterinary (or 'sanitary and phytosanitary') agreement with the EU to ease the movement of relevant goods through customs by limiting documentary and physical checks on imports and exports of plants and products of animal origin.<sup>3</sup> This could make it easier for UK producers to export to the EU, as well as making imports of EU foods easier over the long run.

However, of the range of options we put to business leaders, a veterinary agreement was considered the least likely to result in a closer UK-EU relationship. One reason for this could be that such an agreement primarily stands to affect only a subsection of goods traders. Alternatively, businesses may believe a truly effective agreement will be difficult to achieve, or that it will have a relatively modest impact on the closeness of the broader trading relationship.

**You said that the TCA review will result in a closer relationship with the European Union. In what way do you think this will be the case?**



On services, Chancellor Rachel Reeves has suggested<sup>4</sup> that Britain could pursue new regulatory arrangements for specific sectors and greater recognition of professional qualifications, which could make it easier for regulated professions to operate across Europe. She has also suggested that the UK could pursue bespoke arrangements which could make it easier for touring musicians to provide services in the EU.

Meanwhile, Business and Trade Secretary Jonathan Reynolds has said the UK is "seeking a closer, more mature, more level-headed relationship with our friends in the European Union – our nearest and largest trading partner, and we also intend to forge better trading relationships with countries around the world"<sup>5</sup>.

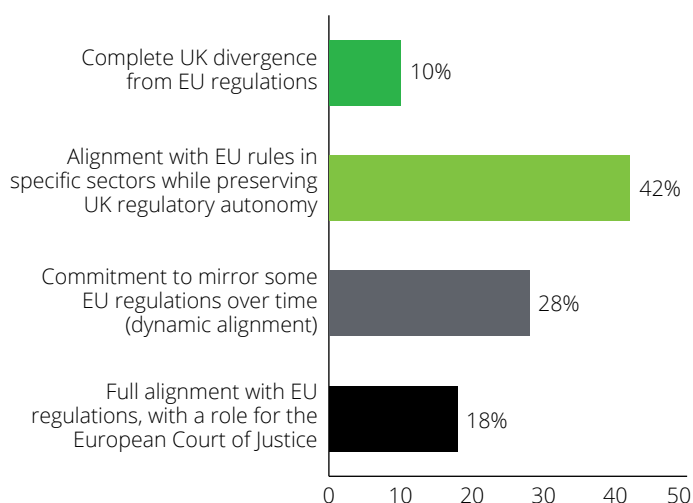
<sup>3</sup> "Change", [The Labour Party](#), 2024.

<sup>4</sup> "Rachel Reeves to seek 'improved' UK-EU trade terms if Labour wins election", [The Financial Times](#), 2024

<sup>5</sup> "UK 'open for business' as Trade Secretary heads to G7", [GOV.UK](#), 2024.

To achieve the “reset” that the government has set out, the UK may be required to undertake some form of alignment with EU rules. Indeed, the EU has been explicit about the need for alignment to make further access to the Single Market work<sup>6</sup>. There are various degrees of alignment possible, which we set out as a range of options from full alignment to complete divergence.

**To what extent do you think the UK should agree to follow EU rules in order to achieve a closer trading relationship?**



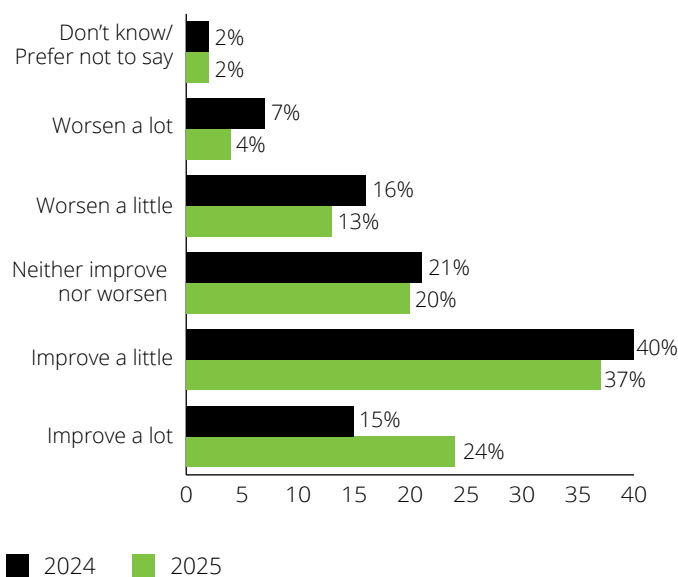
We found that business leaders are divided in their views. 42% want the UK to retain regulatory autonomy while aligning in specific sectors, 28% are willing to sign up to dynamic alignment with EU rules in some areas and 18% of respondents support full alignment with EU rules, including with a role for the European Court of Justice. Just 10% of business leaders want to diverge completely from EU rules.

