

# Achieving **growth** through trade digitalisation

With trade in goods valued at £1.7 trillion and services valued at £896 billion, trade matters to the economy. The UK has a unique opportunity to drive economic growth and improve productivity, by digitalising international trade, reducing bureaucracy, and leveraging the **Electronic Trade Documents Act 2023 (ETDA)**. As the first G7 economy to remove legal barriers to trade digitalisation, the UK can harness this leadership by partnering with **ICC United Kingdom** and the **Centre for Digital Trade and Innovation (C4DTI)** to unlock trade growth, streamline processes, and strengthen SME participation. However, this transformation is not a given and requires an ambitious, coordinated plan from the government to succeed.

## **The opportunity:** cheaper, faster, simpler, secure, sustainable trade

Digitalising trade can unlock over **\$10 trillion** in global trade growth, and for the UK specifically, generate **£25 billion in trade growth, £224 billion in efficiency savings**, close **50% of the trade finance gap**, and **reduce transaction costs by 80%**. By modernising trade processes, digitalisation can **enhance the SME competitiveness** by delivering a 35% efficiency gain, reduce bureaucratic burdens and create an opportunity for **UK-EU cooperation to remove trade barriers** without the need for TCA approval.

## **How we make it happen:**

### **Electronic Trade Documents Act**

This is a groundbreaking law that removes legal obstacles to digitalisation and creates growth domestic and international growth opportunities if implemented across government.

### **International alignment**

Over the next three years, international trade laws and data standards are evolving, enabling smoother cross-border data flows.

### **UK's global leadership**

As the first major economy to digitise trade laws, the UK is setting an example globally, using its sectoral strengths and treaty networks.

# Full list of company benefits



## Finance

- ✓ Improved cash control and management
- ✓ Improved audit and reporting
- ✓ Reduced risk
- ✓ Access to short-term working capital
- ✓ Security of payment
- ✓ Speed of execution
- ✓ Improved liquidity
- ✓ Lower funding costs



## Compliance

- ✓ Reduced fraud, regulatory risk
- ✓ Reduced risk of loss, theft, or forgery associated with paper documents
- ✓ Speedier company authentication and verification times
- ✓ Greater transparency and improved supply chain relationships
- ✓ Reduced cost of meeting regulatory requirements
- ✓ Real-time monitoring and decision-making



## Efficiency

- ✓ Reduced administrative cost
- ✓ Reduced waiting times, border checks and faster crossover the border processes
- ✓ Eliminating courier-related delays and printing processes
- ✓ Reduced delays and exposure to disruption
- ✓ Reduced intermediary costs — insurance, brokerage, demurrage fees
- ✓ Addressing bottlenecks
- ✓ Smarter resource allocation
- ✓ Increased security, enhanced trust and reliability



## Sustainability

- ✓ Greater supply chain transparency
- ✓ Improved consumer confidence and supply chain relationships
- ✓ Standardised data sharing and integration opportunities
- ✓ More accurate and cheaper supply chain reporting
- ✓ Reduced ESG risk
- ✓ Enhanced operational resilience, mitigating vulnerabilities to external disruption
- ✓ Less waste and reduced use of paper

## Meeting government growth priorities

This strategy aligns with the government's mission for sustainable growth, helping achieve both commercial and public policy goals. The recommendations below have been discussed with officials from various departments, including Business and Trade, Science, Innovation and Technology, and HM Treasury.

### ● KEY BENEFITS

#### Reducing bureaucracy:

Digitalisation reduces friction in trade, especially for SMEs, helping them manage international transactions more easily and secure access to finance.

#### Strengthening supply chains:

By improving data management in critical sectors like minerals for gigafactories, digitalisation enhances supply chain visibility and security.

#### Meeting sustainability targets:

Digital trade systems can support compliance with net-zero goals, such as the Carbon Border Adjustment Mechanism.

## Digitalisation: a solution to key challenges

The government's plan for digitalisation meets several major objectives:

**Boost growth:** Unlock £25 billion in trade growth and £1 billion in trade finance.

**Modernise supply chains:** Align UK supply chain data with international standards, reducing barriers and ensuring smooth trade operations.

**Improve sustainability:** Support the government's Net Zero Strategy by integrating clean power compliance and sustainable trade measures.

**SME Competitiveness:** Help SMEs overcome trade hurdles by giving them the tools to manage cross-border trade efficiently.

## A coordinated government approach

To realise this potential, the government must:

**Leverage the ETDA:** Ensure full government implementation of this law to maximise its impact.

**Partner with industry:** Collaborate with the C4DTI and the private sector to achieve shared growth and policy outcomes, particularly in trade finance.

#### Invest in digital infrastructure:

Strategic public investment is needed in digital trade architecture, such as upgrading ports and border systems, to support seamless global supply chains.

**Support SMEs:** Provide SMEs with access to intuitive digital systems to reduce trade barriers, expedite transactions, and improve access to trade finance.

**Securonomics approach:** Ensure a secure foundation for international trade by integrating legislation, technology, and data standards across the board.

## Aligning with international commitments

Digitalising UK trade aligns with the UK's commitments in multilateral trade agreements, including G7, G20, CPTPP, ASEAN, and The Commonwealth.

