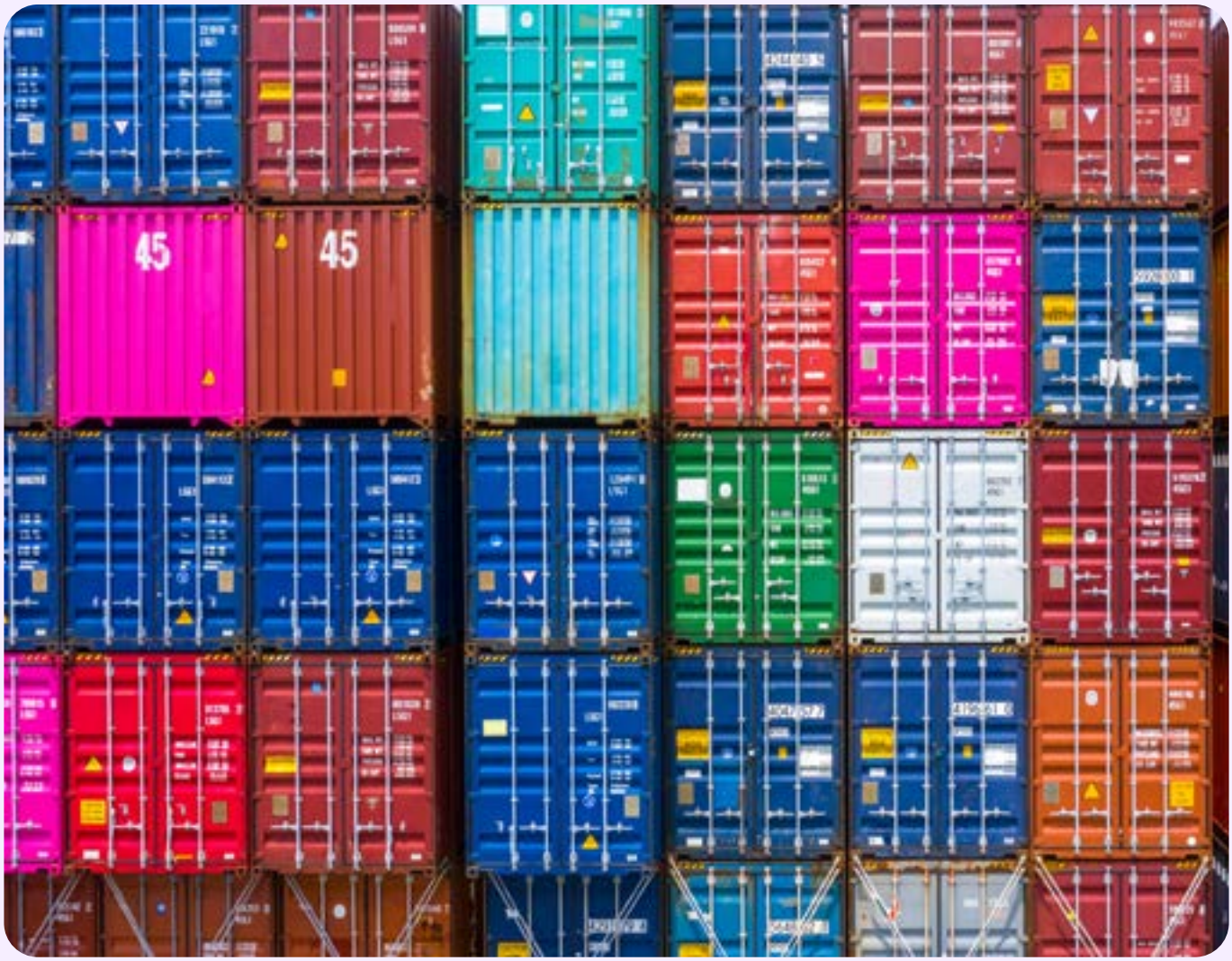
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Welsh trade under the UK's trade deals

International trade series

November 2026



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Welsh trade under the UK's trade deals

International trade series

November 2026

Authors:
Sara Moran, Josh Jenkins and Peter Davies

This briefing presents new analysis of changes in Wales's trade in goods under five of the UK's post-Brexit trade deals with the EU, Japan, New Zealand, Australia and the Comprehensive and Progressive Trans-Pacific Partnership ("CPTPP") trade bloc.

While each trading relationship is unique, common themes emerged which form the basis of the key findings presented at the start of this briefing. These are followed by analysis of each deal, including:

- The latest statistics on trade values and volumes;
- How trade in goods has changed since each deal entered into force;
- Longer-term trade in goods by value and volume, broken down by exports and imports; and
- A list of useful sources.


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Contents

1. Key findings 6
2. Background 8
3. EU 11
4. Japan 14
5. New Zealand 17
6. Australia 20
7. Comprehensive and Progressive Trans-Pacific Partnership ("CPTPP") 23
8. India 26

1. Key findings

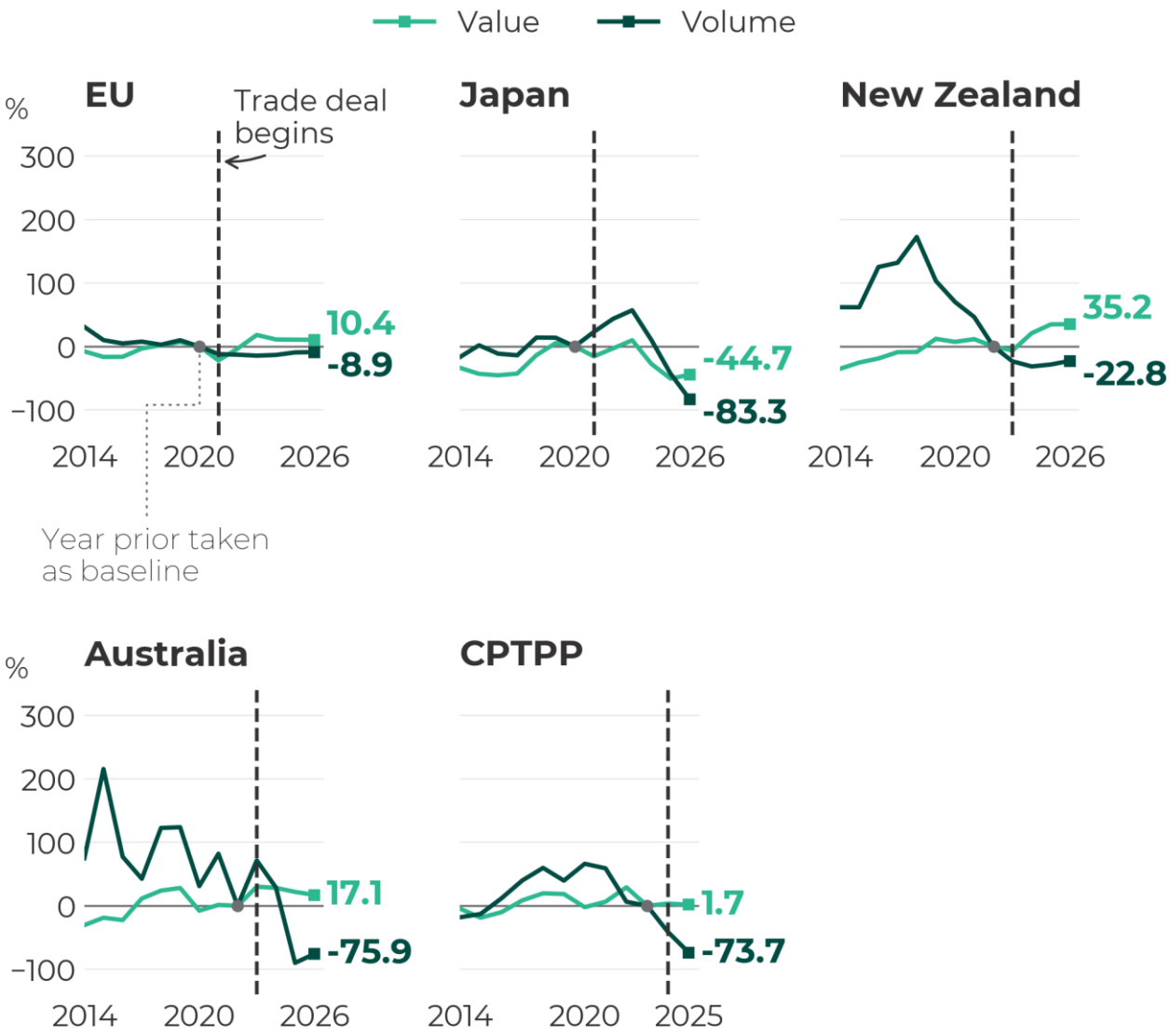
The amount of physical goods traded (trade volumes) with each of the five partners decreased since the deals entered into force. Over the periods analysed, total trade volumes dropped off by 83.3% with Japan, by 75.9% with Australia, by 73.7% with the CPTPP trade bloc, by 22.8% with New Zealand and by 8.9% with the EU. The greatest single decrease was of Australian imports into Wales, which had decreased by 98.4% by the year ending June 2026.

The picture is more mixed when it comes to changes in the value of trade between Wales and the five partners. Such changes can reflect fluctuations in the value of certain products so do not necessarily follow changes in the quantity of goods traded. Overall trade values increased with New Zealand by 35.2%, by 17.1% with Australia, by 10.4% with the EU and by 1.7% with the CPTPP trade bloc over the periods analysed, but decreased by 44.7% with Japan.

