



Research

Where's Open for Business?

The Growth of Cross-Border Ecommerce
and Navigating Global Uncertainty



Foreword

It is too easy and simplistic to state that we are living in a time of uncertainty when the global trade landscape is in constant flux. But it is fair to say that the current headwinds represent unique threats – and opportunities – for UK exporters.

The UK’s eCommerce industry is not immune to the waves of change being brought about by heads of state, lawmakers and legislators. In fact, it is very much caught in the crosshairs of trade disputes, tariff wrangling and instability in the world’s biggest markets.

However, while disruption is unwelcome, UK and cross-border eCommerce has proven to be adaptable and smart in dealing with external pressures. Brexit and more recent global shocks, including the Ukraine-Russia war, cost-of-living crisis, and Red Sea shipping disruption, has tested both retailer and consumer confidence.

But the businesses that have continued to thrive share one common trait: they seek to understand the full picture and they are proactive in tackling the challenges that come their way.

Guided by third-party research and expert insights, we have highlighted the growth of cross-border eCommerce. We have also begun to frame the solutions to some of the most influential developments of the current time.

Ultimately, by building agility and resilience into your supply chain, you will be better placed to maximise the opportunities that present themselves as the industry evolves.

In doing so, it is essential to cultivate partnerships with cross-border experts that go beyond the transactional and deliver true added value to your business.

Nick Frazer

Cross-Border Carrier Development Director

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The Cross-Border eCommerce Landscape



Growth of Cross-Border eCommerce

Buying and selling across borders has become almost as familiar as visiting the local shopping centre. To give some perspective, global cross-border eCommerce generated revenues of \$1.1 trillion in 2024, a huge leap from the \$562 billion value prior to the Covid-19 pandemic.¹

Unsurprisingly, the United States and China are the dominant forces. The U.S is the largest export market for cross-border eCommerce, with online export revenues of \$684.5 billion. China is in second place with export revenues of \$180.7 billion.²

On the reverse side, the **United Kingdom** is the world's top cross-border destination, with \$118.4 billion worth of import revenue.

Top 10 Largest Ecommerce Markets by Revenue

Between them, China and the United States accounted for almost 70% of worldwide eCommerce revenue in 2024, highlighting the strength of both their international and domestic markets.

By total market value, **China** has streaked ahead of its nearest rivals. Driven by online discount stores such as Shein and Temu, eCommerce revenue has gone above \$1.9 trillion, comfortably in front of the **United States** (\$1.03 trillion).³

The rest of the world lags behind with the United Kingdom next best (\$162.3 billion). India is a notable climber in the list of top countries, rising three places to fourth in the 2024 worldwide revenue list.

Note: Total unfiltered eCommerce revenue
Source: ECDB as of February 2025

1	China	\$1.9 Trillion	
2	USA	\$1.0 Trillion	
3	UK	\$162.3 Billion	
4	India	\$120.5 Billion	
5	South Korea	\$114.3 Billion	
6	Germany	\$110.8 Billion	
7	Japan	\$109.9 Billion	
8	Russia	\$86.6 Billion	
9	France	\$67.7 Billion	
10	Indonesia	\$64.8 Billion	

¹ ECDB, Global Cross-Border eCommerce Revenue Development, Cross-Border Ecommerce 2025

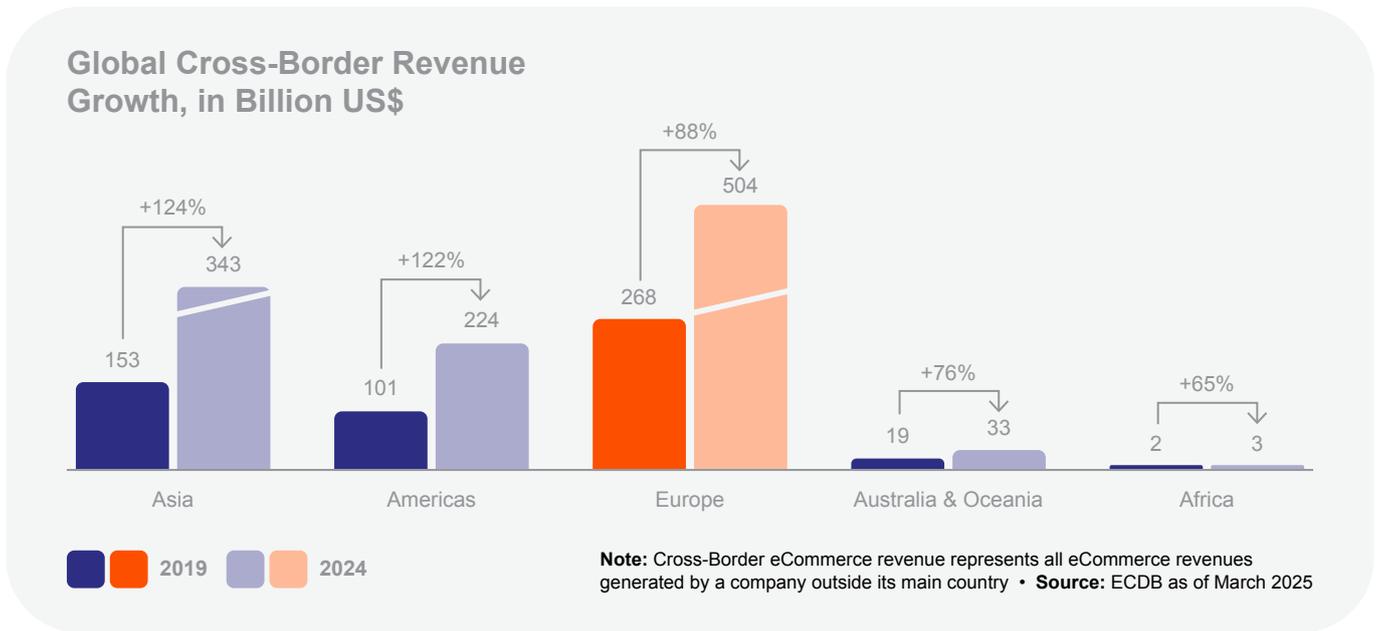
² ECDB, Cross-Border Import and Export Revenues of the Biggest Cross-Border Import Markets in 2024, Cross-Border Ecommerce 2025

