



International
Centre for Digital
Trade and Innovation

The plan for growth

Making trade cheaper, faster,
simpler, secure, sustainable

UNLOCKING

£25 billion in trade growth

£224 billion in efficiency savings

35% SME efficiency gain

£22 billion trade finance gap





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#DataNotPaper #growth #productivity

The potential of international trade digitalisation

Chris Southworth, Secretary General, ICC United Kingdom

The UK must adopt a more ambitious approach to economic growth, in line with the Chancellor’s call to go ‘further, faster’ across the short, medium, and long term. Trade represents £1 trillion of the UK economy. Companies that trade are two to three times more likely to grow than those that don’t, and four times less likely to default in good times, which increases to 10 times in challenging times.¹ Trade must, therefore, be central to the growth mission.

Trade inefficiencies are stifling economic growth at a moment when international commerce is poised for a global transformation. The digitalisation of trade represents a significant opportunity for the UK economy, making trade faster, cheaper, simpler and more secure. Digitalisation will also lay the groundwork to capitalise on the potential for AI technology at scale and ensure UK supply chains are more transparent and sustainable. Moving away from paper-based processes to a fully digital, data-driven approach will unlock growth for UK businesses, and modernise supply chains — improving efficiency and transparency.

Trade currently relies heavily on physical documentation, which slows transactions, increases costs, and unnecessarily exposes businesses to risks such as fraud, loss, and errors. A single shipment can involve up to 50 documents exchanged between 30 stakeholders, with four billion pieces of trade-related paper in transit globally at any one time. Reliance on paper also impacts businesses’ ability to secure finance. Slow document transfers delay verification and shorten the time businesses have to access funding for their shipments. When key documents take weeks to reach an importer’s bank, financing may only be available for a fraction of the intended period, potentially making it unviable for the importer.



¹ Santander Barometer survey, 2024

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Digital trade can cut processing times by 80% and increase profitability by 15%.

In contrast, digital trade enables faster document exchange, ensuring financing can be accessed earlier. This challenge exacerbates the global trade finance gap — the difference between requests and approvals for trade finance solutions — currently estimated at \$2.5 trillion (£22 billion in the UK).²

By contrast, companies that are leveraging the Electronic Trade Documents Act (ETDA) have cut trade transaction times from an average 2-3 months to one hour, cut trade transaction costs and cross border processing times 80%, increased profitability 15%, doubled trade flow and increased workforce productivity 60%.³ The opportunity is to scale these benefits to all companies and unlock **£25 billion in trade growth, £224 billion in efficiency savings,⁴ £22 billion in SME working capital** and deliver a **35% SME efficiency gain**.

Internationally, the ETDA has enabled 80% of bills of lading, 60% of global trade finance and the lion share of shipping, insurance and commodity trade to be digitalised. The use of electronic bills of lading has doubled since the ETDA came into force in September 2023. This represents a unique opportunity for the UK to build on its global position as a champion of 21st century trade.

Chris Southworth
Secretary General, ICC United Kingdom

² Trade Finance Gaps, Growth, and Jobs Survey, Asian Development Bank, 2023
³ Roadmap to Digitalise UK Trade, ICC United Kingdom/International Centre for Digital Trade and Innovation, 2024
⁴ 'Creating a Modern Digital Trade Ecosystem', ICC United Kingdom, 2021

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The recommendations in this paper build on the action plan for government in the Roadmap to Digitalise UK Trade and wider recommendations to the Department for Business and Trade on trade finance, digital identities and digital market infrastructure. The recommendations have been intensively consulted on with industry, are designed to be practical and low cost to government and immediately implementable. The plan brings the key recommendations into one simple paper that can be used by industry and government to deliver immediate growth and productivity.

Realising the potential — the role of government

The UK has taken a major step forward by adopting the ETDA, removing legal barriers to digital trade and will take another major step forward when the Digital Assets Bill is passed through parliament in 2025. The UK will have some of the best legislation in the world and is in pole position to leverage this domestically and internationally.

However, business adoption and regulatory alignment must now follow to unlock the full benefits. The UK is in a prime position to shape the global structure, standards and practices of digital trade around English law practices. A joined-up government approach will help drive adoption, ensure international alignment and establish the UK as a global leader in digital trade. This starts with embedding the recommendations in this paper and the Roadmap into the UK trade strategy and setting ambitious targets on implementation.