While trade drop offs can be attributed to factors such as global economic downturns, reduced consumer demand and supply chain disruption, the analysis shows limited benefits to Wales. Trade between Wales and Japan decreased by both value and volume over the period analysed (44.7% by value and 83.3% by volume). The value of trade with the other four partners increased despite trade volumes dropping off but the greatest increases were with Australia and New Zealand, the smallest trading partners featured in this analysis.

Trade between Wales and its largest trading partner, the EU, increased in value under the UK-EU trade deal but had not recovered in volume to pre-Brexit levels. Over the period analysed, there were significant drop-offs in the amount of goods traded between Wales and the EU, by up to 31.0%. Volumes had not fully recovered after five years under the deal, remaining around 8.9% lower than in the period before the UK left the trade bloc. Meanwhile, the value of trade was up by 10.4% driven by increases in the value of EU imports into Wales.

Figure 1: Percentage changes in the value and volume of trade in goods between Wales and each partner, compared to each partner's baseline

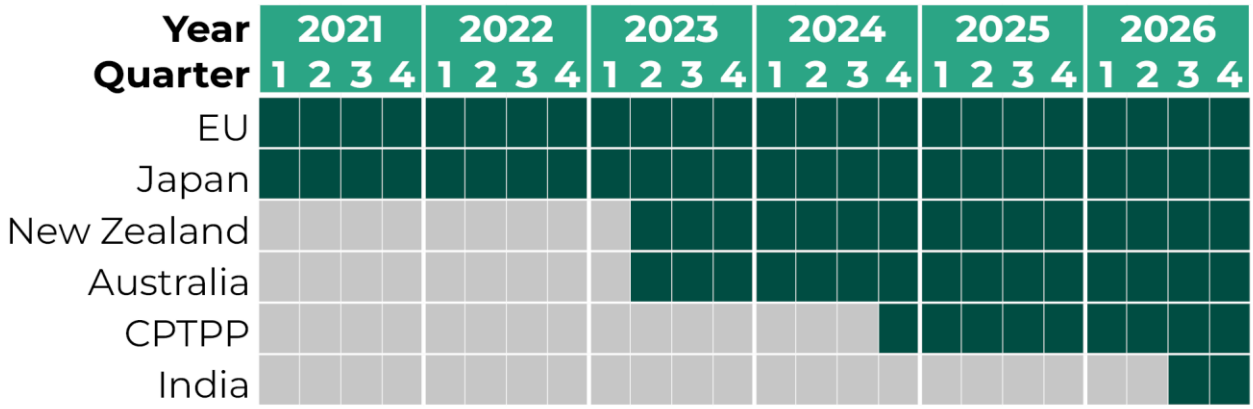


Source: **Regional trade statistics** (HMRC, 2026). Senedd Research analysis of comparable time periods before and after the entry into force of each deal (2014-2026).

2. Background

This briefing runs in chronological order from each deal's entry into force, as shown on Figure 2. It starts with the EU and Japan, then New Zealand and Australia, before finishing with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade bloc. Wales-India trade is briefly examined in section 8 prior to the entry into force of the UK-India trade deal on 15 July 2026.

Figure 2: UK post-Brexit trade deals and their entry into force

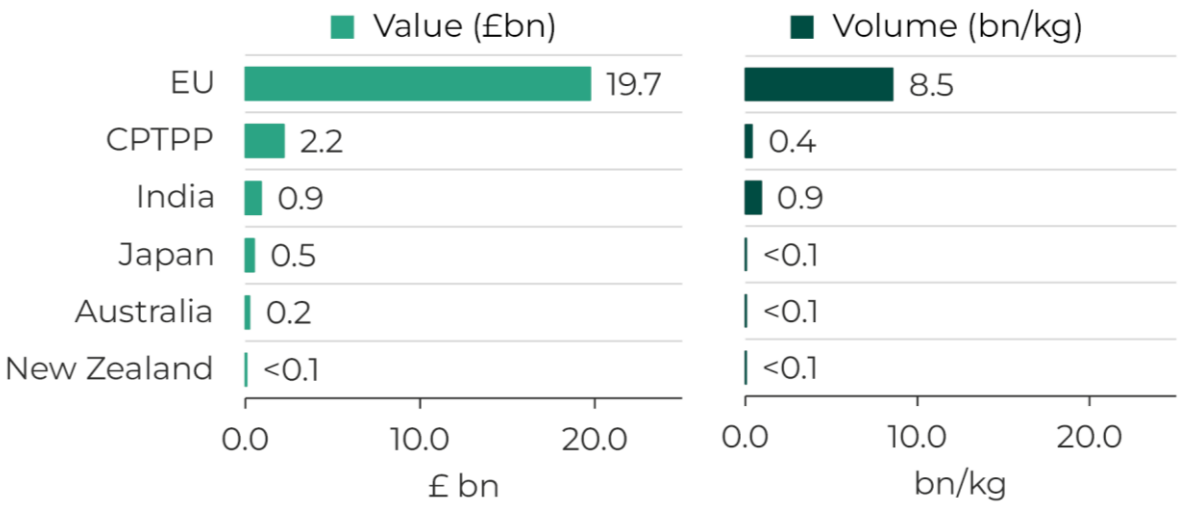


Source: International trade resource page (Senedd Research, 2026)

The latest total value of Wales's trade in goods with these partners accounts for around 47% of its total value of **international trade in goods** in the year ending Q2 2026 (£19.7bn of £41.6bn), and 36% of its total trade volume (8.5bn/kg of 23.6bn/kg).

As Wales's largest trading partner, the EU dominates the group, accounting for 87% of the value and 94% of the volume of goods traded under the deals examined in this briefing. Figure 3 shows the relative importance of these trading partners to Wales and to each other.

Figure 3: Trade in goods between Wales and UK trade deal partners featured in this briefing by value (£bn) and volume (bn/kg); year ending Q2 2026)



Source: **International goods trade: interactive dashboard** (Welsh Government, 2026)

Approach

This analysis examines comparable time periods relative to each deal's entry into force using **HMRC's Regional Trade Statistics**.

Each analysis compares year-ending quarterly time periods. For example, the UK-EU trade deal entered into force in Q1 2021. The year ending Q1 2020 is used as a baseline, comparing equivalent quarters up until the latest available Q1 statistics, which are for the year ending Q1 2026.

Percentage changes are calculated using each of the following indicators by value and volume: total trade, exports and imports.

Combined, these time periods and indicators are referred to as 'all indicators' throughout this briefing when drawing conclusions such as 'trade volumes have decreased across all indicators analysed'.

Covid-19

The coronavirus pandemic disrupted trade primarily between 2020-2022. Welsh exports fell by 19.0% and imports by 28.6% in 2020 compared to 2019 levels, according to the **Office for National Statistics**. While Welsh trade had recovered to pre-pandemic levels by the end of 2022, the Welsh Government at

the time warned that Wales was still in "recovery mode", according to a **BBC report**.

Brexit

The UK's withdrawal from the EU trade bloc had a significant impact on Welsh trade over a similar time period as the coronavirus pandemic. Although initially challenging to disaggregate the two, more available data over time has made it increasingly possible to do so. Some important trends can be observed which are explained in section 3 of this briefing.

3. EU

The UK-EU Trade and Cooperation Agreement ("TCA") applied from 1 January 2021. While trade with the EU increased in value over the period analysed, it had not recovered in volume to pre-Brexit levels. The EU remains Wales's largest trading partner by far. The latest total value of goods traded between Wales and the EU is £19.7 billion, around 47% of all of Wales's international trade by value.

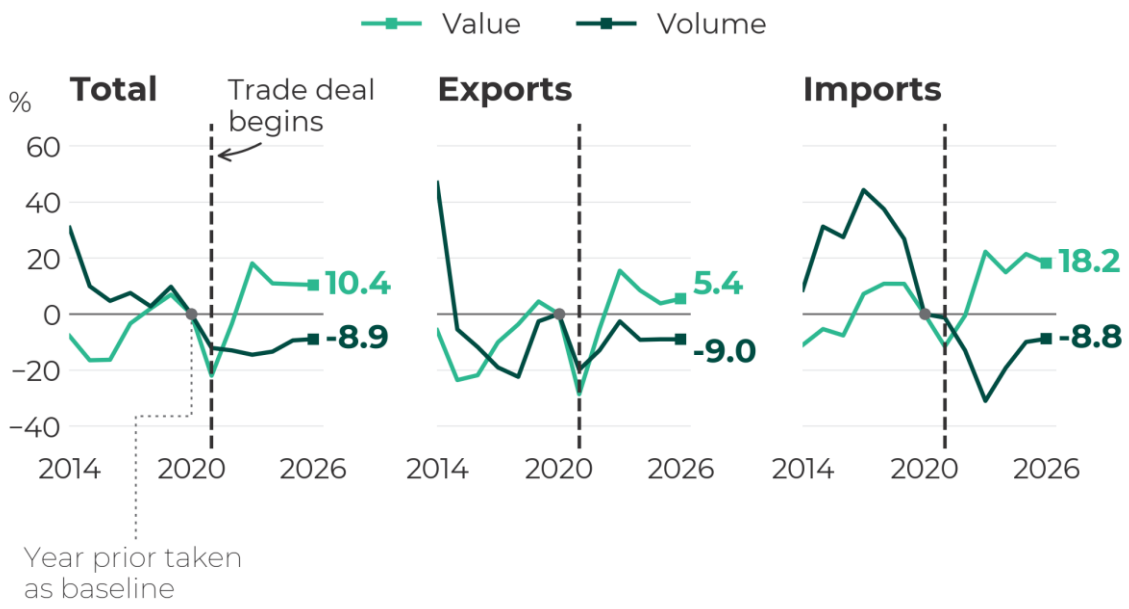
Comparing trade statistics before and after Brexit is challenging because **changes have been made** to accommodate new customs procedures and data collection methods. Nevertheless, some important trends can be observed. Percentage changes in trade values and volumes since 2020, when the UK was still in the EU,[1] illustrate the extent of changes in Wales-EU trade since Brexit. These are shown on Figure 4.