³ ECDB, Top 10 Largest eCommerce Markets by Revenue



Europe Leads the Way for Cross-Border Ecommerce

While the rest of the world, particularly Asia, is witnessing accelerated eCommerce growth, Europe remains the biggest region for cross-border eCommerce. This is evidenced by the continent's unmatched cross-border revenue of \$504 billion, an 88% jump since 2019.⁴



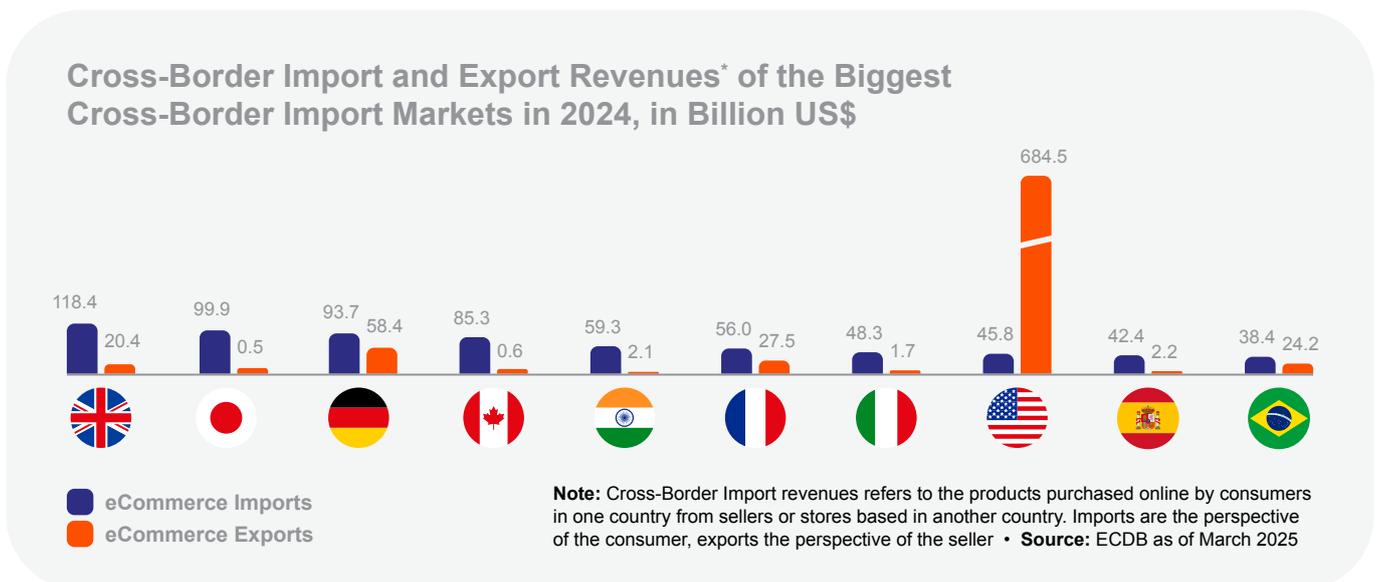
What's underpinned this huge appetite for cross-border purchasing?

A sophisticated and reliable logistics network, amenable trading conditions and high levels of internet connectivity are some of the contributing factors.

For example, Northern Europe (97.9%) and Western Europe (95.1%) boast the highest internet penetration rate in the world, far exceeding the 67.9% global average.⁵

As mentioned, the UK is the top destination (\$118.4 billion import revenues), with its consumers increasingly comfortable making purchases from overseas.

Germany (\$93.7 billion), France (\$56 billion) and Italy (\$48.3 billion) are other prominent cross-border markets.