Delivering on government priorities

Trade digitalisation will deliver on a host of wider cross-government policy objectives:

- Border Strategy
- Response to the National Preparedness Commission’s report on UK Food security
- Delivery of the Critical Minerals Strategy and security for our GreenTech and Advanced manufacturing sectors
- Supporting the exercise of UK’s “soft power” globally and the work of the Soft Power Council
- Underpinning of the work of the new Board of Trade with its focus on SME sustainability and growth
- Developing new core digital infrastructure for international trade in line with ministers’ “test and learn” and “ruthless pragmatism” approach and the Plan for Change (DSIT, Cabinet Office)
- Deliver not just on e-invoicing in line with the current government consultation but turn SME invoices into digital negotiable instruments to speed up and cheapen access to working capital
- Regulatory innovation strategy

These ministerial priorities will all be the more deliverable if built on the digital infrastructure this plan proposes.

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Leverage the law

The UK has established itself as a global leader in trade legislation with the Electronic Trade Documents Act 2023 (ETDA) and the Digital Assets Bill 2025. Businesses leveraging the ETDA have achieved remarkable efficiency gains, including:

- Cutting trade transaction times from 2–3 months to just one hour
- Increasing profitability by 15%
- Doubling trade flows
- Reducing trade transaction and cross-border processing times by 80%
- Lowering shipping costs by 18%
- Improving workforce productivity by 60%

The next step is to ensure these benefits are scaled across the entire UK economy, extending their impact to all businesses - especially the growth-driving SME sector - and the government supply chain. At the same time, the UK has an opportunity to export its expertise, supporting other nations seeking to modernise their trade laws and positioning itself as a global leader in trade digitalisation and regulatory reform.

Recommendations

- Mandate all government systems are promoting and leveraging the full power of new legislation to drive efficiencies through government and incentivise the market to transition to a fully data driven trade system
- Mandate the Office of Government Procurement to implement electronic transactions across all government procurement processes
- Launch a programme of regional roadshows to engage industry and promote the benefits of digitalised trade

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Leverage the Commonwealth Legal Reform and Digitalisation programme

The Commonwealth Legal Reform and Digitalisation programme was launched at the Commonwealth Trade Ministers Meeting in London in 2023 and is the largest, most diverse legal reform programme in world trade. The programme offers a unique ability to align legal frameworks across the global trading system and work through existing structures to address common capacity building challenges.

Recommendations

- Promote the Commonwealth Model Law framework
- Leverage the UK’s position on the Boards of multilateral development banks to broker public-private sector funding arrangements to underpin the programme
- Work with the International Centre for Digital Trade and Innovation, the Commonwealth, G20 South Africa, African Continental Free Trade Area Secretariat, African Union and African Export-Import Bank (Afreximbank) to establish a Pan-Africa resource to help scale legal reforms and digitalisation benefits

Expand Digital Economy Agreements

There is significant potential to better utilise Digital Economy Agreements (DEAs) such as the UK-Singapore DEA. These frameworks provide a more agile regulatory environment than conventional Free Trade Agreements (FTAs), making them better suited to a services economy, such as the UK. DEAs with India and the US would be easier to negotiate and could deliver more immediate benefits. They can also be pursued in parallel with larger, more complex free trade agreements.

Recommendations

- Promote the use of Digital Economy Agreements through all major trade corridors



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Develop a network of digital superhighways

Digitalising the world will take time, but the UK has an opportunity to leverage its trade relationships and strengthen regulatory cooperation and innovation with trading partners including, France,⁵ Germany, India, Singapore, UAE and the US, which have all adopted laws enabling trade digitalisation. By promoting cutting edge, agile approaches, the UK can help accelerate the pace and scale of trade digitalisation and digital finance. This should begin with developing a global network of digital trade superhighways, where all processes and systems — customs, transactions, finance, payments, and shipments — are fully digital and interoperable.

Recommendations

- Establish ‘task and finish’ groups with France, Germany, India, Singapore, the UAE and US all of which are aligned with the UK in approach, are major trade hubs and have sophisticated trade infrastructure in place

⁵ This does not require any adjustments to the UK-EU Trade and Cooperation Agreement.