Trade volumes were down across all indicators analysed, by up to 31.0%. Figure 4 shows significant drop-offs in the amount of goods traded between Wales and the EU since Brexit. Volumes had not fully recovered by the end of the period analysed (year ending Q1 2026), remaining at around 8.9% lower than in the period before the UK left the EU trade bloc.

The value of traded goods decreased sharply immediately after Brexit in 2021 and 2022 across all indicators analysed. The total value of trade with the EU was up by 10.4% at the end of the period analysed (year ending March 2026) compared to the period before the UK left the bloc. This had been driven by the value of EU imports into Wales, which have consistently been subject to greater percentage changes than the value of Welsh exports to the EU since 2023. Export values were up by 5.4% but import values were up by 18.2%.

[1] While the UK formally left the EU on 31 January 2020, its trading conditions continued unchanged because of the Brexit transition period which ran between 1 February 2020 – 31 December 2020. From 1 January 2021, post-Brexit arrangements applied in earnest, including trading under the TCA and other trade rules.

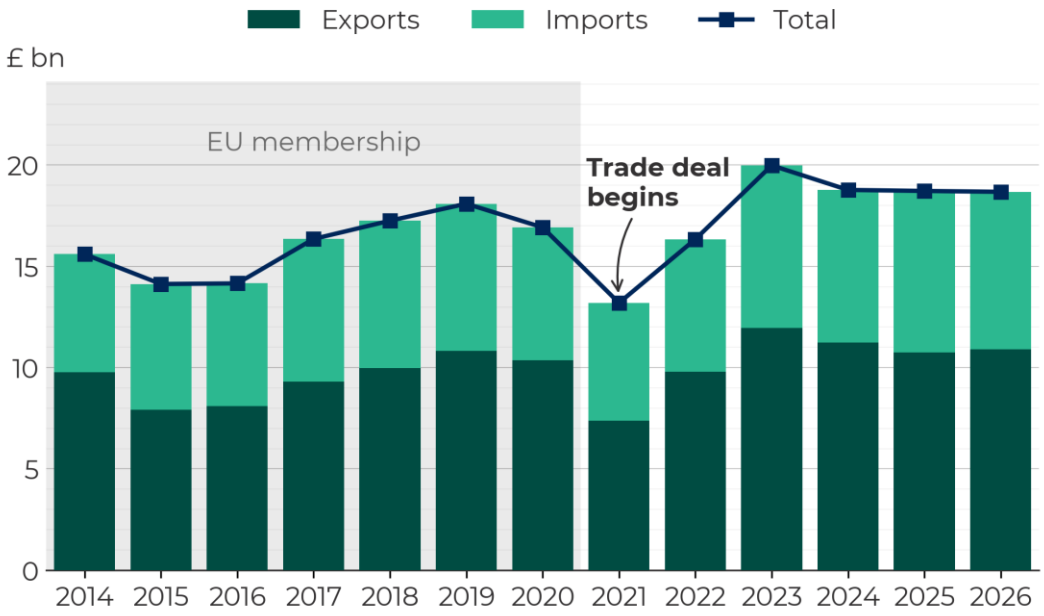
Figure 4: Changes in Wales-EU trade values (£bn) and volumes (kg) (years ending Q1 2014 – Q1 2026) relative to year ending Q1 2020



Source: **Regional trade statistics** (HMRC, 2026)

Figure 5 shows year-on-year trade in goods between Wales and the EU by value since 2014. The fluctuations in trade values can be seen in the context of the UK's EU membership and the entry into force of the TCA.

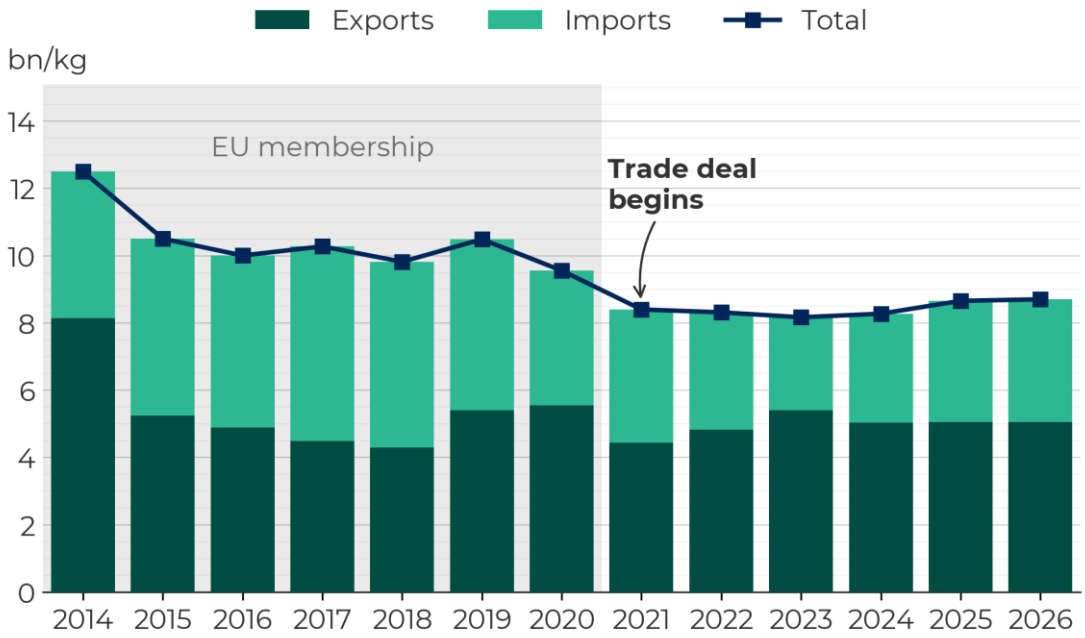
Figure 5: Wales-EU trade in goods by value (£bn; years ending Q1 2014 – Q1 2026)



Source: **Regional trade statistics** (HMRC, 2026)

Figure 6 shows the same information but for the volume of goods traded. Drop-offs can be seen but they do not reflect the full extent of changes in Wales-EU trade since the UK was in the EU, explained above and shown on Figure 4.

Figure 6: Wales-EU trade in goods by volume (bn/kg; years ending Q1 2014 – Q1 2026)



Source: Regional trade statistics (HMRC, 2026)

Useful sources

Senedd Research

- International trade resource page (June 2026)
- Understanding Wales-EU trade in goods since Brexit. (June 2026)
- Reviewing the Brexit deal: Wales's first four years of the Trade and Cooperation Agreement (October 2025)

Welsh Government

- The new relationship with the EU: What it means for Wales (February 2021)
- Annex: What it means for business in Wales (February 2021)

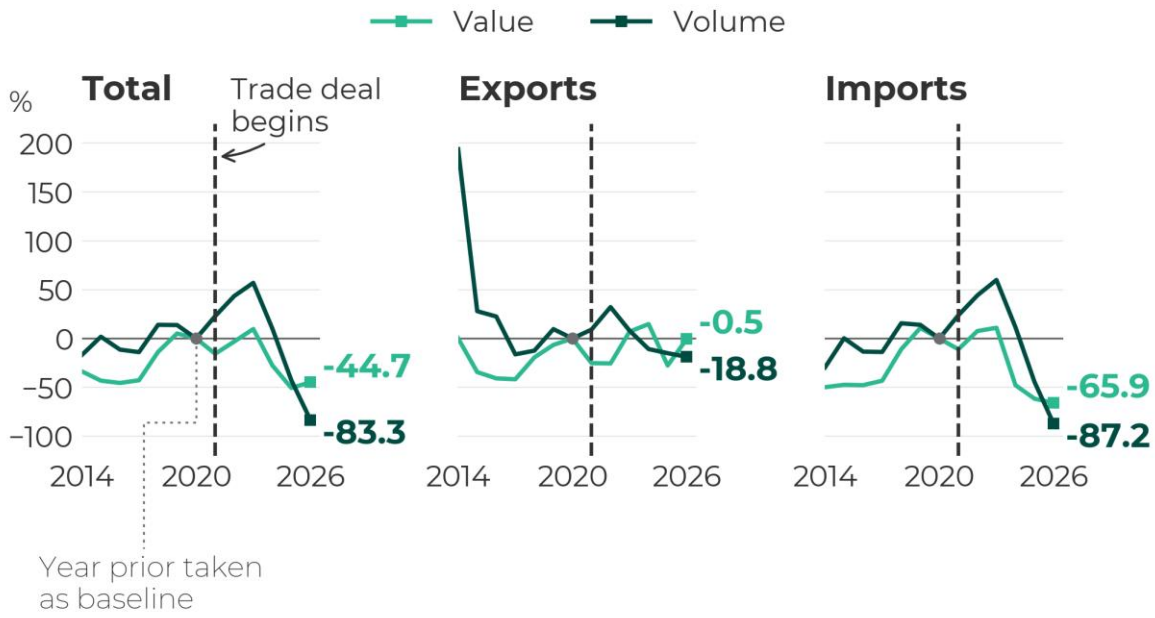
4. Japan

The UK-Japan Agreement for a Comprehensive Economic Partnership Agreement ("CEPA") entered into force on 1 January 2021. After a deal with the EU, a deal with Japan was the then Welsh Government's second highest priority. The latest total value of goods traded between Wales and Japan is £495 million. Amongst Wales's trading partners, this places Japan 13th for exports and 23rd for imports.