⁴ ECDB, Global Cross-Border Revenue Growth, Cross-Border eCommerce 2025

⁵ Statista, Internet penetration rate worldwide 2025, by region



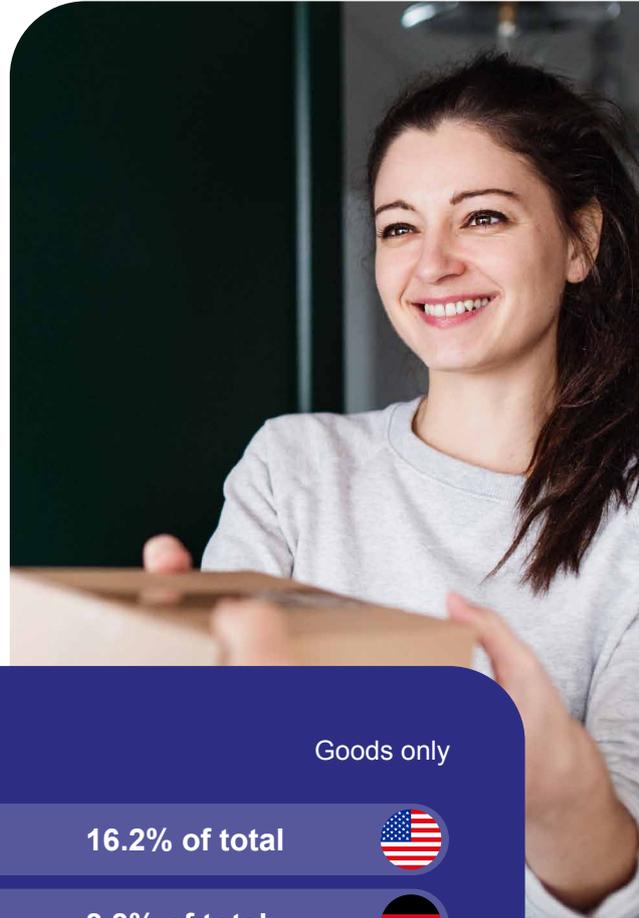
UK's Biggest Export Markets

The UK's list of leading export destinations for goods has remained consistent in recent years with the **United States** the clear frontrunner. **Germany**, the **Netherlands** and **Ireland** are also strong trading partners, alongside other neighbouring countries.

However, despite seven of the top 10 countries belonging to the EU trading bloc, the value of non-EU exports outweighs those to the continent.⁶

These figures are not related to eCommerce goods specifically.

But they provide an indicator of the UK's trading relationships with the rest of the world, as well as signals to eCommerce retailers exploring cross-border opportunities.



Top 10 UK Exports Markets in 2024

Goods only

1	USA	£59.3 Billion	16.2% of total	
2	Germany	£32.1 Billion	8.8% of total	
3	Netherlands	£27.9 Billion	7.6% of total	
4	Ireland	£23.9 Billion	6.5% of total	
5	France	£23.2 Billion	6.3% of total	
6	Belgium	£17.7 Billion	4.8% of total	
7	China	£16.7 Billion	4.6% of total	
8	Spain	£9.3 Billion	2.5% of total	
9	Italy	£9.2 Billion	2.5% of total	
10	Hong Kong	£8.6 Billion	2.3% of total	
	EU	£174.4 Billion	47.7% of total	
	Non-EU	£191.2 Billion	52.3% of total	

Source: Office for National Statistics

⁶ Office for National Statistics, Top 10 UK export markets for goods in 2024



The Big Cross-Border Challenges



The Trump Tariffs have generated the biggest headlines in the cross-border arena. However, their potential impact is not the only change affecting UK eCommerce and international shipping.

Against a backdrop of global trade uncertainty, UK eCommerce retailers and exporters face a slew of new regulatory and economic headwinds.

The implementation of the **Windsor Framework** brings clarity but also change to the movement of goods between Great Britain and Northern Ireland. While the legislation will streamline some procedures, it will also impose new compliance requirements, data submissions and eligibility checks.

Meanwhile, the **EU Import Control System 2 (ICS2)** is rolling out stricter pre-arrival data requirements for all shipments entering the bloc. This will increase the administrative burden and necessitate robust digital processes for UK firms trading with Europe.

Together, these moves throw up new hurdles for UK eCommerce brands. Staying ahead of the curve will require agility and strategic thinking to remain competitive on the world stage.



In focus

Trump Tariffs and Dealing with Uncertainty

Business leaders hate uncertainty. And the U.S government's stop-start introduction of higher tariffs on imports is making it difficult to plan ahead. Whichever form they take in future, tariffs have the potential to severely hamper UK brands shipping to the U.S, especially those sending goods that originate from China. The potential impact is huge – but not completely unmanageable.



“

High tariffs and uncertainty are not helpful to forward planning and trade. And the frequent changes in import tariffs and lack of longer-term clarity will clearly affect eCommerce businesses shipping goods to the USA.

Not only are rates of duty changing but also the minimum level at which duties start to be charged (de minimis) could be lowered or scrapped altogether. Ultimately, country of origin will determine applicable tariffs and de minimis level.

This means eCommerce businesses require a clear export strategy that can adapt to different scenarios, while factoring in changing circumstances and influences outside of your control.

Staying on top of Trump Tariffs can be especially difficult if you're dealing with multiple carriers, each sending numerous communications. Partnering with a multi-carrier delivery management specialist can help by providing one point of contact to keep you informed.

Nick Frazer

Cross-Border Carrier Development Director



What are the Trump Tariffs?

