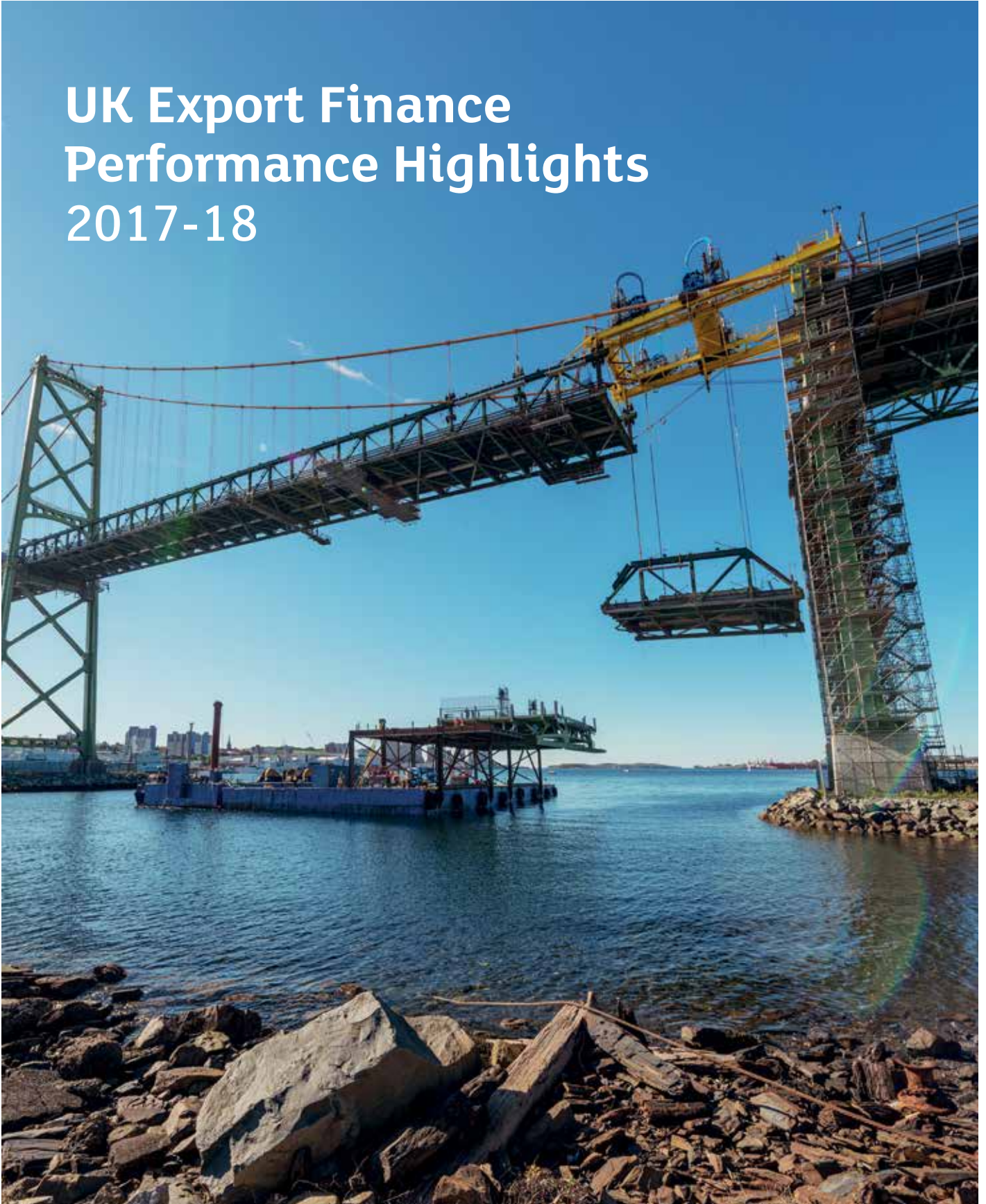




UK Export  
Finance

# UK Export Finance Performance Highlights 2017-18

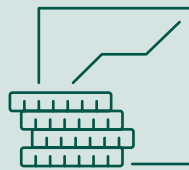


# Business highlights

## Making exports happen



We provided **£2.5 billion** of support for UK exports, helping **191** companies sell to **75** markets around the world

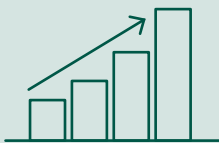


We lent **£666 million** directly to overseas buyers to help them buy from the UK – **more than double** the amount for 2016-17