Percentage changes in trade values and volumes show significant drop-offs when compared to the period before the deal entered into force.

Trade with Japan was down by 44.7% in value and by 83.3% in volume over the period analysed. Even greater decreases can be seen in relation to imports from Japan into Wales. These were down by 65.9% in value and by 87.2% in volume. Figure 7 shows these percentage changes.

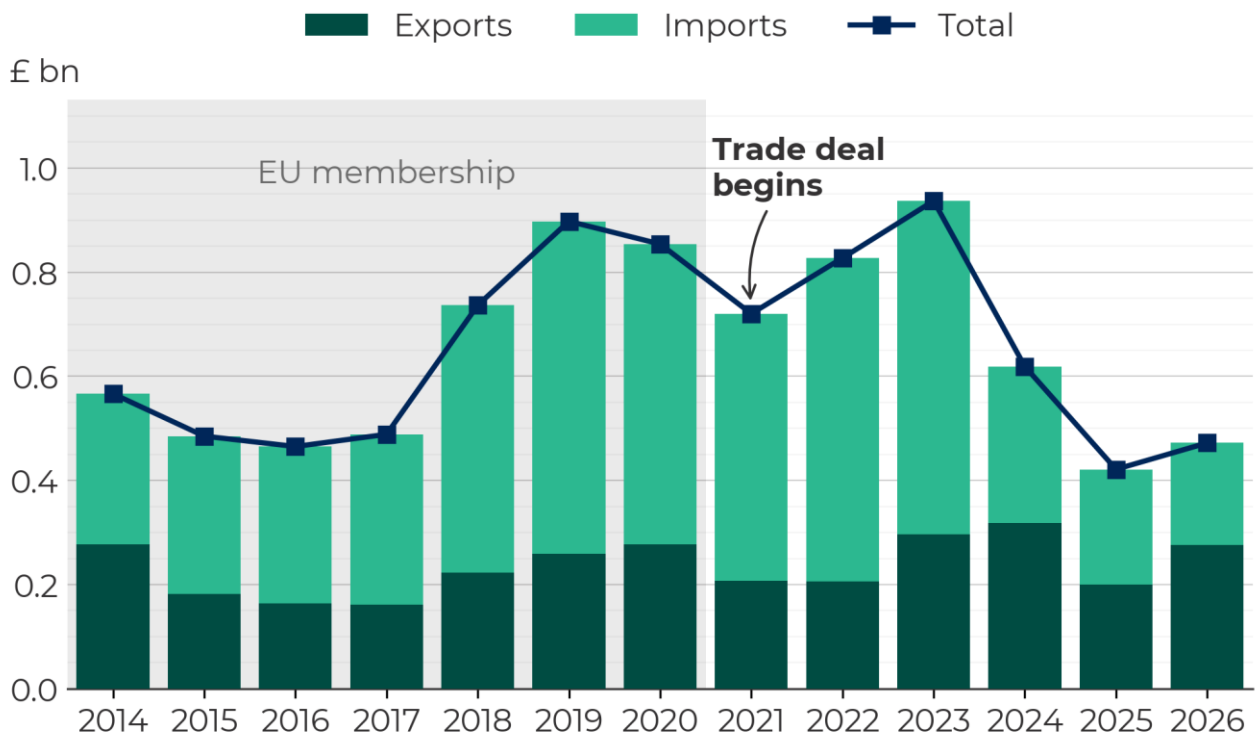
Figure 7: Changes in Wales-Japan trade values (£bn) and volumes (mn/kg) (years ending Q1 2014 – Q1 2026) relative to year ending Q1 2020



Source: **Regional trade statistics** (HMRC, 2026)

Year-on-year trade in goods between Wales and Japan by value can be seen on Figure 8. While the value of exports has remained relatively steady, the value of imports has fluctuated which played out in the percentage changes described above. These can be seen against time periods for the UK's EU membership and the UK-Japan deal's entry into force.

Figure 8: Wales-Japan trade in goods by value (£bn; years ending Q1 2014 – Q1 2026)

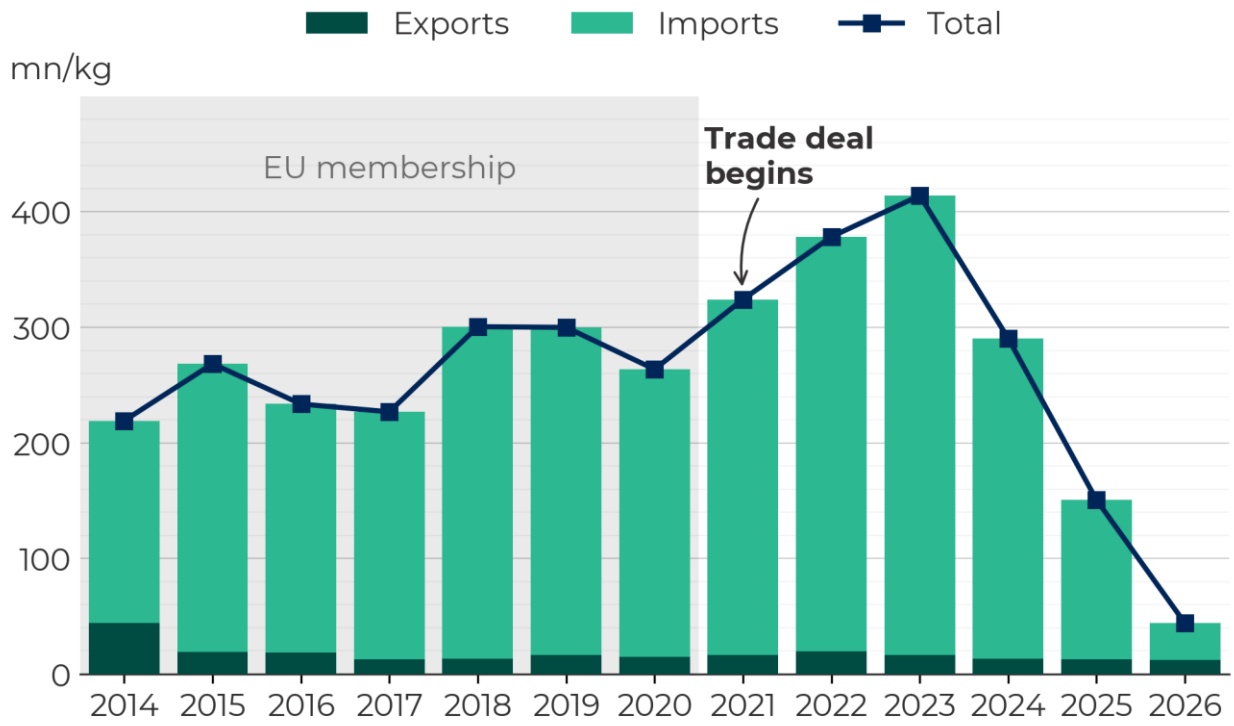


Source: **Regional trade statistics** (HMRC, 2026)

Figure 9 shows the same information by volume of goods traded between Wales and Japan. Amounts are shown in millions rather than billions to capture the small number of Welsh exports to Japan compared to larger volumes of Japanese imports into Wales.

Here the changes in the volume of Japanese imports are more evident than in Figure 8, with significant decreases in recent years. This appears to be attributed to a decrease in trading across multiple categories of products, including animal and vegetable oils, chemicals, mineral fuels, crude materials, beverages and tobacco.

Figure 9: Wales-Japan trade in goods by volume (mn/kgs; years ending Q1 2014 – Q1 2026)



Source: Regional trade statistics (HMRC, 2026)

Useful sources:

Senedd Research

International trade resource page (June 2026)

UK free trade negotiations: what's the latest? (December 2020)

Welsh Government

Written Statement: UK-Japan Free Trade Agreement (September 2020)

Written Statement: Publication of 'The UK-Japan Comprehensive Economic Partnership Agreement: A Welsh Government Assessment' (December 2020)

UK Government

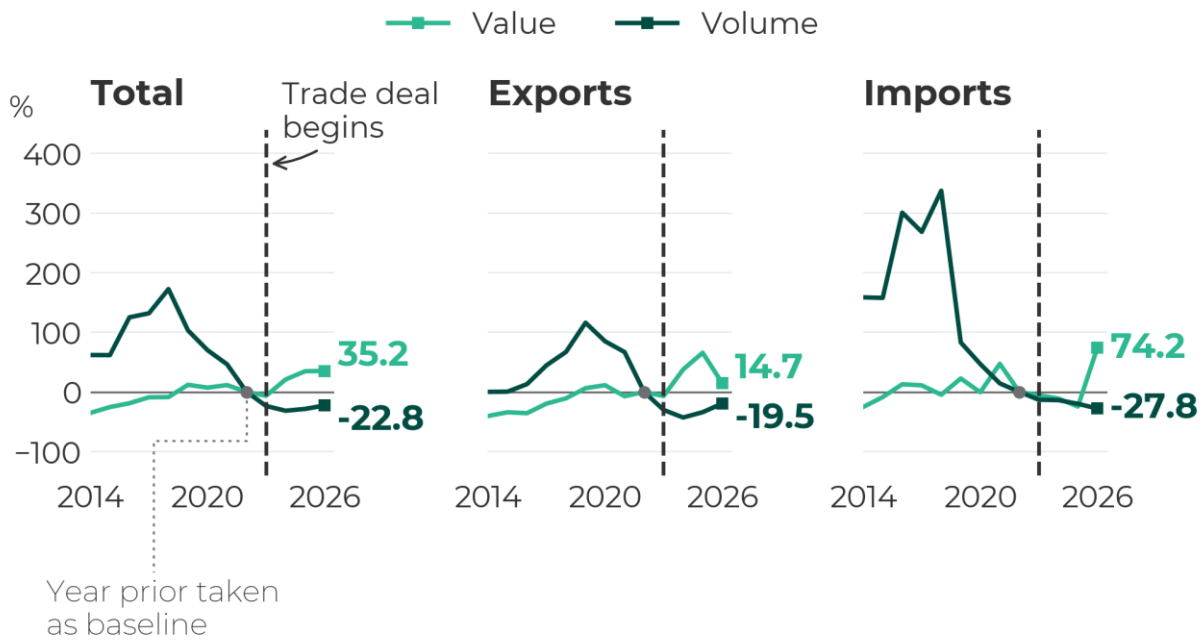
UK-Japan trade deal offers boost to Welsh businesses (September 2020)