The U.S government has made it clear it wishes to address perceived trade imbalances and boost domestic manufacturing. Underpinning this mission is the introduction of the so-called 'Trump Tariffs'. The UK Government has been able to secure some concessions but there is still likely to be a notable impact on eCommerce retailers.

Fundamentally, the introduction of the Trump Tariffs remains a fast-moving and changing picture.



Key Dates

- **April 2, 2025:** President Trump's "Liberation Day" speech announces plans to introduce a sweeping 10% tariff on all imported goods. Alongside the universal tariff, a range of reciprocal tariffs ranging from 11% to 50% were announced for 57 countries.
- **April 5, 2025:** The 10% tariff comes into effect for most countries and territories.
- **April 9, 2025:** The higher rate tariffs come into effect from midnight but they are quickly suspended for 90 days. The exception is China, which sees 145% tariffs imposed.
- **May 8, 2025:** The U.S and UK broker a trade deal which reduces or removes tariffs on some UK products, including cars, steel and aluminium. However, this is not with immediate effect and the blanket 10% tariff rate remains in place for other imports.
- **May 12, 2025:** The U.S and China agree a 90-day trade truce. The U.S reduces its tariffs from 145% to 30% while China cuts its tariffs on U.S goods to 10%.
- **May 25, 2025:** Following stalled negotiations, the U.S agrees to postpone its 50% tariffs on the EU until July 9.
- **May 28, 2025:** The Court of International Trade blocks the imposition of the Trump Tariffs. The White House challenges the move.
- **May 29, 2025:** A federal appeals court rules that President Trump's sweeping tariffs can remain in place for now, just a day after they were blocked.
- **June 16, 2025:** The UK-U.S sign their trade deal at the G7 summit. However, a 10% levy will still apply to most UK goods.
- **July 9, 2025:** The 90-day pause ends. Countries without trade agreements in place could face the stringent tariffs outlined on "Liberation Day".





How will Trump Tariffs Affect UK Brands and Retailers?

The U.S tariffs have an immediate and potentially significant long-term impact on UK firms, especially those with trade exposure to the USA. A snap poll by the British Chambers of Commerce (BCC) revealed that **62% of UK firms with trade exposure to the USA expect to be negatively impacted.**⁷

Of these, 20% reported a significant negative impact, albeit over a third (40%) of respondents initially said that the blanket 10% tariff was better than they were expecting.

For UK brands that source from China and sell into the U.S market, the impact will be the most severe. Enhanced tariffs on goods originating from China, and the potential removal of the de minimis exemption on low value imports, could make it unsustainable to ship to the United States and focus minds elsewhere.

Tips for Navigating the Trump Tariffs

Every business will need to determine its own agile approach to leveraging partners and navigating impact of tariffs. However, here are some of the moves being made by retailers.



U.S-Based Fulfilment: By importing goods in bulk to a U.S fulfilment centre, brands can avoid per-shipment tariffs and pay duties on the cost price of goods rather than the retail price. This also reduces customs delays, provides predictable pricing, prevents surprise fees for the end customer, enables faster shipping, improves customer satisfaction and conversion, and provides stability against future tariff changes. For businesses that can afford to, opening U.S distribution centres has become an attractive option.



Strategic Sourcing and Manufacturing Shifts: Brands are moving fast to adapt their sourcing strategies. Tactics include exploring low-duty manufacturing options in countries outside southeast Asia, such as Morocco.⁸ Meanwhile, some businesses are moving final assembly or labelling to regions that are tariff-friendly.



Repricing: Adjusting product pricing is a common response. 32% of UK firms with trade exposure to the U.S told the BCC they will increase prices. Many brands will be benchmarking price rises to fit different scenarios.



Supply Chain Collaboration: Pushing shipping partners for more flexibility, better customs clearance options, and faster insights on landed cost implications is important. Expert customs and compliance support is also needed.



Seeking Funding: Brands may need to seek additional funding from investors or lenders to cover the costs of significant operational shifts. This includes moving inventory or establishing U.S distribution centres.

⁷ [British Chamber of Commerce, Extent of US Trade Impact Revealed](#)

⁸ [Commerce Thinking, How retail brands are actually responding to tariff changes](#)



In focus

Windsor Framework and its Impact on GB and Ireland

For UK brands and retailers navigating international shipping, understanding the nuances of trade with Northern Ireland is crucial. Following the UK's departure from the European Union, a new agreement, the Windsor Framework, was developed to address specific challenges related to the movement of goods between Great Britain (England, Scotland, and Wales) and Northern Ireland.



The Windsor Framework agreement represents a pragmatic solution to resolving political and customs-related issues between the UK and the European Union. And now that it has finally been implemented, the sending of B2C shipments from Great Britain to Northern Ireland should be a lot simpler.

Registering for the new UK Internal Market Scheme (UKIMS) will ensure minimal paperwork for most goods sent via the “green lane”/goods staying in NI. Authorisation can take a few weeks to process so it’s important to be proactive before shipping to NI consumers.

Meanwhile, your carrier or delivery management partner will inform you of any data submissions that need to be made for “red lane” goods that are “at risk” of entering the EU via the Republic of Ireland.