It is perhaps surprising that post-Brexit, a significant number of business leaders are reluctant to return to the position of full alignment with EU rules, given that this would represent the closest terms of trade to EU membership.

It is plausible that businesses have now adapted to the post-Brexit regulatory context and are reluctant to invite further change. For example, the costs of setting up the new UK REACH system (such as testing and dual labelling) have already been largely incurred by businesses. Similarly, Brexit mitigations may have already been implemented by developing new staff recruitment policies, establishing EU-based subsidiaries or by qualifying for customs simplifications.

Business leaders may also be mindful that in some areas, EU rules have changed since the UK was a member of the EU and will need to be re-assessed. In any case, unilaterally following EU rules may not in itself help businesses without a negotiated agreement with the EU on access to its market. It could therefore follow that the UK would benefit from retaining a degree of regulatory autonomy for the foreseeable future.

**Do you anticipate the UK's trading relationship with Europe to improve or worsen over the next five years?**



Over a five-year period, businesses are more optimistic that the UK's trading relationship with Europe will improve. We found that 'improve a lot' increased its share of the answer by 9% from last year, with all other possible responses having slightly less uptake, potentially reflecting the success of the messaging around the government's EU 'reset'.

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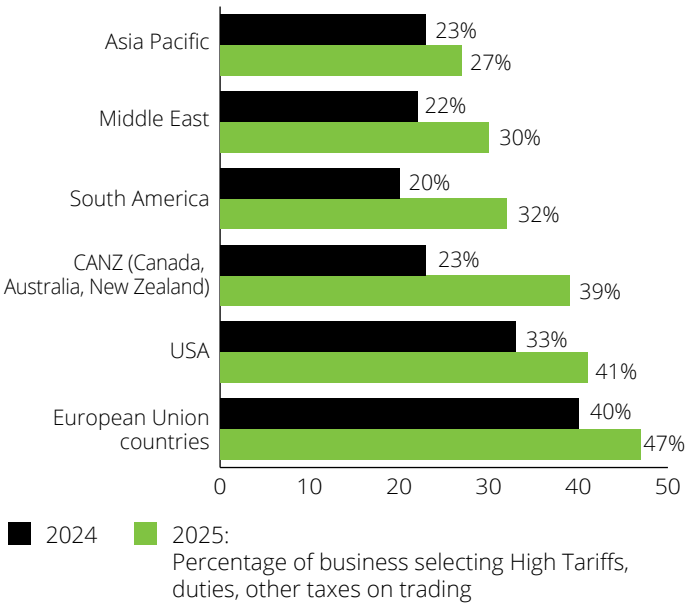
<sup>6</sup> For instance: “EU will demand early fish deal in UK reset talks”, [The Financial Times](#), 2024.

Section 2: Businesses are increasingly concerned about global trade barriers and are exploring strategies to mitigate for higher costs.

While sentiment towards the UK’s trade relationship with Europe appears to have stabilised, we found that sentiment in relation to the rest of the world tells a more concerning story.

We asked respondents about the range of trade barriers they commonly experience in world markets. In every major region, respondents chose “high tariffs, duties and other taxes” as the most commonly encountered trade barrier, with more business leaders selecting this option than a year ago.

What are the biggest barriers your business commonly experiences trading in the following regions?

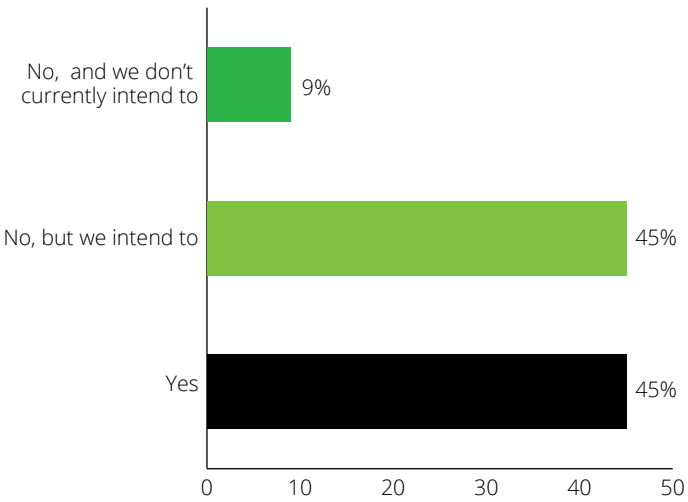


There is an observable change in sentiment towards the presence of tariffs across all regions, with businesses trading with Canada, Australia and New Zealand reporting the greatest change. Given the UK’s trade agreements with Australia and New Zealand recently entered into force and provide for tariff elimination on almost all goods, UK businesses trading with Canada are most likely to account for the change in sentiment, owing to the expiry of rules of origin in April 2024.