5. New Zealand

The UK-New Zealand Free Trade Agreement entered into force on 31 May 2023. New Zealand is the smallest trading partner featured in this briefing and values are shown in millions rather than billions to reflect this. The latest total value of goods traded between Wales and New Zealand is £47 million. Amongst Wales's trading partners, this places New Zealand 56th for exports and 63rd for imports.

Percentage changes show a 35.2% increase in the total value of goods traded when compared with the period before the deal entered into force. This was driven by increases in export and import values. Trade volumes dropped off across all indicators analysed. The greatest decrease was a 42.9% drop in exports by the year ending June 2024.

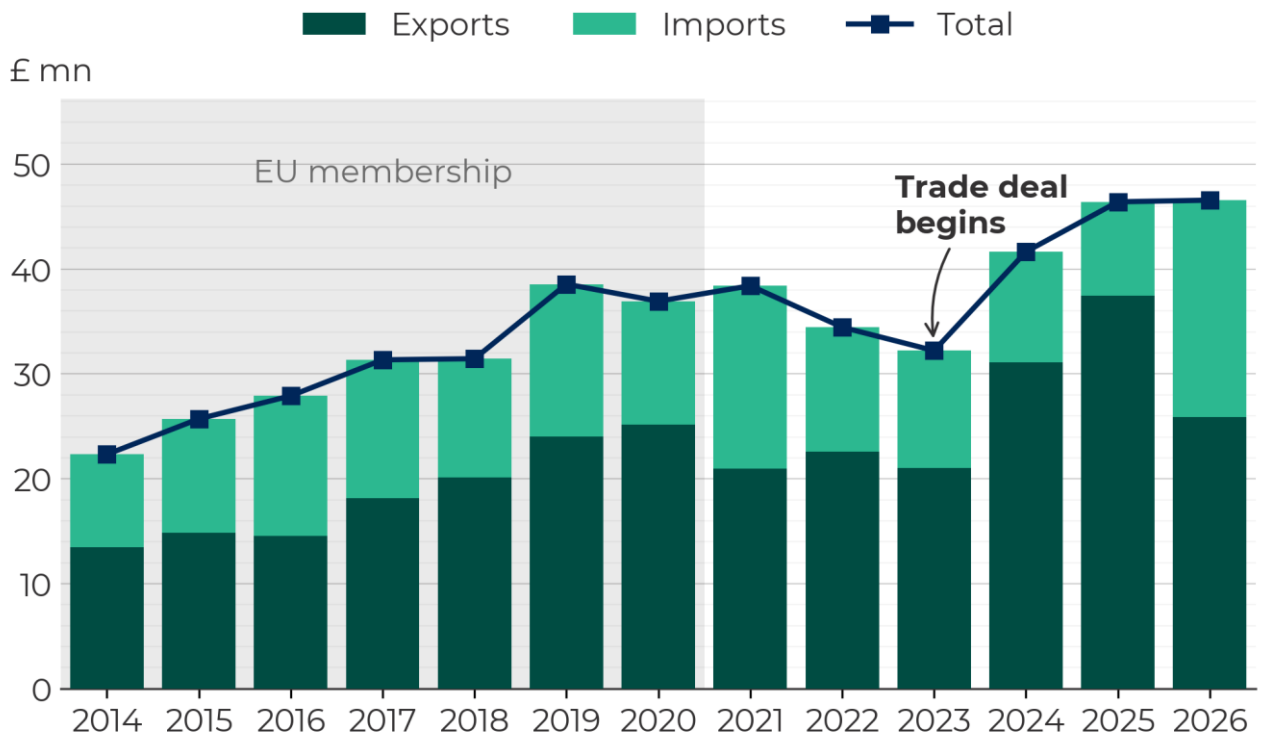
Figure 10: Changes in Wales-New Zealand trade in goods values (£mn) and volumes (kg) (years ending Q2 2014 – Q2 2026) relative to year ending Q2 2022



Source: Regional trade statistics (HMRC, 2026)

Year-on-year trade in goods between Wales and New Zealand by value can be seen on Figure 11. These developments can be seen against time periods for the UK's EU membership and the UK-New Zealand deal's entry into force.

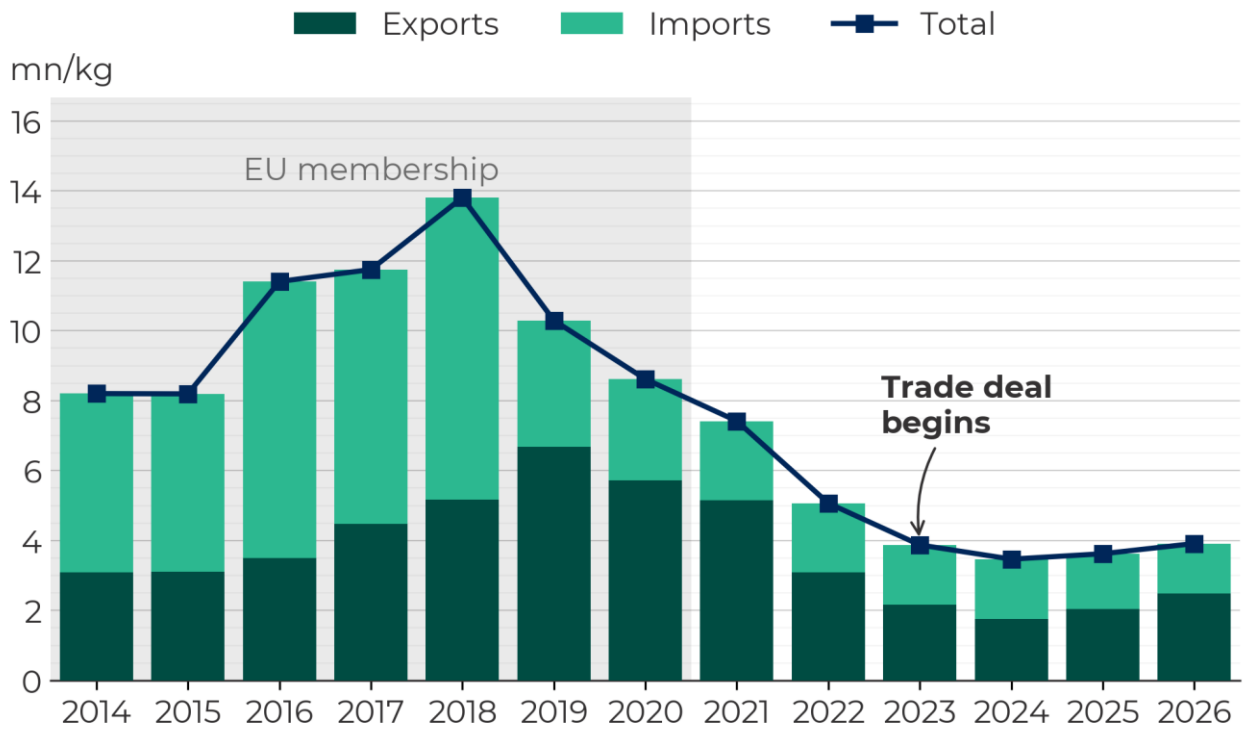
Figure 11: Wales-New Zealand trade in goods by value (£mn; years ending Q2 2014 – Q2 2025)



Source: Regional trade statistics (HMRC, 2026)

Figure 12 shows the same information by volume of goods traded between Wales and New Zealand. It shows a significant drop off over the course of this decade and how the first year of the deal (year ending June 2024) marked a ten-year low in the physical quantity of goods traded between the two countries. Increases in the second and third years of the deal (years ending June 2025 and June 2026) meant export volumes recovered slightly, albeit not to the levels seen before the deal came into force.