Printed matter such as correspondence, invoices and statements do not require data submissions or declarations.

Nick Frazer

Cross-Border Carrier Development Director

What is the Windsor Framework?

The Windsor Framework is a post-Brexit agreement between the United Kingdom and the European Union, adopted in early 2023 and fully implemented from 1 May 2025.

It replaces the Northern Ireland Protocol and aims to simplify the movement of goods between Great Britain and Northern Ireland, addressing previous trade disruptions, political tensions, and bureaucratic burdens.

The framework’s key objectives are to restore smooth trade within the UK internal market, safeguard Northern Ireland’s position in the Union, and resolve democratic concerns from the original protocol.

A central feature is the dual-lane system for goods moving from Great Britain to Northern Ireland:

- The “**green lane**” applies to goods staying in Northern Ireland, with minimal checks.
- The “**red lane**” is for goods at risk of moving into the EU, requiring full customs procedures.

The framework reduces paperwork for goods deemed “not at risk” of entering the EU, primarily through the UK Internal Market Scheme (UKIMS), which allows businesses to move eligible goods with fewer duties and checks if they are intended for final use by end consumers in Northern Ireland.



How Will the Windsor Framework Affect the Flow of Goods?

The Windsor Framework introduces several changes for brands and retailers moving goods between Great Britain and Northern Ireland:

1

Simplified Processes

Ecommerce retailers can use streamlined procedures for eligible goods if they have UKIMS authorisation and the goods are 'not at risk' of entering the EU. This means less paperwork and no customs duty on qualifying goods.

2

UK Internal Market Scheme (UKIMS)

While not mandatory, UKIMS authorisation provides access to simplified processes and duty benefits for 'not at risk' goods. Businesses can also use tools like the Trader Goods Profile (TGP) to pre-populate data for regular shipments.

3

'Not at Risk' Status

Goods intended for sale or final use in Northern Ireland can be moved without paying duty, even if purchased by Republic of Ireland buyers, as long as the sale occurs in Northern Ireland. Some categories, such as goods subject to trade remedies or significant tariff differences, cannot be declared 'not at risk'.

4

'At Risk' Goods

Goods destined for the EU market require full customs procedures and may incur EU duties. Schemes like the Customs Duty Waiver and Duty Reimbursement are available for certain cases.

5

Unfettered Access

Most traders will be able to benefit from unrestricted access when moving goods from Northern Ireland to Great Britain.

6

Postal Items

Letters and printed matter are exempt from new requirements.

Overall, the framework aims to provide clearer, faster, and more predictable shipping processes, reducing costs and administrative burdens for UK brands and retailers.



Tips for Navigating the Windsor Framework



Review Scheme Eligibility

Assess your trade scenarios and check eligibility for schemes like UKIMS, NIRMS, and NIPHL to determine which best fit your business needs.



Consider UKIMS Authorisation

If you regularly move goods from GB to NI, especially those intended to stay in NI, apply for UKIMS to access simplified processes and duty benefits. GB suppliers without a Northern Ireland presence should use a representative such as the Trader Support Service (TSS), when applying.



Understand Goods' Status

Learn the criteria for 'not at risk' status and know which goods cannot be declared as such. Use HMRC tools and your Trader Goods Profile to categorise goods accurately.



Maintain Records

Keep evidence that goods moved under 'not at risk' arrangements stayed in Northern Ireland for five years. Use existing business records like sales invoices or eCommerce terms and conditions.



Engage Supply Chain Partners

Communicate with your logistics partners to clarify who holds UKIMS authorisation, who manages data, and how information will flow for smooth declarations and movements.



Work with Parcel Carriers

For GB to NI parcels, especially consumer parcels, coordinate with carriers to meet new requirements and provide necessary commercial information. For B2B parcels, clarify customs and security declaration responsibilities.



Utilise Resources

Access guidance from the Northern Ireland Customs and Trade Academy (NICTA) and Gov.uk. Use available tools, webinars, and jargon busters for support.



Seek Assistance

If unsure about your status or facing challenges, contact HMRC's customs helpline or support channels.

Get to know the rules, use the right schemes, and work closely with your supply chain and delivery management partners to minimise trade disruption.



In focus

EU Import Control System 2 and Enhanced Customs Checking

A key development for businesses shipping to the European Union is the implementation of the Import Control System 2 (ICS2).



The Import Control System 2 (ICS2) has been developed to enhance the security and safety of goods being imported into the European Union, Switzerland and Norway, as well as goods moving into Northern Ireland.

Importers must submit a detailed Entry Summary Declaration (ENS) before the goods are transported. From 1 April 2025, this includes goods sent via road and rail, in addition to air and sea.

Normally, the data you supply to your international carrier should be sufficient to ensure compliance with ICS2. However, if you're unsure it's important to check beforehand as non-compliance can cause significant disruption - and unhappy customers!

Again, working alongside a single point of contact can help manage and mitigate any carrier issues. Guidance is also readily available from UK Government and EU websites.

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What is ICS2?