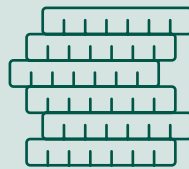


Through just one UKEF supplier fair we are securing at least **\$250 million** of UK exports in support of the construction of two power plants in Iraq, led by Enka UK and General Electric

## Innovating and improving



We confirmed increases in – and in many cases, a doubling of – our capacity to support exports to over **100** markets



We added **22** new currencies to our local currency financing offer, taking the total to a world-leading **62**



We were awarded '**best export credit agency 2017**' by Global Trade Review and Euromoney's Trade Finance

## Supporting smaller businesses



UKEF has supported **£4.1 billion** in export contracts through its trade finance products since 2011, which were introduced to help smaller businesses export – last year **77%** of all companies we supported were small to medium-sized businesses



In October 2017, we launched our **new bank partnership**, allowing smaller companies to access UKEF finance from their high-street bank



We expanded eligibility for short-term trade finance to include UK suppliers to exporters, enabling supply chains to **benefit from UKEF support** even if they're not directly exporting

# Ministers' foreword

**This is a hugely exciting time for UK trade. Our priority in government, at home and abroad, is to identify international opportunities for UK businesses, and to make sure that we are doing all we can to support them as they look to realise these opportunities. UKEF is at the heart of our strategy to achieve this.**

HM Government's ambition for the UK's export credit agency is set out in UKEF's Business Plan for 2017-20. This was the first year of the plan, and has in many ways been a landmark one for the department.

Underlining the scale of our ambition, we have increased — and in many cases, doubled — our market limit for some 100 countries over the year, and expanded the range of pre-approved local currencies in which we can provide support to a world-leading 62 currencies across five continents.

This year, we saw the first transaction under this expanded offering, supporting in Mexican pesos the export of 90 iconic red double-decker buses, manufactured by Alexander Dennis, for Mexico City's Paseo de la Reforma route. And this is not the only pioneering contract we have financed. From critical power projects in Iraq, to aircraft to Korea, these are just a few of the global opportunities British companies are realising with UKEF's flexible and innovative support.

We also introduced major enhancements to our products to offer faster, more accessible support to smaller exporters, as well as their suppliers, directly from their banks, while UK investors looking to establish operations abroad can benefit from a refreshed overseas investment insurance product. And we have continued to build our digital capability, with a range of new internal and customer-facing tools.

Following the creation of the Department for International Trade in 2016, UKEF is now fully aligned with its strategy and operations, allowing us to provide more coordinated support to exporters. Looking forward, UKEF will play a central part in the government's Export Strategy. We will continue to put UKEF at the centre of a "Team UK" offer for international projects, and will build on UKEF's successful programme of supplier fairs to ensure UK companies win this business. This pioneering approach is already bringing hundreds of millions of pounds of incremental revenue to UK suppliers, and has the ability to do even more.

It is a notable coincidence that, as the UK takes up its independent position on the world stage in 2019, UKEF, the world's first export credit agency, will mark its 100th anniversary. As we celebrate these historic moments, we look forward to continuing to ensure that UKEF is at the heart of trade promotion, building on this proud heritage to help realise the government's vision of a Global Britain.

**Rt Hon. Dr Liam Fox MP**  
**Secretary of State for International Trade**  
**and President of the Board of Trade**

**Baroness Fairhead**  
**Minister of State for Trade and Export Promotion**

June 2018



**Rt Hon.**  
**Dr Liam Fox MP**  
 Secretary of State  
 for International Trade  
 and President of the  
 Board of Trade



**Baroness Fairhead**  
 Minister of State  
 for Trade and  
 Export Promotion

# About UK Export Finance

UK Export Finance (UKEF) is the UK's export credit agency – a government department with the mission to ensure that no viable UK export fails for lack of finance or insurance from the private sector.



We aim to operate at no net cost to the taxpayer.



We are strategically and operationally aligned with the Department for International Trade.



We exist to complement, not compete with the private sector and work with 90 private credit lenders and insurers.

## The scale of our ambition

UKEF's Business Plan for 2017-20, published after the 2017 general election, set out HM Government's ambitions to put UKEF at the heart of the UK's trade promotion proposition.