Figure 12: Wales-New Zealand trade in goods by volume (mn/kgs; years ending Q3 2014 – Q3 2025)



Source: Regional trade statistics (HMRC, 2026)

Useful sources:

Senedd Research

International trade resource page (June 2026)

The UK's trade deals with Australia and New Zealand: what do they mean for Wales? (August 2022)

Welsh Government

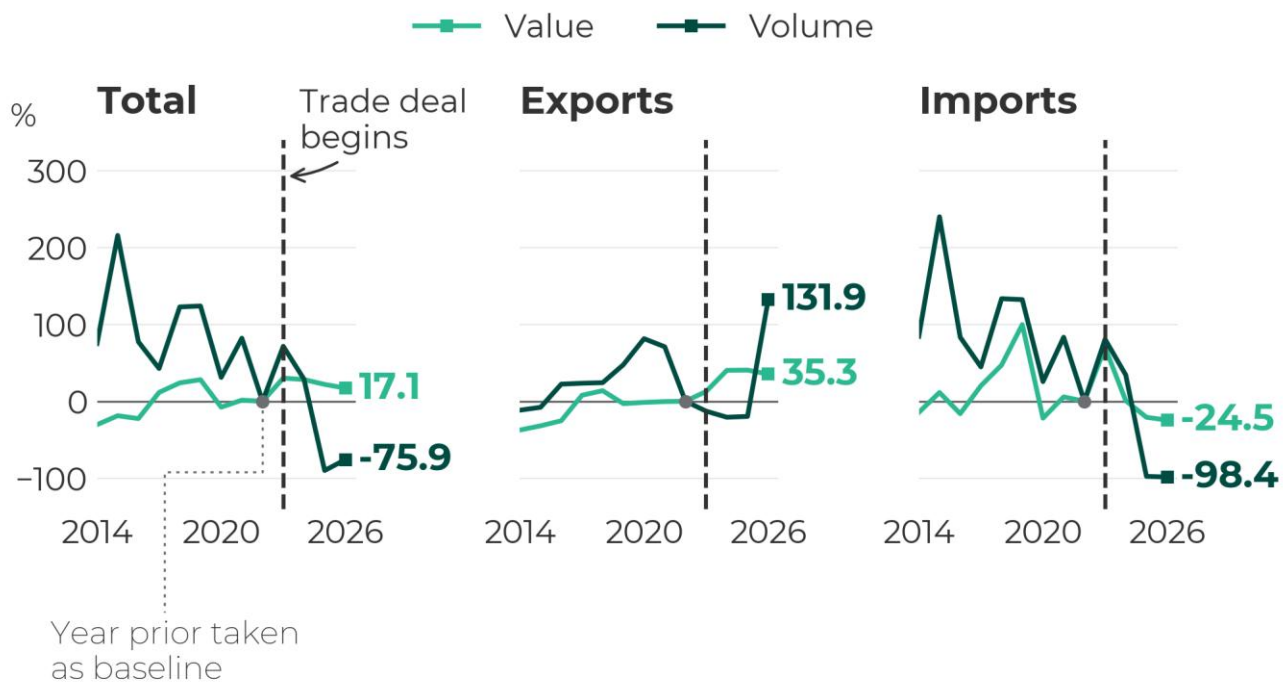
UK-New Zealand Free Trade Agreement: A Welsh Government perspective (July 2022)

6. Australia

The UK-Australia Free Trade Agreement entered into force on 31 May 2023. Australia is the second smallest trading partner featured in this briefing and values are shown in millions rather than billions to reflect this. The latest total value of goods traded between Wales and Australia is £216 million. Amongst Wales's trading partners, this places Australia 23rd for exports and 49th for imports.

Percentage changes show a 17.1% increase in the overall value of goods traded when compared with the period before the deal entered into force. Although the value of exports increased by 35.3% in the same period, this was balanced out to some extent by a 24.5% drop in import values.

Figure 13: Changes in Wales-Australia trade in goods values (£mn) and volumes (kg) (years ending Q2 2014 – Q2 2025) relative to year ending Q2 2022

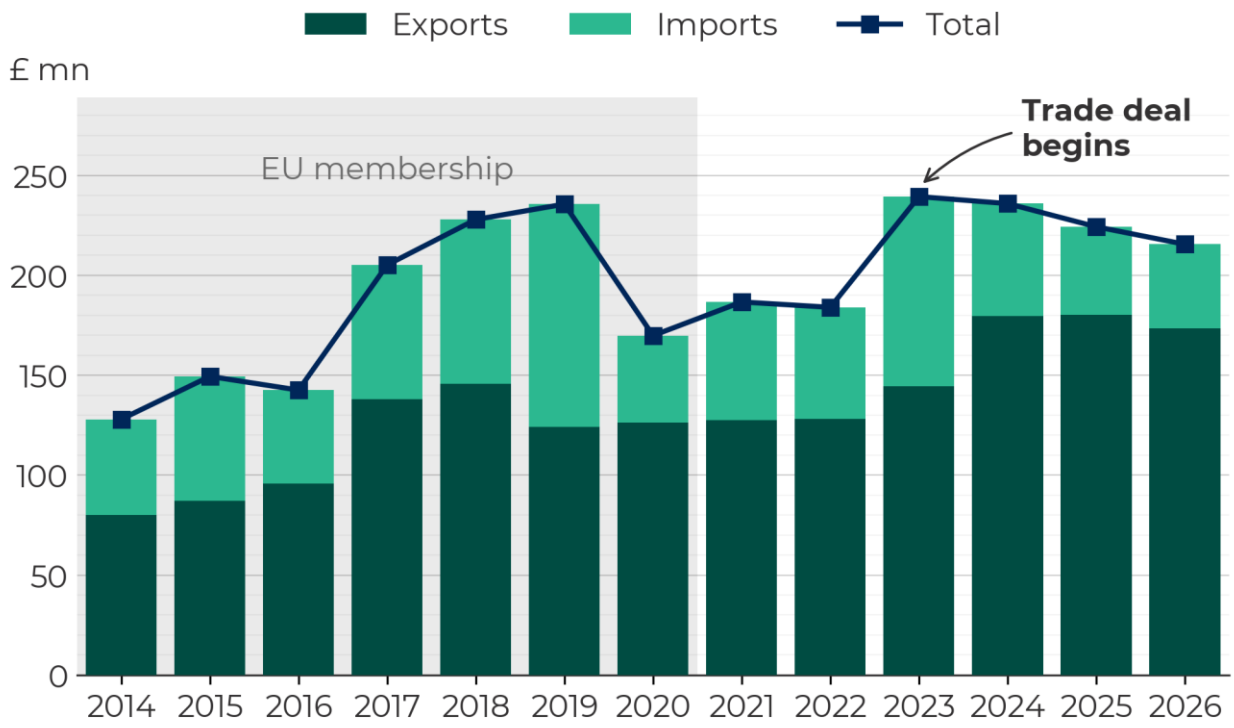


Source: **Regional trade statistics** (HMRC, 2026)

For trade volumes, all indictors analysed show sharp decreases since the deal entered into force, with a 75.9% drop in the quantity of goods traded between the two countries by the year ending June 2026. This was driven by significant drop-offs in import volumes into Wales from Australia over the periods analysed, by 97.6% in 2025 and by 98.4% in 2026.

Year-on-year trade in goods between Wales and Australia by value can be seen on Figure 14. It shows how the value of exports from Wales to Australia reached eleven-year highs under the deal.

Figure 14: Wales-Australia trade in goods by value (£mn; years ending Q2 2014 – Q2 2025)



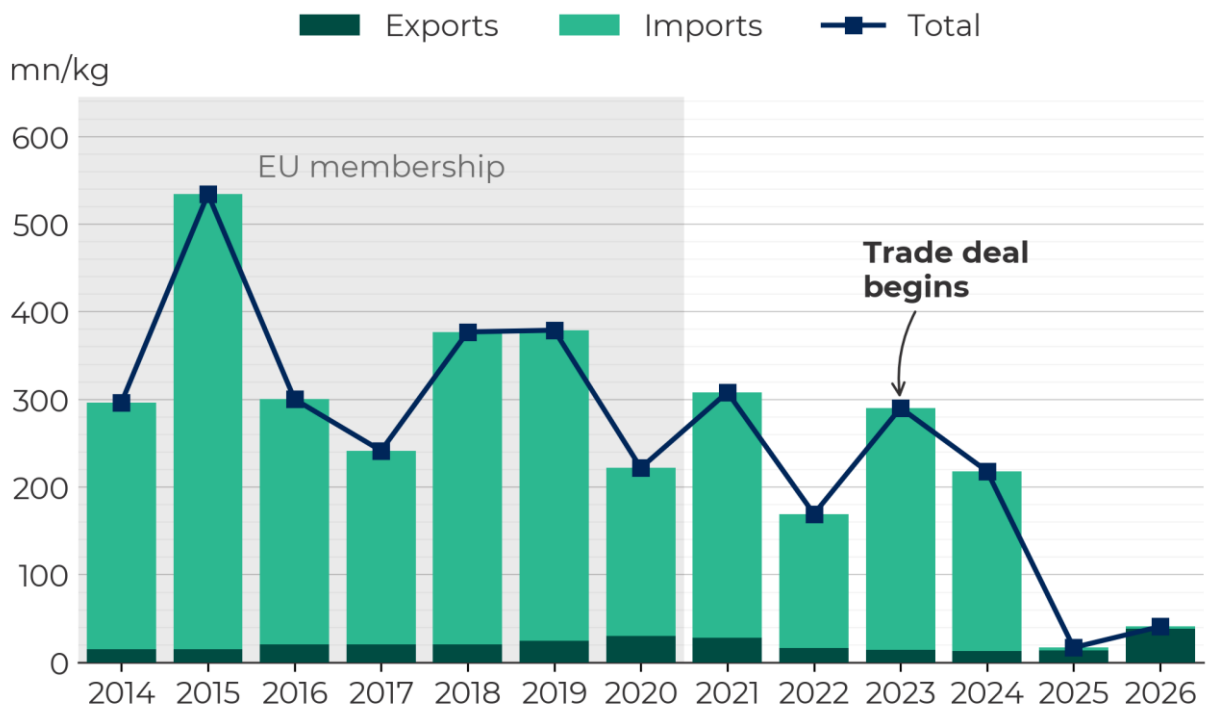
Source: **Regional trade statistics** (HMRC, 2026)

However, import values in 2026 were amongst the lowest over the twelve-year period since comparable statistics began. These developments can be seen against time periods for the UK's EU membership and the UK-Australia deal's entry into force.