- Requires all economic operators (brands, retailers, freight forwarders, carriers, postal operators, express couriers, transport companies) to submit detailed pre-arrival data for all EU-bound shipments, regardless of transport mode (air, sea, rail, road).
- Central to ICS2 is the **Entry Summary Declaration (ENS)**. This is an electronic document with comprehensive shipment details, submitted before goods arrive at the EU border.
- Uses advanced algorithms and automation for risk assessment, enabling customs authorities to identify high-risk consignments and intervene early.
- Provides real-time digital communication between operators and customs authorities for immediate notifications, data updates, and guidance.
- Integrates with national customs systems across all EU member states, creating a unified network for customs control and information sharing.
- Implementation is phased: as of April 1, 2025, ICS2 requirements apply to all transport modes, including road and rail, in addition to air and sea.



How Will ICS2 Affect UK Brands and Retailers?

Understanding and complying with ICS2 is essential for maintaining smooth trade flows and avoiding costly disruptions.

Here is a list of the big changes:

1

Expanded Data Requirements

UK brands and retailers must now provide more detailed information for every shipment to the EU, including: Precise product descriptions, 6-digit Harmonized System (HS) codes, Total weight and packaging details and EORI number of the EU consignee

2

Mandatory Pre-Arrival Declarations

Entry Summary Declarations (ENS) must be submitted before goods arrive. Incomplete or inaccurate filings can result in delays, denial of entry, or penalties.

3

System and Process Upgrades

Businesses must upgrade IT systems, train staff, and adapt operational processes to comply with ICS2's digital requirements.

4

Increased Operational Complexity

Managing the additional data and compliance steps can be challenging, especially for smaller businesses.

5

Potential for Delays and Disruption

Non-compliance or data errors can lead to shipments being held at the border, increased scrutiny, and possible financial penalties.

6

Wider Supply Chain Impact

ICS2 affects not just exporters, but also manufacturers, eCommerce businesses, and logistics providers, requiring all parties to adapt to new standards.



Tips for Navigating the Implementation of EU ICS2



Assess and Upgrade IT Systems

- Ensure your systems can generate and transmit required data in the ICS2 format.
- Invest in compliance software to automate ENS creation and validation.



Train Staff and Partners

- Provide training for staff handling shipping documents and customs queries.
- Confirm that logistics partners and freight forwarders are ICS2-ready.



Gather and Verify Data

- Collect all necessary information (product descriptions, HS codes, EORI numbers, shipment details) well in advance.
- Double-check for completeness and accuracy to avoid rejections or delays.



Clarify Responsibilities

- Define who prepares and submits the ENS within your organisation.
- Coordinate closely with supply chain partners to ensure timely and correct submissions.



Monitor Compliance and Updates

- Stay up to date with EU customs guidance and monitor feedback from ICS2 submissions to address issues promptly.



Seek Expert Support

- Consider partnering with customs compliance experts or using third-party solutions to ensure accurate, timely submissions and ongoing compliance.



Take Advantage of the Shift

- Use ICS2 as a chance to enhance supply chain transparency, streamline customs processes, and adopt advanced digital solutions for long-term competitiveness.

ICS2 represents a major shift in EU customs, requiring UK brands and retailers to modernise data management, upgrade systems, and ensure strict compliance. Proactive preparation will help avoid costly delays and unlock smoother, more secure trade with the EU.



Emerging Cross-Border Opportunities

Rating Cross-Border Markets by their Growth Rate and Potential

While markets close to home are still worth exploring, there are plenty of emerging destinations that should be on the radar of UK brands and retailers.

With global eCommerce revenue set to reach \$5 trillion in 2025⁹ - and still headroom for future growth - there has never been a better time to explore international expansion.

