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# HOW TO START TRADING WITH THE UK

EXPORTING TO ONE OF  
THE WORLD'S STRONGEST  
E-COMMERCE MARKETS



## THE UK ECONOMY BY SECTOR

# SERVICES 80.2%

# MANUFACTURING 19.2%

# AGRICULTURE 0.6%<sup>1</sup>



## TOP INDUSTRY EXPORT OPPORTUNITIES

### AUTOMOBILES AND AFTERMARKET PARTS

Although signs suggest automobile sales are cooling off, long-term trends paint a picture of a rapidly growing market for vehicles and related components.



### PHARMACEUTICALS

The UK pharmaceuticals import market grew by nearly 60% between 2009 and 2016. Pharmaceuticals worth \$33 billion entered the UK in 2016.<sup>2</sup>

### ELECTRONICS

Electronics are a major growth area. Between 2009 and 2016, imports like smartphones, circuits, and microassemblies grew by as much as 8,000%.<sup>2</sup>



### GOOD DOING BUSINESS WITH YOU

The UK is ranked 7th out of 190 countries on the World Bank's 'Ease of Doing Business' league table.<sup>3</sup>

## SMALL ISLAND, BIG MARKET

The UK imported \$636.2 billion worth of goods in 2016, up 0.9% from 2015.<sup>2</sup> And of the UK's population of 65 million people, 59 million use the internet, making it a prime target for online importers.<sup>4</sup>

### HUGE E-COMMERCE OPPORTUNITIES

The UK is the world's third-largest e-commerce market, with online sales accounting for 18% of total retail sales. UK e-commerce growth rates are likely to stay strong well into the future.<sup>5</sup>

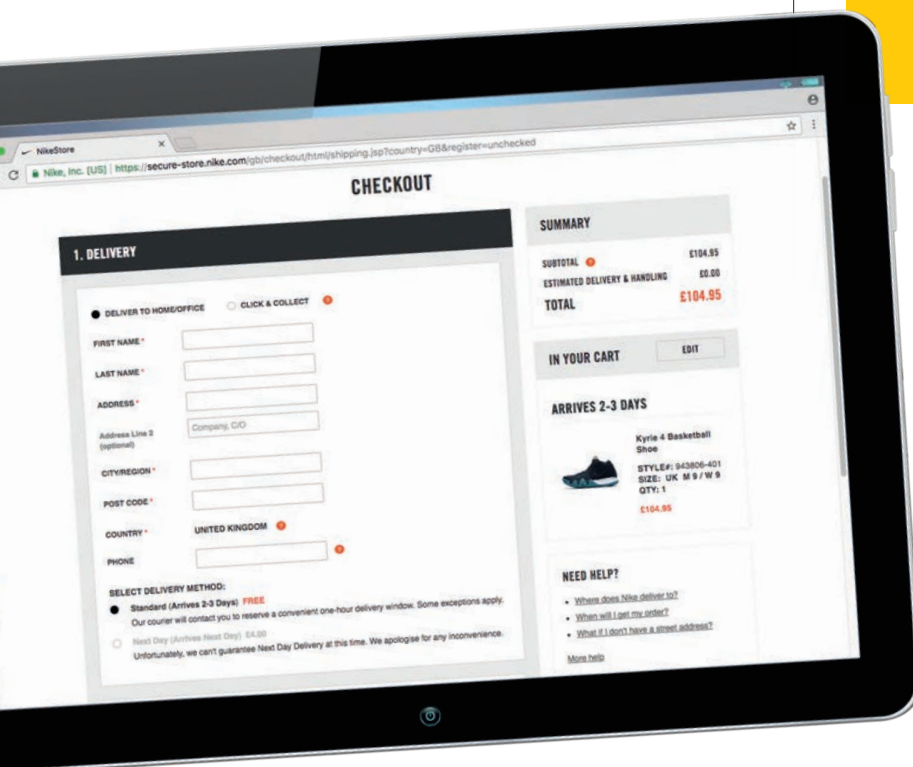
### BE SMARTPHONE FRIENDLY

UK consumers, especially younger shoppers, are happy to make purchases on their smartphones and tablets. So make sure your e-commerce platform is built for mobile.