Figure 15 shows the same information by volume of goods traded between Wales and Australia. It shows how the year ending June 2025, the second year of the deal, marked a twelve-year low in the physical quantity of goods traded between the two countries. The following year, ending in June 2026, marked

the second lowest since comparable statistics began. Both drop-offs can be attributed to reductions in imports from Australia into Wales.

Figure 15: Wales-Australia trade in goods by volume (mn/kgs; years ending Q2 2014 – Q2 2025)



Source: **Regional trade statistics** (HMRC, 2026)

Useful sources

Senedd Research

International trade resource page (June 2026)

The UK-Australia trade agreement: what do we know so far? (July 2021)

The UK's trade deals with Australia and New Zealand: what do they mean for Wales? (August 2022)

Welsh Government

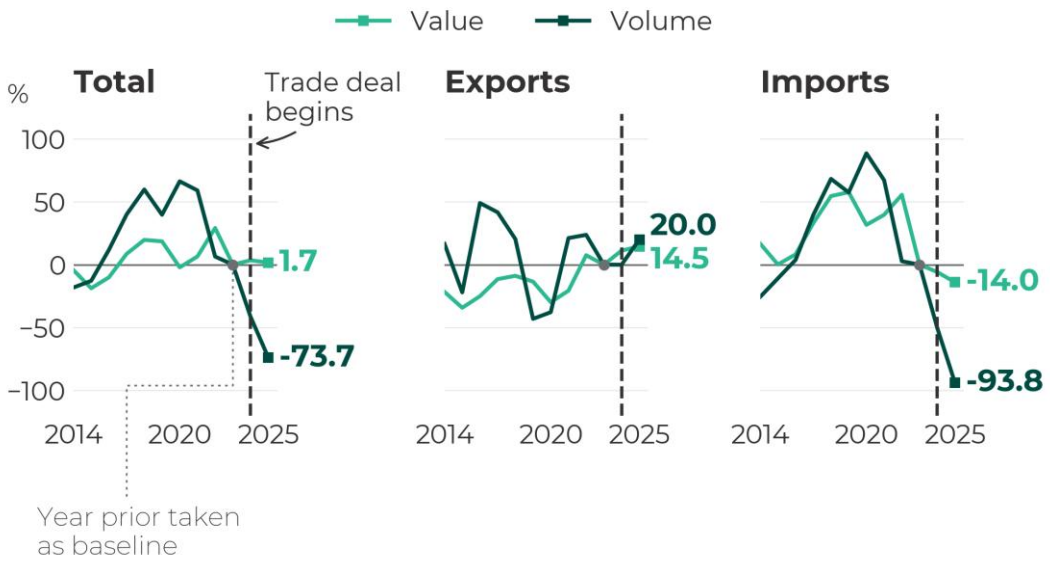
UK-Australia Free Trade Agreement: A Welsh Government perspective (May 2022)

7. Comprehensive and Progressive Trans-Pacific Partnership ("CPTPP")

The UK is a member of one trade bloc, the CPTPP. CPTPP is a group of 11 Indo-Pacific states - Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The UK joined on 15 December 2024 and remains the only European member. The latest total value of goods traded between Wales and the bloc is £2.2 billion.

When compared with the period before the deal entered into force, percentage changes show that the value of traded goods between Wales and the bloc remained steady over the period analysed, with an increase of 1.7%. This is because a 14.5% increase in export values was balanced against a 14.0% drop in the value of imports.

Figure 16: Changes in Wales-CPTPP trade in goods values (£bn) and volumes (kg) (years ending Q4 2014 – Q4 2025) relative to year ending Q4 2023

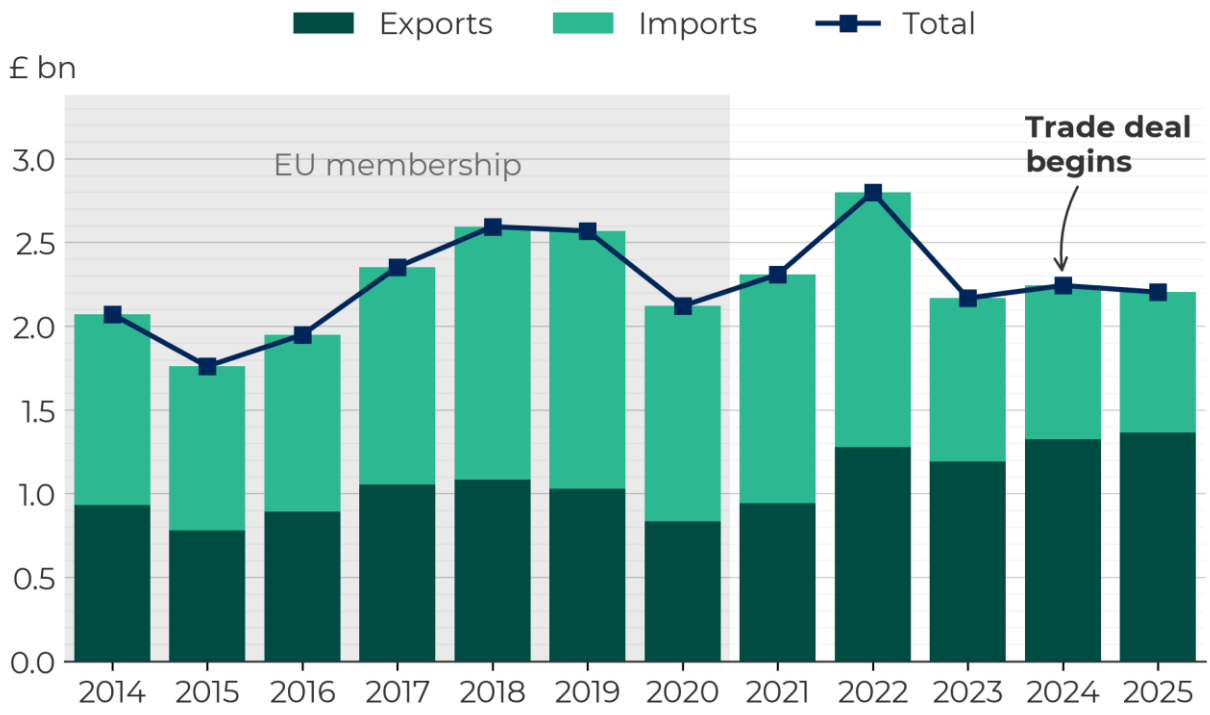


Source: Regional trade statistics (HMRC, 2026)

Trade volumes tell a different story. Here there were significant drop-offs over the period analysed, with a 73.7% decrease in the physical goods traded. Import volumes drove this decrease, with a 93.8% drop in imports from the bloc into Wales by December 2025. Even though the volume of exports from Wales to the bloc increased by 20.0%, the drop in imports was not enough to balance out trade between Wales and CPTPP partners.

Year-on-year trade in goods between Wales and CPTPP partners by value can be seen on Figure 17. These developments can be seen against time periods for both the UK's EU and CPTPP membership.

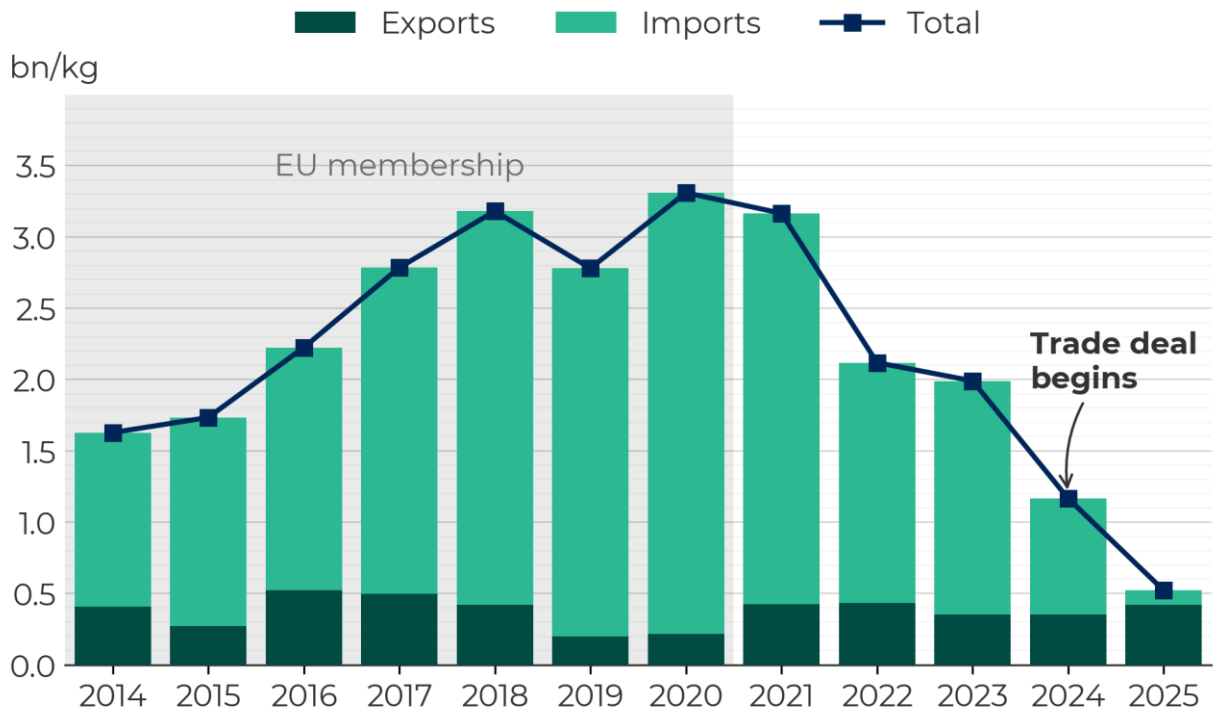
Figure 17: Wales-CPTPP trade in goods by value (£bn; years ending Q4 2014 – Q4 2025)



Source: Regional trade statistics (HMRC, 2026)

Figure 18 shows the same information by volume of goods traded between Wales and CPTPP members. It shows how the first year of the UK's membership, year ending December 2025, marked an eleven-year low in the physical quantity of goods traded with the bloc.