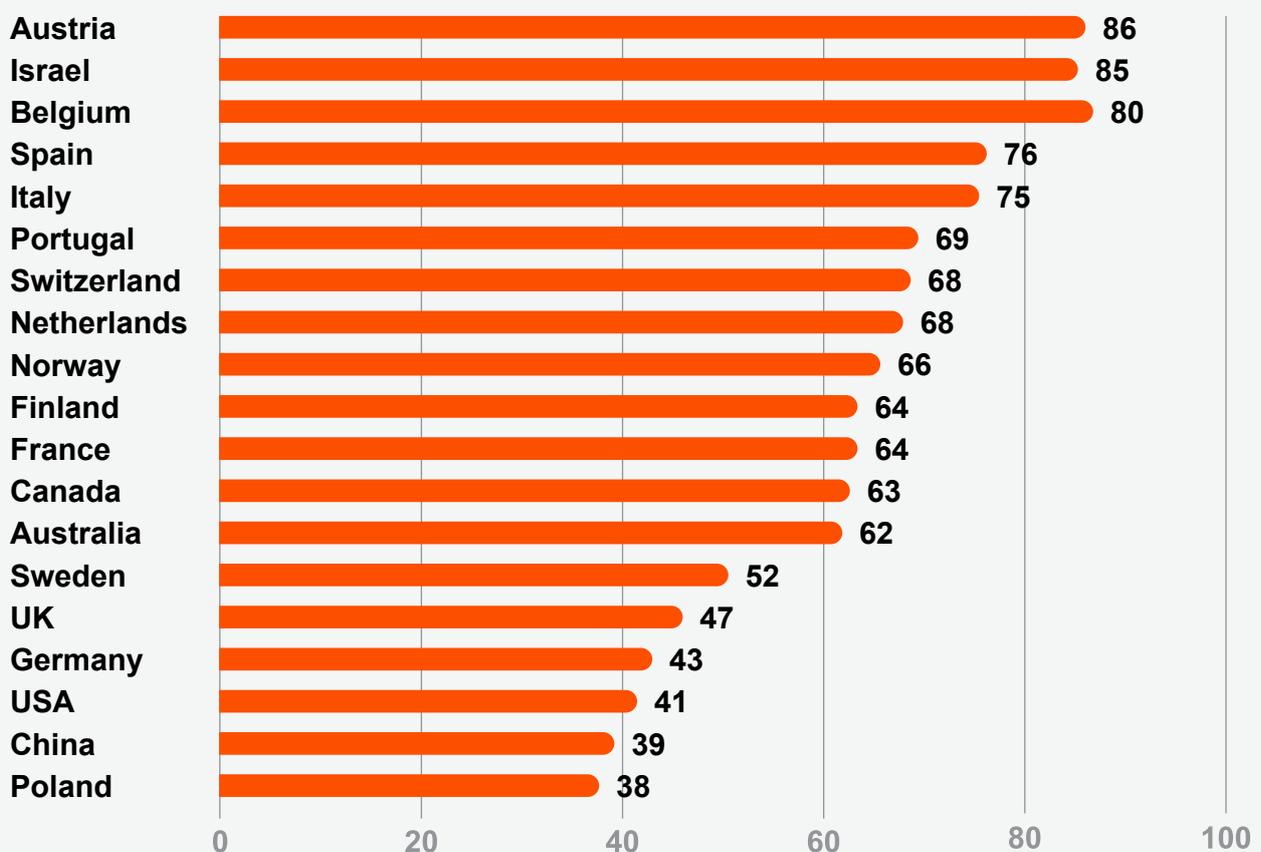
A good starting point is to evaluate which countries already have a high percentage of consumers making cross-border purchases.

Austria (86% of cross-border online shoppers), **Belgium** (80%), **Spain** (76%), **Italy** (75%) and **Portugal** (69%) are some of the key European markets.

Further afield, **Israel** (85%), **Canada** (63%) and **Australia** (62%) also have a relatively large cross-border share.

% of Cross-Border Online Shoppers in Selected Countries in 2023

Source: Statista



To further highlight the demand for cross-border eCommerce, a third of online shoppers buy from other countries at least once a month. This rises to 44% of Gen Z and 41% of social media shoppers.¹⁰

⁹ ECDB, The global eCommerce market; nominal revenue growth, Mapping Global eCommerce

¹⁰ DHL Ecommerce, Who buys from other countries the most?, 2025 E-commerce Trends Report



European Mainstays

Historical ties and proximity to the Republic of Ireland, France, and Germany make these countries an obvious starting point.

Ireland remains one of the UK's biggest trading partners with Amazon's UK domain the top destination for Irish shoppers.

Across the Channel, **France** and **Germany** both remain in the world's top 10 eCommerce markets. But even though they are European neighbours, there are marked differences in buyer behaviour.

Hobby and Leisure is the biggest product category in France whereas Fashion items dominate in Germany, where consumers tend to spend more (£124.40 gross Average Order Value). German consumers also prefer to use digital wallets such as Paypal rather than traditional card payment methods.



Growth Champions

Uncovering hidden growth champions involves finding the sweet spot between revenue, growth rate and online share.

Revenue: Ideally your chosen destination will have a developing or well-developed eCommerce market, with total revenue an indicator of market size and maturity.

Growth Rate: Look for markets that combine a mature revenue base with a positive growth trajectory.

Online Share: Indicates what percentage of retail sales are conducted via the Internet. Countries with solid eCommerce revenue, a positive growth rate and relatively low online share are more likely to have a higher growth ceiling.

	Revenue	Growth Rate	Online Share
 India	\$120.5 Bn	20.4% ↑	4%
 Vietnam	\$21.7 Bn	24.6% ↑	7.3%
 Poland	\$27.9 Bn	7.7% ↑	9.6%
 Mexico	\$42.2 Bn	26.9% ↑	10.3%
 Brazil	\$41.3 Bn	11.3% ↑	10.3%
 Australia	\$45.9 Bn	8.2% ↑	16.2%

Poland is one of Europe's growth champions and is currently ranked as the 18th largest eCommerce market in the world.

However, Asia has emerged as one of the world's biggest growth regions. Analysts predict that Asian eCommerce will achieve 42.7% growth by 2028. Europe's slowing market is only expected to post 27.1% growth throughout the same period.

India has massive potential with its eCommerce revenue already the fourth-highest in the world, from just a 4% online share.

Vietnam has also fully embraced eCommerce, fuelled by greater connectivity, mobile adoption and social commerce.

Meanwhile, **Mexico** and **Brazil** are surging markets in the Americas owing to their young, tech-savvy populations and rising disposable incomes.