In the UK-Canada Trade Continuity Agreement, both countries agreed time-limited clauses for EU cumulation, enabling UK businesses to count EU inputs as if they were ‘originating’ in their exports to Canada. Exporters with significant EU inputs are now more likely to not qualify for preferential rates of duty when exporting to Canada in the way they may have done before April 2024.

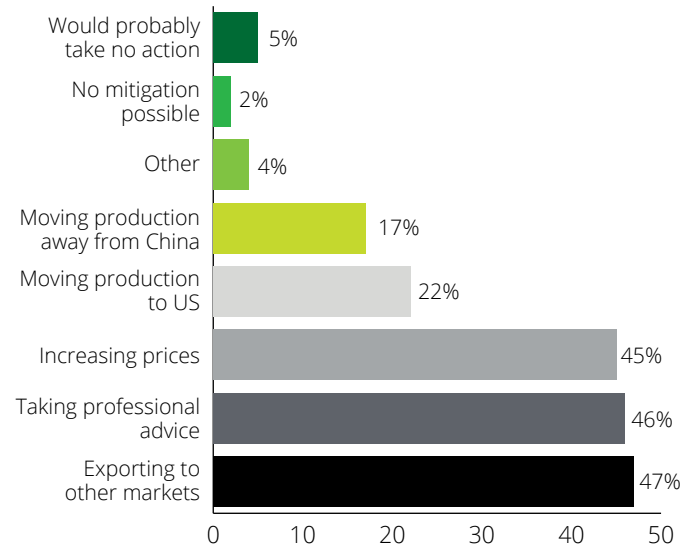
Given the trend towards businesses trading in an increasingly high-tariff environment across all world regions, and with potentially further import duties due to be imposed on global goods trade throughout 2025, we asked respondents whether, and if so how, their business is planning to mitigate for this eventuality.

Has your business explored strategies to mitigate for the possible imposition of new global trade tariffs?



Almost all respondents (90%) intend to explore or have already explored mitigation strategies. Only a small minority (9%) intend to take no action or consider that no mitigation is possible.

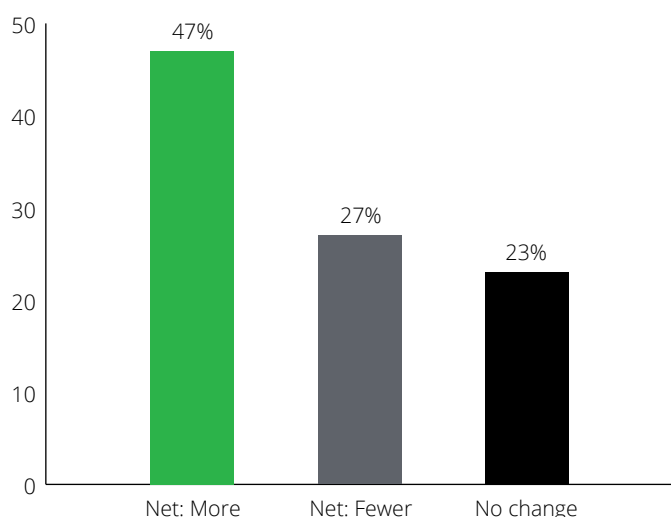
What strategies might your business implement to mitigate for the impact?



When asked what action their business might take, almost half of respondents (45%) stated that they intend to raise prices and/or export to other markets (47%). A similar number (46%) also stated that they intend to seek professional advice. Some businesses intend to move production to the US (22%) and away from China (17%).

When asked specifically about their business's trade with China, almost half of respondents (47%) stated that they expect to encounter more trade barriers over the next five years, with 50% anticipating no change or fewer trade barriers – a relatively balanced attitude towards the future of the UK-China trade corridor, potentially reflecting uncertainty in how foreign and trade policy positions will develop over the year ahead.