Establish an open, interoperable data environment for trade

The absence of standardised trade data presents a significant barrier to scaling technology solutions, driving efficiencies and enabling information to flow seamlessly across public and private sector platforms, systems and jurisdictions. The opportunity is to establish an open, interoperable digital economy for trade and unlock an estimated \$10 trillion⁶ in growth and innovation across the trading system. Standardising trade data will lay the foundation to fully leverage the power of advanced technologies at scale, such as AI.

Recommendation

- Provide specific support, at ministerial and official level for the ICC Digital Standards Initiative and work with the World Trade Organization, Asia Development Bank and Singapore government to accelerate the harmonisation of data standards for trade
- Leverage the opportunity of data to remove all duplicative information requests, unnecessary friction and simplify trade processes

⁶ ‘G7 | Creating a Modern Digital Trade Ecosystem’, ICC United Kingdom, 2021 / ‘Quantitative Analysis of the Move to Paperless Trade’, The Commonwealth, 2022 / ‘Study on the Asean Digital Economy Framework Agreement’, ASEAN Secretariat, 2023

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Issue digital identities for cross border trade⁷

Digital identities are a core pillar of a simpler, more transparent trading system but the current identity landscape is overly complex and lacks a foundational architecture that everyone can trust. The opportunity is to build on the existing Global Legal Entity Identifier Foundation (GLEIF) infrastructure, introduced by the G20 Financial Stability Board in 2014, and connect all companies into the framework.

Recommendation

- Instruct Companies House to issue all companies with legal entity identifiers and connect Companies House to the GLEIF register. Internationally, all national company registries can do the same

⁷ 'Digital Identities for Cross Border Trade', ICC United Kingdom/iC4DTI/Global Legal Entity Identifier Foundation, 2025

Set up a UK Trade Registry⁸

The UK currently lacks an invoice registry similar to those successfully implemented in India, Singapore, and the UAE. This is hampering the UK's ability to reduce the £9 billion VAT gap, prevent fraud in the trade system and improve access to finance for SMEs. The opportunity is to set an ambitious timeframe for the implementation of a best-in-class UK trade registry.

Recommendations

- Launch a formal industry consultation to identify the right type of invoice registry for the UK
- Instruct the Financial Conduct Authority to gather trade fraud data and empower financial institutions to share data and shut fraudsters out of the trade system
- Leverage the International Centre for Digital Trade and Innovation and ICC United Kingdom to ensure the registry is impartially managed for the benefit of all parties
- Connect HM Revenue and Customs systems to the registry to reduce tax evasion and fraud, including closing the VAT gap

⁸ 'UK Trade Registry', ICC United Kingdom/iC4DTI, 2025

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Trade finance serves as a critical source of day-to-day working capital, enabling businesses to fund trade operations. Globally, it underpins 14% of world trade, with 60% of trade finance transactions governed by English law. The opportunity is to strengthen the UK’s position as a global trade finance hub, underpinned by modern legislation, supported by an agile and smart regulatory regime.

For too long, trade finance has been over-regulated despite being proven to be zero to low risk⁹, without any evidence to justify this approach. This disproportionate focus on enforcement has stifled digital innovation, increased the cost of capital, and restricted SMEs’ access to finance — pushing them towards less regulated and potentially riskier alternatives.

Assign a home for trade finance

Unlike export finance, trade finance has remained disconnected from the Department for Business and Trade, with no dedicated minister overseeing its development. As a result, it has been consistently overshadowed by broader financial sector priorities, despite its crucial role in facilitating trade and driving economic growth.

Recommendation

- Assign trade finance to the Minister for Exports in the Department for Business and Trade, ensuring it is managed alongside export finance to enhance coordination, accessibility, and strategic oversight