### UPWARDLY MOBILE

In 2017, the UK's retail e-commerce market exceeded \$110 billion, while mobile commerce is growing by the year. In 2021, retail mobile commerce is set to represent 51.7% of the UK's total retail e-commerce sales, up from 43% in 2017.<sup>6</sup>

**43% OF UK ONLINE RETAIL PURCHASES WERE MADE ON A MOBILE DEVICE IN 2017<sup>6</sup>**



# HOW TO MAKE IT BIG IN THE UK IMPORT MARKET

## BRICKS OR CLICKS?

The UK's total retail market is growing at a modest rate, but the standout performer is e-commerce. In fact the UK spends more online per household than any other country, around \$5,900 each<sup>7</sup>

**A B2B BOOM: B2B E-COMMERCE SALES WERE £96.5 BILLION IN 2015<sup>9</sup>**

## FAST DELIVERY

The UK has a highly developed logistics infrastructure, with same-day deliveries now being offered by Amazon and others. Make sure you offer a range of delivery options at different price points.

## CROSS-BORDER TRADING

UK consumers are happy to buy from overseas, with 65% of UK shoppers doing so in 2015. Give them a good service and they'll come back for more: 9 out of 10 said they would buy overseas again.<sup>8</sup>

## ONE STATE, FOUR COUNTRIES

The UK is formed of four distinct countries: England, Scotland, Wales, and Northern Ireland. They each have a distinct identity, so be careful how you talk to your customers. The catch-all term 'British' is safer ground.



## TRADE REGULATIONS AND CUSTOMS INFORMATION

# 3.5-5%

average import duty

# 30%

on some products

## WHAT DO I NEED TO PAY ON MY PRODUCTS?

### RRP UNDER £15?

import duty to pay

### RRP BETWEEN £15-£135?

Pay VAT, but no duty

### IMPORTING FROM WITHIN THE EU

Is a smooth process. Most goods are in free circulation, don't have import duty or VAT applied, and are subject to only minimal customs controls.

### FROM OUTSIDE THE EU

Is still easy compared to some countries. No customs clearance is required, making things quick and easy. But remember that you must still make an import declaration to UK customs, and pay import duty and import VAT.

## DHL'S TIPS FOR SMOOTHER TRADING WITH THE UK

- Be thorough with paperwork
- Be detailed with your descriptions
- Find the right commodity code using the Tariff Finder
- For fastest possible delivery, provide DHL with the full contact details of the recipient
- Check first if you need an export licence from your originating country



# BREXIT AND THE FUTURE OF BRITISH TRADE

## MARCH 2019

Projected UK exit date from the EU

There are few barriers to importing goods into the UK. What you need to pay (and do) depends on where you're importing from.

### LIFE OUTSIDE OF THE EUROPEAN UNION

At the time of writing, the UK is part of the EU's Single Market, making import tariffs calculations more straightforward. But in June 2016 a small majority of the UK population voted for 'Brexit'—to leave the EU in March 2019.

### WILL BREXIT MAKE A DIFFERENCE?

It's too early to say. A 'hard' Brexit will see the UK leave the EU Single market completely, meaning different tariffs may apply. A 'soft' Brexit will mean much remains the same, at least for importers.

## IMPORTANT COUNTRY GOVERNMENT ENTITIES

Her Majesty's Revenue and Customs

Tariff Finder (UK Government)



### I'M READY FOR CROSS-BORDER TRADE WITH THE UK. WHAT NEXT?

Make the most of it by contacting the **import/export team at DHL** for expert advice on shipping goods to the US or 220 countries across the world.

#### REFERENCES

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