47% of firms increased international trade in the past 12 months

45% of firms plan to enter new markets

65% of Scottish firms plan to enter new markets – the highest of any nation or region

UK businesses push into new markets despite global challenges

- **45% of firms plan to enter new markets over next three years, while just 1% intend to reduce activity**
- **47% increased international trade activity in past 12 months, compared with 12% reporting a decline**
- **Tariffs, expansion costs and FX holding back further business growth**
- **Lloyds has launched Export Assist, an AI-powered tool available to all UK exporters**

UK businesses are pressing ahead with plans to expand overseas despite rising costs and the challenges of navigating tariffs, regulation and global supply chains, according to new research from Lloyds.

Almost half, (45%), of businesses already trading internationally plan to enter new markets over the next three years, while just one per cent expect to reduce their international activity.

The findings suggest firms are looking overseas for growth while carefully considering tariffs and foreign-exchange risk. Scotland has the strongest appetite to enter new markets, at 65%, followed by the East Midlands at 51% and London at 48%.

Trade activity already growing

Of the firms that trade internationally, 47% say their activity has increased over the past 12 months, compared to 12% reporting a decline. North West businesses show the strongest growth at 54%, closely followed by the South East (53%) and the East Midlands (52%).

Almost two thirds of UK businesses (63%) now trade internationally, either exporting or importing goods and services. That figure rises to 73% in London, 70% in the North West and 68% in the West Midlands. Manufacturing is the most internationally engaged sector, with 82% of firms trading across borders.

The research also points to a divide between businesses that trade internationally and those focused solely on the domestic market. In the past 12 months international firms were more confident in both their trading outlook and economic optimism, with an average business confidence reading of 56% compared to 32% for domestic firms.

Amanda Murphy, CEO for Lloyds Business and Commercial Banking, said: “There are so many brilliant British businesses with the ambition and expertise to succeed overseas. And when they grow internationally, we all feel the benefit here at home, through more investment, more opportunities and more jobs.

“It’s great to see businesses that already trade internationally looking to go further and enter new markets. Whether it’s

a manufacturer in Coventry finding suppliers in Asia, a software company in Manchester serving new customers in the US, or a Scottish drink producer reaching consumers around the world, international trade brings growth right across Britain.

“There’s a real opportunity for more domestic businesses to think about what trading internationally can do for them too. It can help them reach new customers, build stronger supply chains and find new ways to grow. Of course, taking that first step can feel complicated. That’s where the right support really matters. Our Relationship Managers across the UK are there to help businesses navigate the options and access the finance and expertise they need to grow internationally.”

Lord Sarwar, Minister for Trade, said:
"As we mark International Trade Week, it's great to see innovative projects like Export Assist introduced as so many businesses look beyond our borders for growth, creating new opportunities in every postcode.

"We know there's more to do to back exporters internationally, which is why a range of support is available through UK Export Finance to help businesses compete, grow and succeed across the globe."

Trading routes and navigating constraints

When it comes to trading with new markets, 45% plan to trade more with Europe, followed by US and Canada (26%), MENA (19%), Asia-Pacific (11%) and Sub-Saharan Africa (7%) and Latin America (5%).

Just five per cent of internationally trading businesses say they face no significant barriers to increasing their activity. When asked which barriers most prevent them from trading more, firms pointed to a mix of external conditions and skills and training.

Barrier	Percentage
Tariffs and trade agreement uncertainty	31%
Cost of international expansion	29%
Currency or foreign exchange risk management	25%
Lack of internal skills or expertise in international trade	23%
Regulatory or compliance complexity	21%
Supply chain complexity or disruption risk	21%

Trade finance important to future plans

More than four in five firms (84%) say affordable access to trade finance facilities would be important to their future international trade plans, rising to 90% in both London and the South East.

Three quarters of businesses (75%) report they have access to trade finance facilities, rising to 89% in London and 80% in the South East. Around a quarter (24%) describe that access as adequate, while 51% say it is available but limited or expensive.

To help UK businesses manage the practical complexities of trading overseas, Lloyds has launched Export Assist, an AI-powered tool designed to automate and remove discrepancies that cost exporters using Letters of Credit an estimated 500,000 days each year through delays and the resubmission of documents. The tool is available to all UK exporters, whether or not they bank with Lloyds.

Ends

Notes to Editors

- An “international business” is defined as a business that imports or exports as part of their trading.
- The 500,000 days lost calculation is based on the estimated average number of Letters of Credit received across the industry multiplied by the average delay.
- The estimate uses Lloyds’ annual Export Letter of Credit volume and estimated market share to calculate the implied size of the overall UK market.
- [Learn more about Export Assist here
- This survey was conducted as part of the October Business Barometer. The research is carried out on behalf of Lloyds by Ipsos. This survey was conducted with 1,200 companies between 2nd and 16th October 2026.
- The survey has been running since 2002 and covers the online responses of a sample of 1,200 UK companies each month from all industry sectors, regions and firm sizes with annual turnover above £250,000.
- The results are re-weighted to match proportions by sector, region and size of the total business population, as published by the Department for Business, Innovation, Science and Trade and the Office for National Statistics. Net balances are calculated by deducting the percentage of negative responses from the percentage of positive responses. Prior to January 2018, the fieldwork was based on telephone responses of 200-300 companies with annual turnover above £1 million.

About Lloyds Banking Group

- Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers.
- As part of the Group, Lloyds provides expert financial support and guidance to the households, businesses and communities of Britain.
- We help businesses across the regions and nations of the UK, and across all different sectors and sizes, giving them the funding and support they need to grow both at home and abroad.

Our support for businesses

- We’re proud to support one million UK businesses with leading digital and relationship banking services, as they start up, grow and thrive.
- Through a network of relationship teams based across the UK, as well as internationally, we deliver a mix of local understanding and global expertise necessary to provide long-term support to our clients to help them fulfil their growth aspirations.
- We offer a broad range of finance beyond term lending, spanning import and export trade finance, structured and asset finance, securitisation facilities and capital market funding.
- Our product specialists provide bespoke financial services and solutions, including tailored cash management, international trade, treasury and risk management services.
- To see the latest factsheet setting out how we support UK businesses please visit: Supporting British businesses - Lloyds Banking Group plc