#### Do you expect more or fewer trade barriers with China over the next five years?



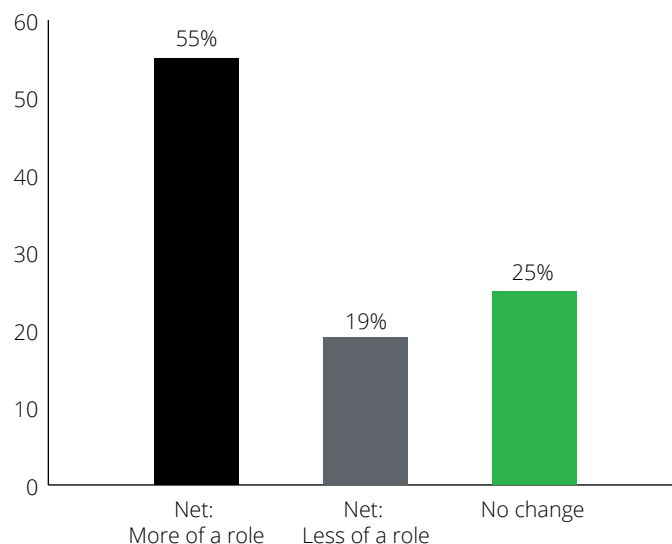
However, despite almost half of respondents expecting more trade barriers with China over the next five years, a greater number (55%) nevertheless anticipate China having more of a role in their supply chains, with only 19% anticipating less of a role.

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Despite almost half of respondents expecting more trade barriers with China... a greater number nevertheless anticipate China having more of a role in their supply chains

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#### How do you anticipate the role of China changing in your supply chains over the next five years?



This result may reflect that a growing share of the world economy is still shifting towards China's orbit, regardless of international trade becoming more complex or costly.

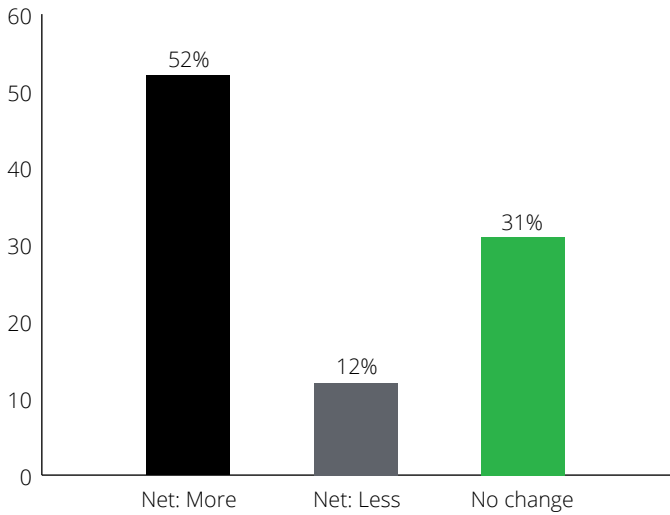
The UK is not currently negotiating preferential trade arrangements with China, but the new UK government has committed to undertake an audit of UK-China relations and ministers have met on a bilateral basis with their counterparts, including a visit by the Chancellor to Beijing in January 2025.

The UK's principal trade policy development in the Asia Pacific region has been the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which primarily spans the Pacific rim, from Malaysia and Japan in the east to Chile and Canada in the West. There are now 12 parties to this agreement, representing 15% of global GDP<sup>7</sup>.

CPTPP entered into force between the UK and eight other trading partners in December 2024. In light of that, we asked business leaders whether they expect their business to export more or less to CPTPP countries over the next five years, with over half of all respondents stating they anticipate greater export growth to this region.

7 "CPTPP explained", [Government of Canada](#), 2023

**Do you expect your business to export more or less to CPTPP countries over the next five years?**



Several CPTPP member states are already fast-growing markets in their own right and it is plausible that businesses may well have been due to export more to these destinations regardless of CPTPP accession. However, when asked how beneficial CPTPP is anticipated to be for respondents’ businesses, we saw an increase in favourability, continuing the positive trend we have seen in respect of all major FTA opportunities over the last three years. Indeed, since 2023, agreements with the CPTPP and GCC regions experienced the greatest increase in support, up 14% and 16% respectively.