One year in, we've initiated and implemented changes to become more relevant, scalable and accessible in our support for UK exports, including:



### Customer service and awareness

- A new partnership with banks to improve access to selected short-term trade finance products
- Digital service allowing banks and exporters to apply for short-term products online
- Dedicated UKEF campaign under the GREAT strategy, to increase the volume and relevance of its marketing activity



### Competitive offering

- Widened eligibility for our trade finance products
- A wholesale product review is underway to test UKEF's proposition against evolving customer needs



### Agile and adaptable

- Digitising our workflow capability to process requests for support more quickly and efficiently
- An enhanced approach to risk management following the doubling of risk appetite and market limits

# Chief Executive's report

**The government's vision for a global Britain requires us to be an export credit agency with global reach and ambitions. This year, we have made tremendous progress in meeting the aspirations set out in our published Business Plan for 2017-20.**

We continued to support historically high numbers of companies, including the first ever use of a UKEF product to support companies in export supply chains. In addition to the 191 companies we supported directly or helped to find finance from the private sector, we have connected nearly 400 companies with export opportunities. The number of UK companies we are actively engaged with continues to increase, following the Chancellor of the Exchequer's announcement in the Autumn Budget of a specific funding allocation from the GREAT campaign funding to increase awareness of UKEF services.

We announced support for landmark infrastructure projects in the UAE and Mexico; we increased the number of local currencies we can support to 62, from the Panamanian balboa to the Polish zloty; and we welcomed new customers for our aerospace business, supporting the UK supply chains for Boeing, GE Aviation, Rolls Royce and Bombardier. We grew our partnership with high street banks by introducing streamlined new processes for smaller cases.

We continued in our commitment to helping the Government of Iraq with post-conflict infrastructure development, supporting the construction and upgrade of several power plants with parts and servicing from the UK that will help to alleviate severe energy shortages across the country. We continued to support UK-led construction projects in Dubai, and in Uganda our support will see a Uganda/UK consortium construct the country's second international airport at Kabaale.

Behind the scenes we continued to invest in our people, systems and processes to become a more robust and scalable organisation, able to support higher volumes of business as required by market conditions and demand.

We are also supporting the development of HM Government's Export Strategy, which has UKEF at its heart.

On the global stage, opportunities are plentiful. There are challenges too, of course, but what we have achieved this year shows that, in UKEF, the UK's exporters truly have a world-class export credit agency that can help them seize these opportunities and take their business to new markets as the UK reaffirms its place as a leader in global trade.



**Louis Taylor**  
Chief Executive  
Officer

**Louis Taylor**  
Chief Executive Officer  
June 2018

# Exporting and beyond

## Bringing business to the UK

We are taking a proactive approach to bringing international business to the UK; using the draw of UKEF financing to attract overseas buyers; and through our flagship supplier fairs, connecting buyers directly with UK exporters.

### Supporting infrastructure development in Iraq

We provided an initial \$117 million to support the construction of two gas-fired power plants, to be delivered by Enka UK and General Electric, and an additional \$211 million (half of which was a direct loan) to help finance the upgrade of gas turbines by GE Global Services UK. This work will help us deliver on our commitment to helping the Iraqi Government develop the country's post-conflict infrastructure.

### Boosting UK supplies to Uganda

We provided a €270 million loan to the Ugandan government to support the construction of a new international airport in Kabaale – our largest ever direct loan to an African government. This will help finance the construction of the runway, taxiway, cargo terminal and other necessary infrastructure by Colas UK – with further supplies and services for the project expected to be sourced from the UK, too.



### Securing jobs and investment in the UK

We supported the sale of two Rolls Royce-powered Boeing 787 aircraft to Poland's LOT Airlines, in support of the UK's world-renowned aerospace sector and highly-skilled jobs in the UK supply chain.

## Supporting SMEs and the UK supply chain

In October 2017, UKEF launched a partnership with the five major high-street banks to make our Export Working Capital and Bond Support Schemes more accessible to smaller businesses. SMEs seeking finance of up to £2 million can now access UKEF-backed guarantees or loans directly from their bank, with a much faster turnaround time.

North Sea Ventilation (NSV) was the first company to benefit from this new model. When NSV needed to secure an advance payment guarantee for a £500,000 export order, its bank completed an online application on NSV's behalf and received instant confirmation of UKEF's guarantee. UKEF also expanded eligibility for the schemes to include UK suppliers to exporters, ensuring businesses not yet exporting themselves are still able to benefit from the opportunities of international trade.

Green's Power was the first company to benefit from this widened eligibility. When Green's won a supply contract with a UK energy company which would then export Green's' component as part of a wider export package, UKEF provided an 80% guarantee that allowed Green's to secure a performance guarantee without having to put up cash security.