Australia (and to a lesser extent, New Zealand) is the flag bearer in the region with the explosion in marketplace activity a significant factor in local eCommerce growth.

Source: ECDB





Shifting Sentiment

The UK's Global Trade Strategy and Impact on Ecommerce

Following Brexit, successive UK governments have been actively reshaping international trade relationships. These negotiations will continue to have significant implications for eCommerce retailers and the way goods and services flow across digital and physical borders.

A Dual Approach to Economic Growth

Since its departure from the European Union, the UK has employed a “twin-track” approach to global trade. This has involved a resetting of its relationship with the European Union while pursuing new free trade agreements with other partners worldwide.

A big focus has been leading the way on international digital trade regulation, encompassing eCommerce and cross-border transactions.

Impact on Ecommerce

The UK government is driving eCommerce growth by putting digital trade at the heart of its global strategy. Through agreements like the Singapore Digital Economy Agreement and digital provisions in FTAs such as CPTPP, the UK is cutting red tape and enabling smoother cross-border data flows for digital businesses.

Alongside these deals, the UK is proactively addressing key digital trade challenges. These include data security, AI regulation, IP protection and fair competition with tech giants.

The aim is simple: create a secure, reliable, and innovative landscape where UK eCommerce can compete and succeed on the world stage.

Key Developments

- **October 2020:** UK-Japan Comprehensive Economic Partnership Agreement (CEPA). While signed before Brexit, this agreement has remained in effect, facilitating trade between the UK and Japan, and includes specific digital trade provisions.
- **December 2021:** UK-Australia Free Trade Agreement. This deal aims to remove tariffs on most goods traded between the two countries.
- **February 2022:** UK-New Zealand Free Trade Agreement. Similar to the Australian deal, this agreement aims to reduce tariffs and facilitate trade.
- **February 2022:** Singapore Digital Economy Agreement. This agreement uniquely focuses on digital trade and aims to remove barriers to trade in digital services.
- **December 2024:** UK joins the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The UK becomes the first non-founding member of this major Indo-Pacific trade bloc. Membership is expected to boost the UK economy by £2 billion a year in the long run with a reduction in tariffs and barriers for UK businesses across three continents.
- **May 2025:** UK signs new trade agreements with India, the U.S and the EU. While not all specifically related to eCommerce, this flurry of agreements promises to alleviate or remove tariffs and duties on certain products, while strengthening relationships with key trading partners.



Navigating Cross-Border Uncertainty

Tips for Building Agility and Resilience

Here's an actionable list for eCommerce retailers looking to navigate global trade uncertainty, with clear, practical steps and examples:



Be Prepared

- **Understand EPR Packaging Requirements:** New Extended Producer Responsibility (EPR) rules in the UK and EU mean brands must track, report, and pay fees based on the type and amount of packaging they use. Non-compliance can lead to penalties, so now's the time to review your packaging materials and switch to eco-friendlier options where possible.
- **Stay Ahead of Regulatory Shifts:** With regulations changing rapidly - from packaging laws to digital trade rules - it's crucial to keep a close eye on updates.



Model and Re-model

- **Run 'What If' Scenarios:** Regularly map out different trade and tariff situations to see how they might affect your pricing, margins, and supply chain. Having these scenarios ready means you can react quickly as new trade rules come into play.
- **Build in Flexibility:** Create financial cushions and adaptable pricing models so you can weather unexpected costs or regulatory shifts.



Review Supply Chains and Distribution

- **Spread Your Risk:** Relying on just one carrier or supplier can leave you exposed. Work with several partners across different regions to keep your operations running smoothly, even if one link in the chain breaks.
- **Streamline Returns:** Make your returns process as smooth as possible, especially for international orders. A hassle-free returns system keeps customers happy and helps you manage costs if trade disruptions occur.



Explore New Markets

- **Research Thoroughly:** Before entering a new market, dig deep into local laws, customer expectations, and logistics hurdles. Preparation is key to avoiding surprises.
- **Tailor Your Approach:** Adjust your products, packaging, and marketing to fit each new market. Consider local fulfillment options to speed up delivery and cut down on shipping expenses.



Partner with Experts

- **Tap Into Specialist Support:** Customs agents and delivery management partners can help you navigate everything from EU IOSS registration to customs documentation and local compliance. Their expertise can save you time and prevent costly mistakes.
- **Use Local Insights:** Experts with on-the-ground knowledge can help you avoid common pitfalls and spot growth opportunities you might otherwise miss.



Lean Into Uncertainty

- **Actively Seek Growth:** Look for new opportunities and be ready to pivot, even when things are unpredictable. Flexibility is your best asset.
- **Keep Customers Informed:** Be open about possible delays or changes. Honest, timely communication helps maintain trust, no matter what's happening behind the scenes.

By taking these steps, eCommerce retailers can build a more resilient business, stay ahead of compliance challenges, and turn global trade uncertainty into a springboard for growth.



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*Want advice on which new markets to enter?
Or need access to multi-carrier tracked parcel delivery?*

We can help you expand into new markets with international shipping to and from the UK. You'll get access to preferential shipping rates and enhanced delivery options to over 220 countries and territories. You will also be supported by a dedicated account manager.

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