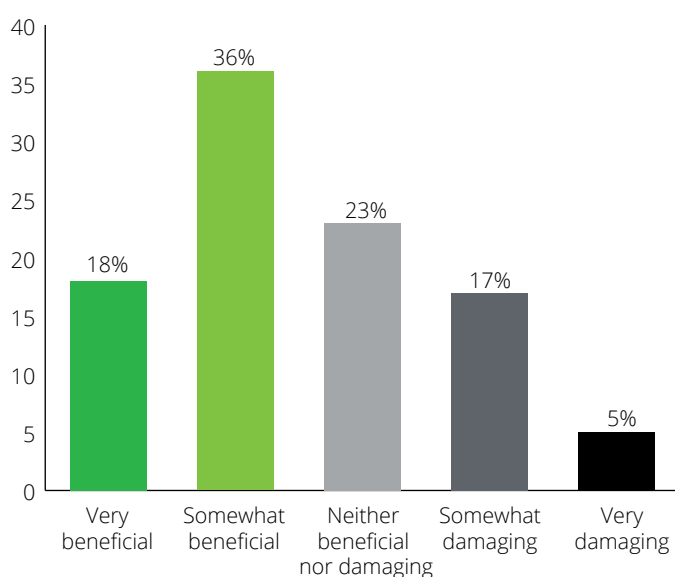


### Section 3: Business leaders are increasingly positive about the UK's trade policy and its economic impact, but more can be done to help businesses utilise the benefits of trade agreements.

The most notable change in the direction of domestic trade policymaking since our last survey has been the arrival of a new UK government. Elected with a large majority, the new administration stated that its 'first mission' is to 'grow the economy'<sup>8</sup>, pledging to introduce a new trade strategy 'to help deliver its growth mission, with UK businesses and economic growth at the centre.'<sup>9</sup>

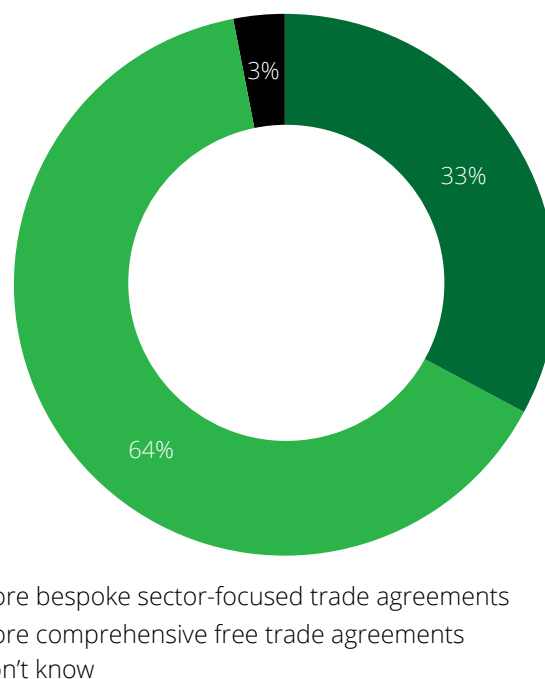
Given these commitments, we asked business leaders whether or not they felt the change of government has had a beneficial impact on the UK's trade policy priorities. Sentiment was fairly evenly split between those who thought the change of government has been at least somewhat beneficial (54%) and those who think it has made no difference or been damaging (45%).

#### How do you think the change of government has had an impact on the UK's trade policy priorities?



Another central pledge of the new government is to 'seek targeted trade agreements aligned with our industrial strategy and economic strengths', including a commitment to 'negotiate standalone sector deals, such as digital, or mutual recognition agreements' in addition to striking new free trade agreements.<sup>10</sup> We put this question to business leaders, who by a significant majority felt that the UK government should continue to prioritise comprehensive free trade agreements (64%) over more bespoke sector-focused agreements (33%).

#### Do you think the UK Government should prioritise...?



This sentiment tallies with the strong positive trend we are seeing in business leaders' support for the FTA programme in terms of its impact on their business and on economic growth more broadly. 61% of business leaders surveyed believe the FTA programme could be beneficial for their business, with 71% believing it will have a positive impact on economic growth. Similarly, fewer respondents each year have indicated that they expect the FTA programme to be damaging to their business or to economic growth.

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61% of business leaders surveyed believe the FTA programme could be beneficial for their business, with 71% believing it will have a positive impact on economic growth