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**“UKEF has played a significant role in our international growth by giving us the financial resource to seize those overseas opportunities. Now this new avenue for support means we have greater capacity to grow our business in the UK too, while supporting UK exports – this is really great news for the UK supply chain.”**

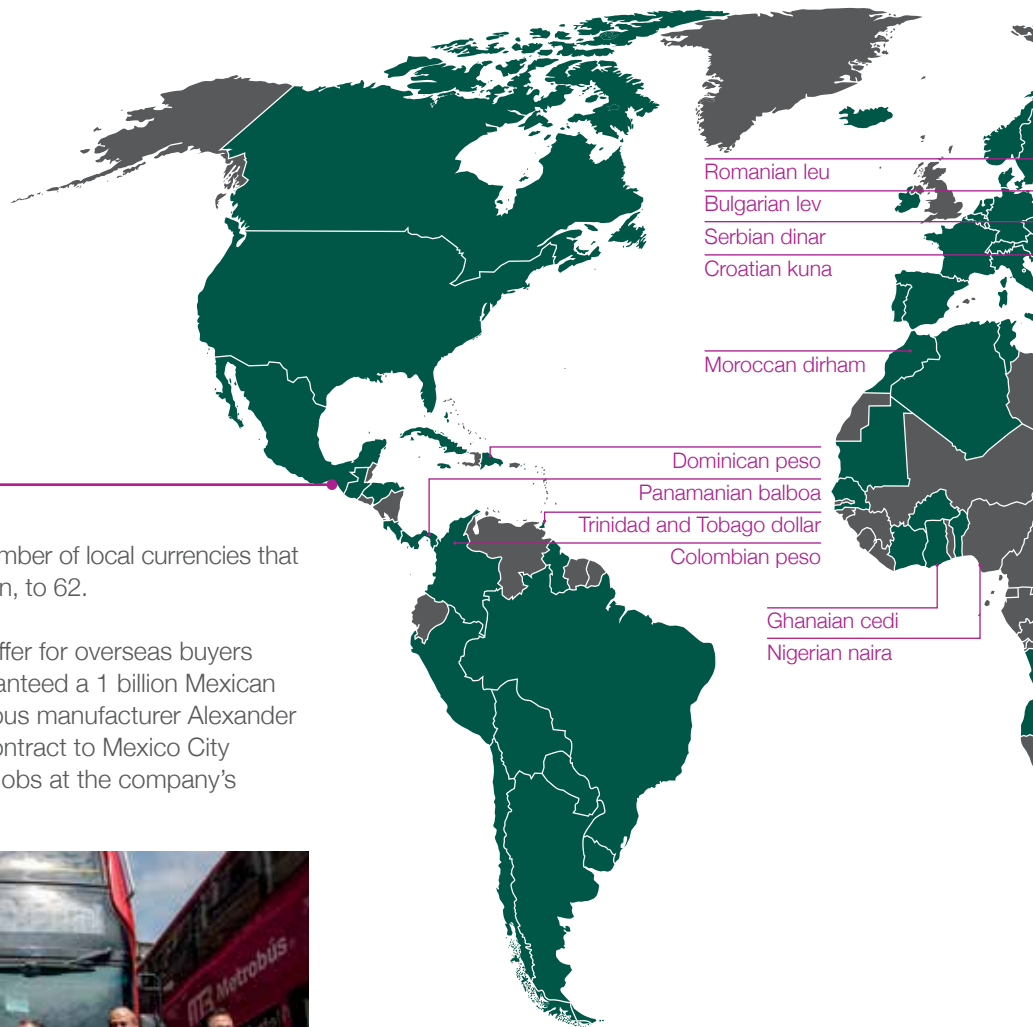
**- Matthew Crewe, Managing Director,  
Green's Power**

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# Providing world-class support in a world of opportunity

At UKEF, it is our vision to be the best export credit agency in the world. We will continue to innovate and enhance our offering to ensure that, in UKEF, the UK's exporters have the world-class support they need to realise their exporting ambitions.