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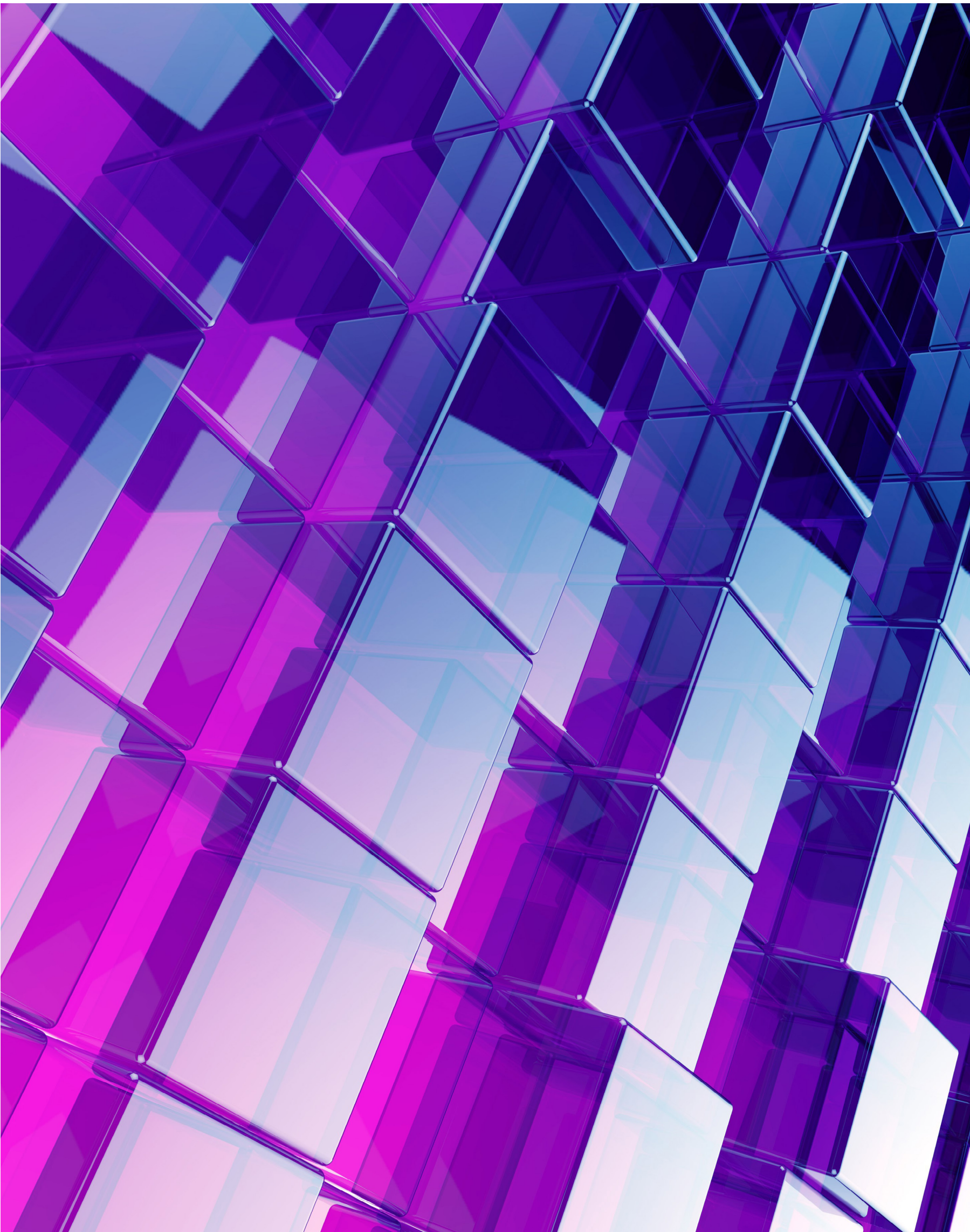
Reform the regulatory regime

It is time to reform the regulatory framework to unlock affordable, low-risk trade finance to enable SMEs to expand and drive economic growth. The UK SME trade finance gap stands at £22 billion,¹⁰ capital that should be readily accessible to small companies. Internationally, this shortfall reaches \$2.7 trillion, disproportionately affecting SMEs in emerging markets — the very businesses the UK seeks to engage in trade. By addressing these barriers, the UK can take a leading role in facilitating access to trade finance and fostering global economic growth.