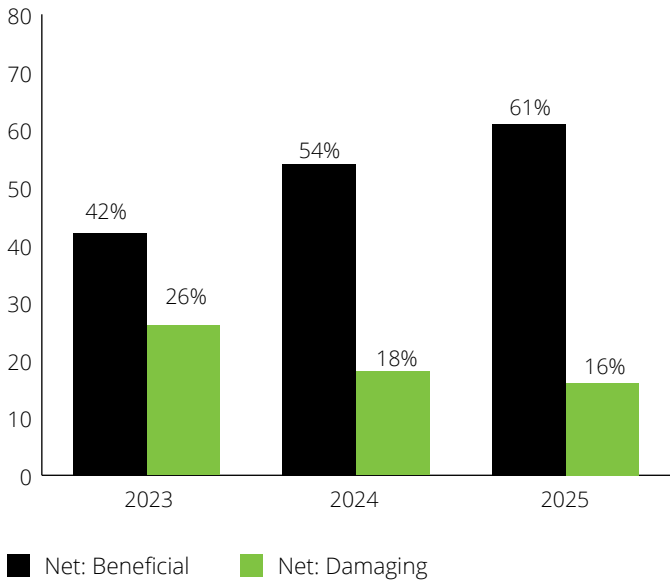
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<sup>8</sup> "Change", [The Labour Party](#), 2024.

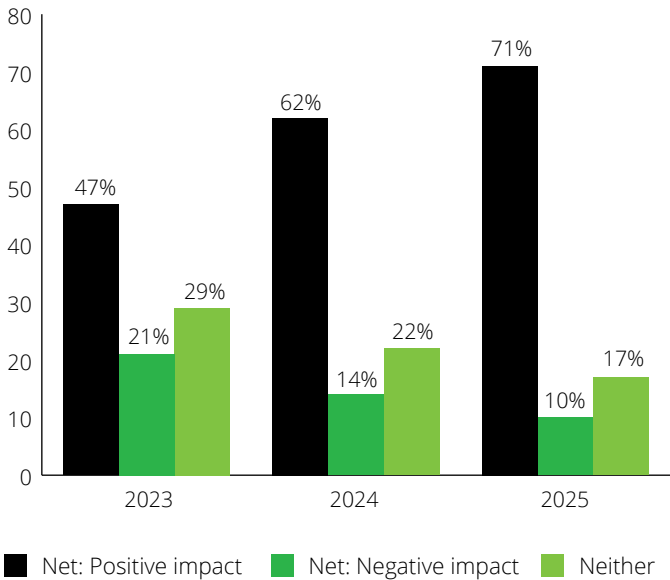
<sup>9</sup> "New Government drives forward trade talks to turbocharge economic growth", [Department for Business and Trade](#), 29 July 2024.

<sup>10</sup> "Change", [The Labour Party](#), 2024.

How beneficial or damaging do you anticipate the UK's FTA programme being to your business?

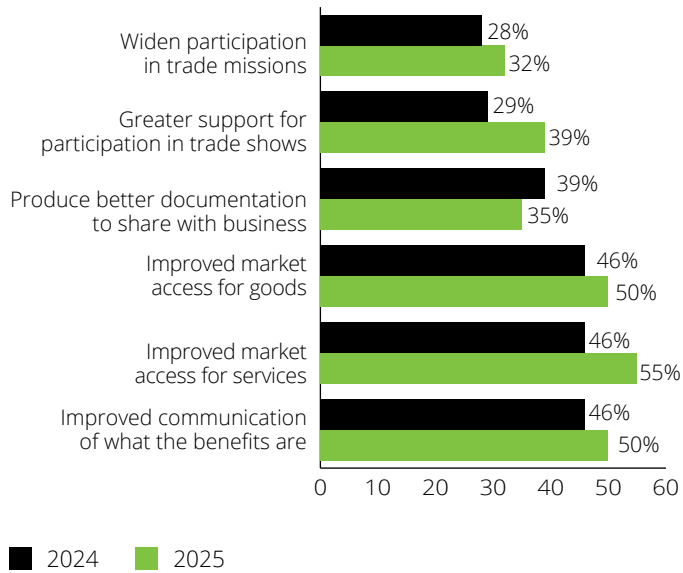


Thinking about the next decade, do you think the free trade agreements negotiated by the UK government will have a positive or negative impact on growth?



Given that business leaders are positive about comprehensive trade agreements, and that they offer most economic benefit when they are highly utilised, we asked respondents what more government could do to enable businesses to take greater advantage of their benefits.

What could the government do to enable businesses to take greater advantage of the benefits provided by free trade agreements (FTAs)? Please select all that apply.