Ensuring that UK digital trade policies are interoperable with international frameworks will allow the UK to lead by example on the global stage.

## The ETDA has delivered

**15%**  
increase in SME  
profitability

**1 hour**  
transaction time  
— down from 2–3  
month average

**100%**  
increase in trade flow

**80%**  
reduction in border  
processing times

**80%**  
reduction in  
transaction costs

**40%**  
reduction in cargo  
shipment time

**30%**  
reduction in  
operation cost

**18%**  
reduction in  
shipping costs

# A plan for growth

## Motivate

### Messaging and convening

Prioritise digitalisation within the UK trade strategy, promote a clear message about what the government is doing to digitalise the trading environment and rally companies to transition to a data-driven trading system.

### Champion alignment and action through G7/20, WTO, UN and regional blocs

Continue to be an advocate for legal alignment and data standards interoperability through multilateral, plurilateral, bilateral networks including UNCTAD, UNESCAP, G7, G20, the World Trade Organization and Commonwealth.

Support The Commonwealth Legal Reform and Digitalisation programme – full legal and data standards interoperability by 2027.

Support the FCDO funded ASEAN Economic Integration Programme; Open Trade Pillar – full legal and data standards interoperability by 2027.

### Set ambitious national targets

Set a target to digitalise 60-80% of UK retail, food and drink, manufacturing and pharmaceutical trade by the end of 2026, in line with ICC international ambition to digitalise 60-80% world trade.

Support and build on the work of the ICC United Kingdom Corporate Digitalisation Taskforce to scale up the digitalisation of UK trade including global supply chains.

## Empower

### Align government research and innovation funding to support the implementation of the Electronic Trade Documents Act

Address the misalignment of government and ensure government research, development and innovation funding is being effectively channelled to the right organisations to deliver cross border trade digitalisation, the implementation of the Electronic Trade Documents Act and FTA trade digitalisation provisions.

### Better leverage ODA funding to support digitalisation across the emerging economies

Replicate the success of the ASEAN Economic Integration Programme; Open Trade Pillar in Africa, the Caribbean, Commonwealth and other emerging markets where the UK needs to increase trade.

### Educate and upskill the workforce

Develop trade digitalisation education and awareness campaigns, promote best in class training, guidance and case studies through the Department for Business and Trade Academy.

## Solve

### Remove regulatory barriers to reduce bureaucracy

Support the ICC/C4DTI-Barclays-DBT Trade Digitalisation Taskforce to establish a regulatory sandbox environment for trade finance to empower trade banks to test and scale fully interoperable, digital finance ecosystems including:

- use of e-transactions and benefits enabled by the ETDA.
- reducing Know Your Customer bureaucracy to speed up onboarding/processing times from 6 months to 24/48 hours through smarter use of technology and digital infrastructure.
- Leveraging the Tees Valley Combined Authority/ DSIT funded Tees test bed centre – full multi-jurisdictional simulation and sandbox environment across air, sea, customs, supply chain and finance.

### Establish an international best practice model for cross border company verification and location (pin in the map)

Support the work of the Centre for Digital Trade and Innovation, Companies House, Ordnance Survey, Global Legal Entity Identifier Foundation and GS1 to create a scalable verification and authentication model for global supply chains.

# A plan for growth

## Motivate

### Provide cross government leadership

Ensure the benefits of the Electronic Trade Documents Act are fully leveraged to drive national and local economic growth.

Work with the International Centre for Digital Trade and Innovation, the public, private partnership mechanism to align and implement the digitalisation of UK trade by the end of 2026.

### Lead by example

Ensure the UK Single Trade Window implements international data standards to enable information to connect and flow.

Mandate the government procurement office to set a deadline for all government procurement to implement the Electronic Trade Documents Act (e-transactions) and all cross-border procurement to utilise Legal Entity Identifiers to help drive digital transformation across the economy.

Mandate Companies House to issue Legal Entity Identifiers to all trading companies to reduce unnecessary duplication and simplify cross border company verification and authentication.

Ring fence a proportion of UK Export Finance funds to use e-transactions to help incentivise ETDA adoption.

## Empower

### Accelerate the digitalise of trade corridors

Establish a 'sandbox' environment with Singapore and UAE where there is political and legal alignment, agree common data standards and formats across all trade ecosystems and deliver a fully joined up, interoperable e-customs, e-finance, e-payments, e-signatures and e-transactions trade environment.

Ensure all trade corridors are aligned and promoting trade digitalisation in line with international best practice i.e. the UK-Singapore Digital Economy Agreement.

Work with France, Germany, the Netherlands and the Republic of Ireland to establish fully interoperable, digitalised trade corridors and supply chains (this is an excellent opportunity for EU cooperation).

### Set a deadline to mandate the use of e-invoices

Ensure the UK is aligned to the EU in establishing the right digital infrastructure to drive behaviours and incentives to digitalise trade.

## Solve

### Reduce tax evasion and prevent fraud

Promote and support a more collaborative, problem-solving relationship between industry, government, Financial Conduct Authority and related authorities to prevent and reduce fraud in trade.

Introduce API connectivity between appropriate Law Enforcement Agency, Government Department e.g. HM Revenue and Customs and financial institutions to reduce the £9 billion VAT tax gap and better identify and remove fraudsters from the system.

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