Recommendations

- Direct the financial regulators to:
- Classify trade finance as a distinct asset class, ensuring it receives appropriate regulatory treatment
- Implement a more proportionate, risk-based regulatory regime for trade finance including lifting the capital requirements on low-risk SME trade finance
- Promote innovation and empower financial institutions to unlock much needed investment in digital transformation across the financial system and leverage the full benefits of the UK’s world class legislative framework
- Streamline Know Your Customer processes
- Enhance data-sharing mechanisms among financial institutions to combat fraud and strengthen the integrity of the trade finance system

¹⁰ Bank of England



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The UK has world leading innovation infrastructure in the International Centre for Digital Trade and Innovation (iC4DTI) and the Tees Digital Trade Test Bed. However, both are under-utilised by the government and under-funded, representing a missed opportunity to drive trade digitalisation at pace and scale. Pressure on public finances is an opportunity to think more creatively about how to utilise these resources and better leverage private sector finance to deliver on the government’s ambition for growth at best value for money.

iC4DTI

Accelerating digital transformation in trade requires a trusted, independent entity capable of uniting diverse stakeholders across both the public and private sectors. Co-founded by HM Revenue and Customs and ICC United Kingdom, iC4DTI is the only institution of its kind in the UK — and globally — dedicated to this role. It operates in collaboration with the Cabinet Office, HM Revenue and Customs, and the Departments for Business and Trade and Science, Innovation and Technology, ensuring alignment with national trade digitalisation priorities and delivery of the Roadmap to Digitalise UK Trade.

Recognised as the global benchmark for implementing trade digitalisation, iC4DTI plays a leading role in the international movement to modernise global trade — working alongside the International Chamber of Commerce, World Trade Organization, Asian Development Bank, and the Singapore government.

However, achieving large-scale digitalisation cannot rely solely on volunteerism and goodwill. It is essential that all businesses — regardless of size — benefit from these advancements, ensuring that no one is left behind. Investing in iC4DTI presents a strategic opportunity to unlock significant economic gains, establish the UK as a global leader in 21st-century trade, and extend these benefits to emerging markets, particularly across the Commonwealth and Africa.

Recommendations

- Facilitate a public-private investment partnership with financial institutions to ensure sustainable funding for iC4DTI, enabling its expansion and reinforcing the UK’s economic growth and foreign policy objectives
- Leverage iC4DTI as a key driver in implementing the Roadmap to Digitalise UK Trade, positioning the UK as a global leader in shaping the future of world trade

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Tees Digital Trade Test Bed

The Tees Digital Trade Test Bed, located at Teesside Airport, is a first-of-its-kind global innovation hub designed to revolutionise international trade. Developed in partnership with Teesside University and the Tees Valley Combined Authority. The Centre, which builds on an ongoing partnership with ICC United Kingdom and iC4DTI following the successful delivery of the PROGRESS project, will have the capability to simulate fully automated, digital trade operations across road, rail, air, and sea, enabling seamless integration across supply chains and trade corridors worldwide.

This presents a strategic opportunity for the government to invest in the Centre and collaborate with leading international organisations such as the Digital Container Shipping Association, BIMCO, and Swift. By doing so, the UK can test, refine, and scale cutting-edge global trade solutions — unlocking economic growth and productivity on an international scale.

Recommendations

- Integrate the HMRC sandbox with the Centre to develop a fully capable resource that helps deliver frictionless borders
- Work with Swift and the Bank of England to deliver a cheaper, faster, simpler and more accessible digital trade finance system for SMEs
- Leverage the Centre’s capabilities to establish digital trade super-highways and deliver fully digital, interoperable trade corridors at pace and scale worldwide



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The UK stands at a crossroads. Outdated paper-based trade systems are stifling economic growth and productivity, but bold action can position the UK as a global leader in modern trade. By embracing digitalisation, regulatory modernisation, and strategic partnerships, the UK can create a cheaper, faster, simpler, secure and sustainable trading environment. These recommendations provide a clear roadmap to unlock billions in economic growth, ensuring the UK leads the future of global trade.

The time to act is now.

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ICC is the world's largest business organisation representing 45 million companies with 1 billion employees in over 170 countries.

The International Chamber of Commerce is the only business organization with UN Observer Status and acts as a leading voice for business at the UN, G7, G20, World Trade Organization and other major international institutions. ICC United Kingdom is the representative voice for ICC in the UK and provides a mechanism for UK industry to engage effectively in shaping international policy, standards and rules. We are the leading voice on digital trade ecosystems and Co-Chair the B2B Cluster for the Commonwealth Connectivity Agenda.

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