Figure 18: Wales-CPTPP trade in goods by volume (bn/kgs; years ending Q4 2014 – Q4 2025)



Source: Regional trade statistics (HMRC, 2026)

Useful sources

Senedd Research

International trade resource page (June 2026)

Wales and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (October 2023)

Welsh Government

Written Statement: UK accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (July 2023)

UK Government

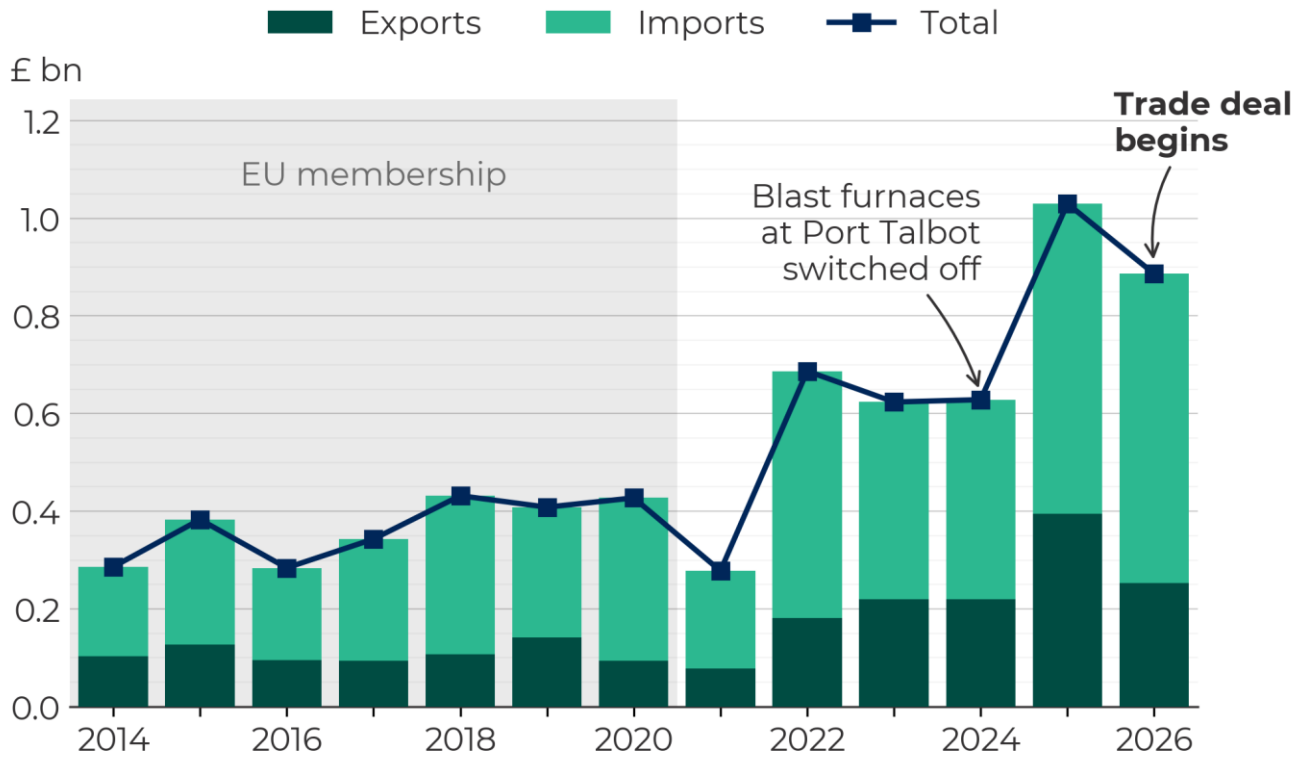
Boost for Welsh businesses as UK strikes deal to join major free trade bloc in Indo-Pacific (April 2023)

8. India

A new trade deal, the UK-India Comprehensive Economic and Trade Agreement ("CETA") entered into force on 15 July 2026. This section examines the latest statistics on Wales-India trade up to the year ending June 2026. Statistic covering the period after the deal's entry into force are not yet available.

The latest total value of goods traded between Wales and India is £886 million. Amongst Wales's **trading partners**, this places India 15th for exports and 9th for imports. Iron and steel make up 92.3% of all **imports from India into Wales** by volume and 47.0% by value.

Figure 19: Wales-India trade in goods by value (£bn; years ending Q2 2014 – Q2 2026)



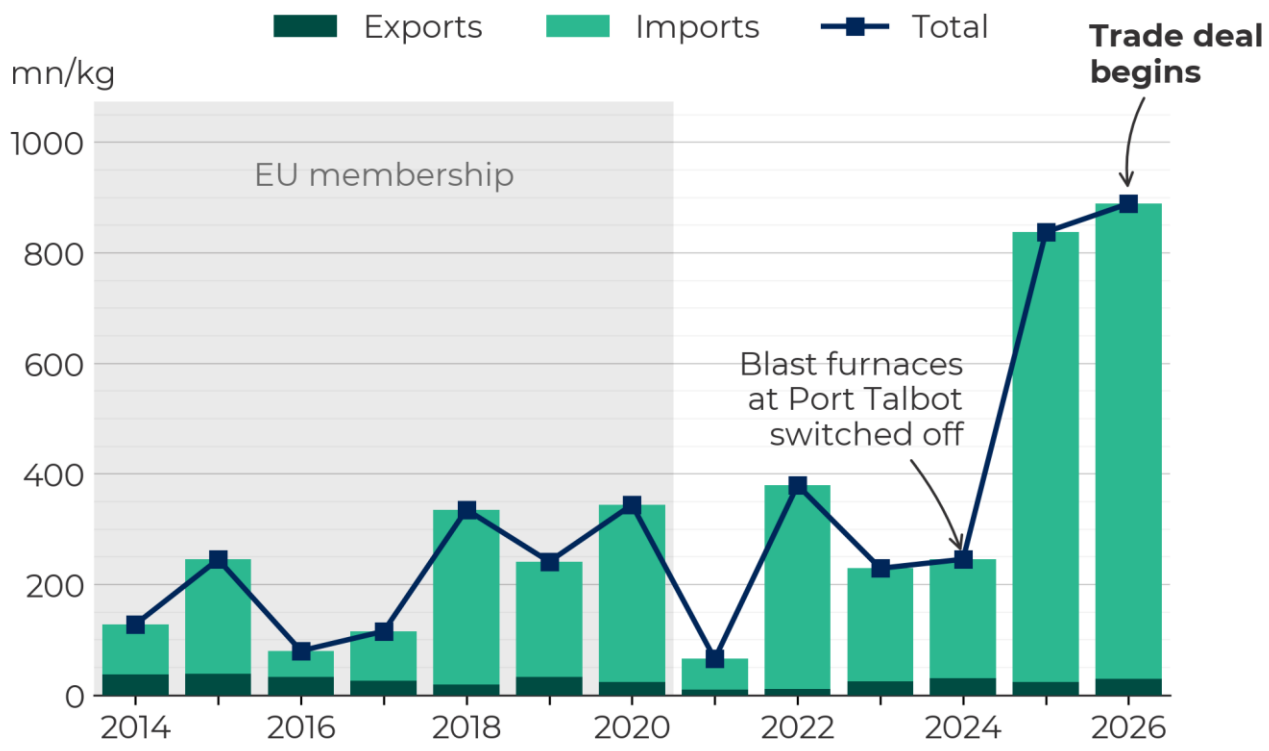
Source: **Regional trade statistics** (HMRC, 2026)

Year-on-year trade in goods between Wales and India by value can be seen on Figure 19. It shows twelve-year highs in import values since the blast furnaces at Port Talbot steelworks were switched off in September 2024, ending primary steelmaking. Figure 19 also shows time periods for the UK's EU membership and the UK-India deal's entry into force.

Figure 20 shows the same information by volume of goods traded between Wales and India. The extent of changes in the physical quantity of goods imported from India into Wales since 2024 can be attributed to significant surges in iron and steel imports. The years ending in June 2025 and June 2026 mark twelve-year highs in the physical quantity of goods imported from India into Wales.

The **UK-India trade deal** almost triples the tariff-free quota for Indian imports of galvanised steel and so further increases in imports are possible. Llanwern steelworks **supplies roughly half** of the UK's domestic demand.

Figure 20: Wales-India trade in goods by volume (mn/kgs; years ending Q2 2014 – Q2 2026)



Source: **Regional trade statistics** (HMRC, 2026)

Useful sources

Senedd Research

International trade resource page (June 2026)

Wales-India relations (April 2024)

Welsh Government

The UK-India Comprehensive Economic and Trade agreement (CETA): a Welsh Government perspective (February 2026)

UK Government

Historic trade deal signed with India to deliver £80 million boost to Wales (July 2025)