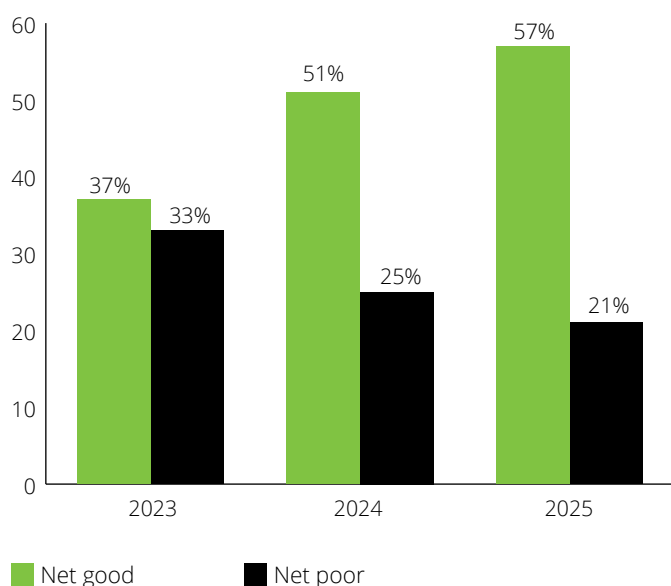


Across almost all of the areas we polled, respondents felt more strongly this year that government could do more to enable businesses to take advantage of the benefits of FTAs. A majority of business leaders (55%) indicated that improved market access for services would enable greater utilisation of FTAs, a notable increase compared to when we asked the same question last year.

Indeed, among all the options put to respondents this answer scores second highest as the area of greatest change, behind 'greater support for participation in trade shows'. The increase for businesses saying that the government could do more with regards to trade shows is perhaps unsurprising result in light of the withdrawal of the UK's tradeshow access programme in 2023 (direct grants to help businesses cover the costs of their presence at trade shows).

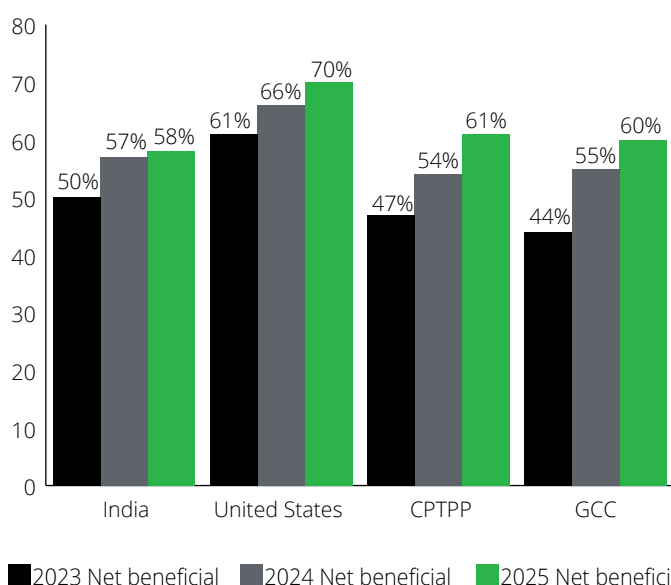
Reassuringly for government, the area where business leaders were more positive this year compared to last year is in the 'production of better documentation to share with business'. This result corroborates with the positive trend we have seen over the last three years in respect of government communications with business on the benefits of free trade agreements.

### How well has the government communicated the benefits of free trade agreements to your business?



For the first time, a clear majority (57%) of business leaders felt that government communications have been good, with a steady reduction in respondents stating that government communications have been poor. Similarly, business leaders reported a slightly higher level of engagement with government about trade negotiations compared to last year, with fewer businesses reporting low or no levels of engagement. This may suggest that the government is becoming more effective at working with the private sector in delivering its trade policy priorities, even if there is room for improvement in driving FTA utilisation.

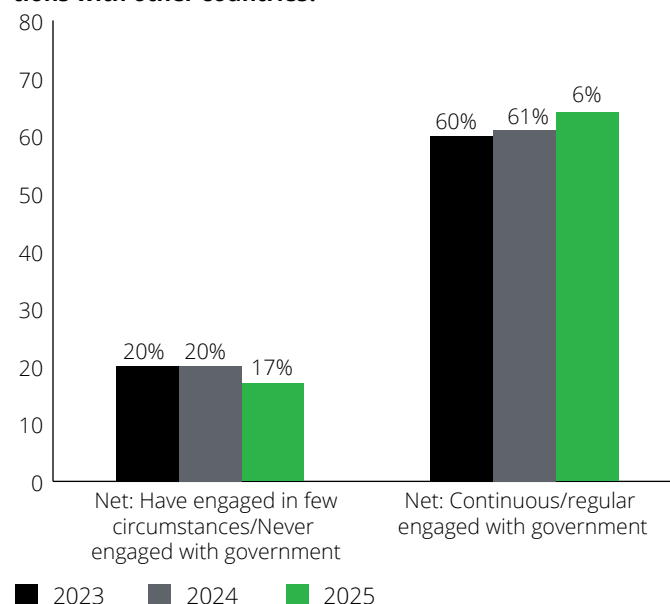
### How beneficial would you anticipate the following trade agreements to be for your business?



It is encouraging that business support for new trade agreements with India and the Gulf Cooperation Council remains positive, with both sets of negotiations expected to conclude in 2025 and potentially presenting new opportunities for traders encountering rising trade protectionism elsewhere in global markets.

While our survey data suggests that a UK-US FTA would be well-received, it should be noted that no trade negotiations are currently ongoing. However, there may be further appetite to build on existing state-level memoranda of understanding (MoUs) or to agree other trade-related measures at a national level.

### How engaged would you say your business is when it comes to communicating with government about trade negotiations with other countries?



There was also a slight improvement in the number of businesses reporting that they had engaged with government on trade negotiations, with 64% now reporting that they were in at least regular engagement.

# Conclusions

## Post-Brexit trading conditions are stabilising

This year we found that the trend of businesses reporting losses in trade with the EU has broadly stabilised. This might reflect the lower but stable levels of UK goods exports to the EU post-Brexit, combined with the moderate growth in UK services exports post-Brexit.<sup>11</sup> If this trend continues over the coming years, it could signify an end to the period of adaption to the post-Brexit trading environment and the arrival of a new normal in UK-EU trade.

## Businesses are optimistic that trading conditions with the EU will improve over coming years

The majority (64%) of business representatives surveyed stated that they think the government's trade policy towards the EU will be beneficial for them over the next five years and businesses are also optimistic about the review of the Trade and Cooperation Agreement. Of the businesses that thought the TCA review would result in a closer relationship, 64% felt this would mean greater access for services and 61% felt this would mean greater access for goods. This optimism should be considered against the government's commitment to remain outside of the EU's single market and customs union, which may narrow the scope for business leaders' aspirations being met.

## Higher global trade barriers are expected in 2025

By a strong margin, survey respondents anticipate more barriers to trade in 2025, with businesses expecting higher tariffs and taxes in most world regions. Almost all respondents intend to take mitigating action; however, so far only around half have done so, including by considering changing export markets or relocating production. This leaves a significant proportion of businesses (45%) intending to implement mitigation strategies, but which have not yet acted. Businesses will need to move fast if they are to successfully implement changes to supply chains or commercial strategies to minimise the potential effects of higher trade barriers in world markets.

## Traders anticipate a sustained role for China in global trade

We found that 47% of respondents expect more barriers to trade with China – but over half still expect China to have an increasing role in their supply chains regardless. While at first counterintuitive, these results potentially reflect China's growing role in the global economy despite the short-run effects of higher trade barriers. Alternatively, businesses could be prepared to brave greater barriers to trade for tried and tested supply chains. It was notable that relocating production was one of the least popular mitigation options – far less popular than increasing prices, taking professional advice or exporting to different markets.

## Businesses have grown consistently more positive about the UK's trade policy

Across a range of questions, businesses are demonstrating a trend of increasing positivity about trade policy. For example, this year we found that 61% of respondents believe the FTA programme to be beneficial to their business, compared to just 42% in 2023. Similarly, 71% of businesses thought that FTAs will be good for growth, compared to 47% in 2023. There was also a 20% increase in the number of businesses rating government communications as good.

It may well be that as the point of EU exit has moved further into the past, trade policy as a whole has become less polarising, and more business leaders are looking to the future. Businesses may also be benefitting from the increased trade policy capability that has been built within the UK government since 2016. Indeed, government spending on trade has increased from around £350 million in 2015-16 to almost £700 million in 2021-22<sup>12</sup>, reflecting deeper investment in helping businesses respond to Brexit and realise new trading opportunities.

## More can be done to boost FTA utilisation

Despite growing support for the UK's trade policy and FTA programme, our survey identified that more can be done to boost businesses' utilisation of trade agreements. Given the UK's pre-eminence as a services exporter, it is notable that respondents stated that FTA utilisation could be improved by striking better market access terms for services (commonly one of the most challenging aspects of trade agreement negotiations). Separately, we also found that government could do more to help businesses participate in trade shows (following the removal of grant funding for this purpose).

<sup>11</sup> "Statistics on UK trade with the EU", [House of Commons Library](#), 23 August 2024

<sup>12</sup> Departmental Spending - Department for International Trade, [House of Commons Committees Scrutiny Unit](#), 2022

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