## Buy British, pay local

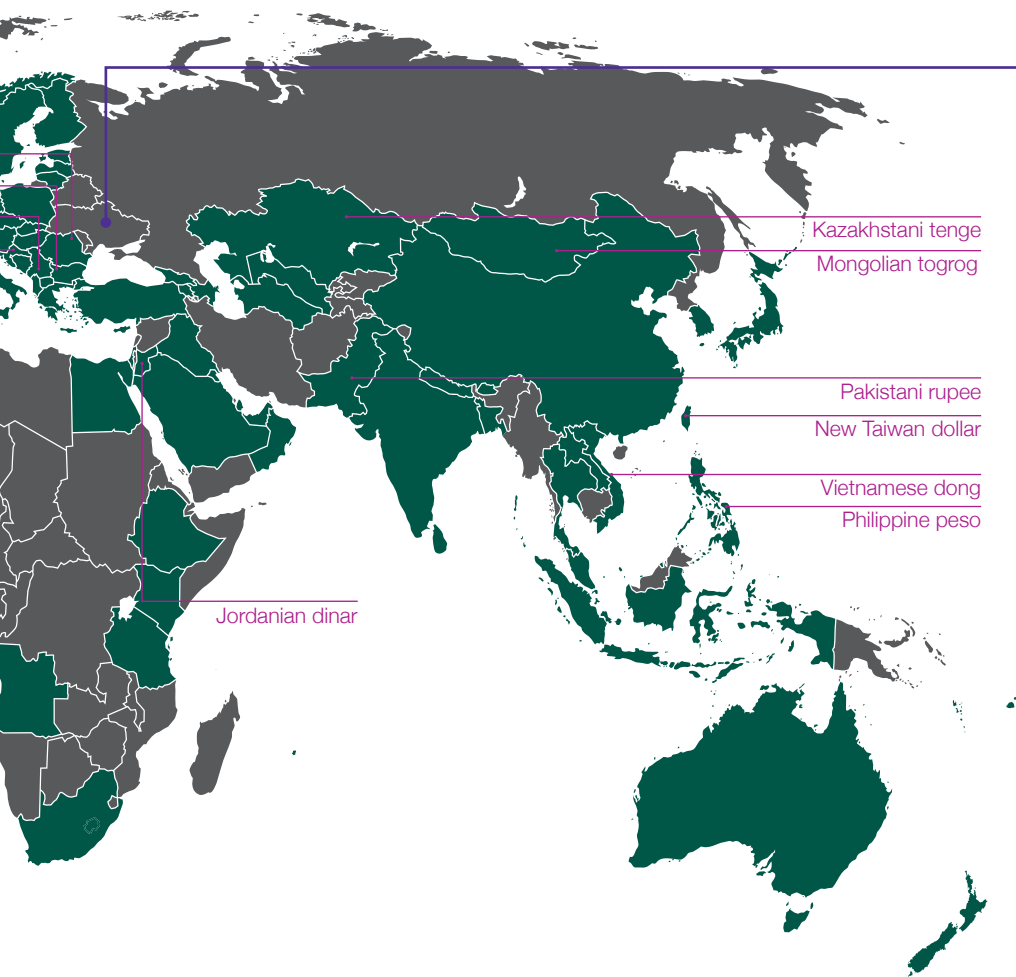
In 2017-18, we increased the number of local currencies that we can lend or offer guarantees in, to 62.

Demonstrating the benefit this offer for overseas buyers can give UK exporters, we guaranteed a 1 billion Mexican peso loan that helped Scottish bus manufacturer Alexander Dennis secure a major export contract to Mexico City – which will support over 1,000 jobs at the company's factories across the UK.



Dr Liam Fox, Secretary of State for International Trade and President of the Board of Trade, alongside an Alexander Dennis bus on Mexico City's Paseo de la Reforma





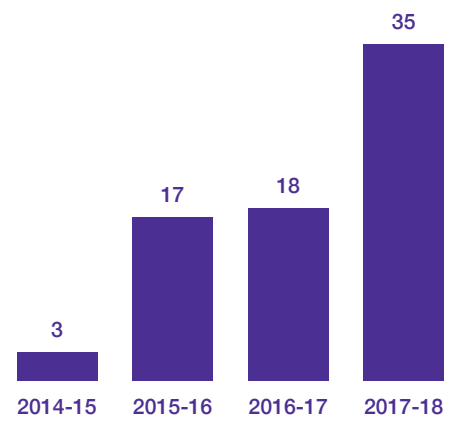
UKEF confirmed increases in its capacity to support UK exports to over 100 markets worldwide, indicated by green shading on the map.

### Finding market gaps, meeting market demand

As market conditions change, UKEF support has ensured that UK companies can benefit from business as usual in markets that the private sector can no longer cater to.

For example, with instability in Ukraine making commercial export insurance harder to access, we provided almost twice as many Export Insurance Policies (EXIPs) for UK exports to Ukraine this year than in 2016-17, ensuring UK businesses could maintain their hard-earned trade relationships.

### EXIPs issued



■ Ukraine data



### UKEF experts on the ground, securing global opportunities

With the Department for International Trade, we identified fast-growing priority markets including Indonesia, UAE and Brazil, and recruited in-country experts to work in these markets to seek and secure opportunities for UK exporters with the backing of UKEF finance.

We also refreshed our Overseas Investment Insurance policy, offering UK investors even greater protection against the political risks of investing abroad.

# Our people

UKEF's ambition is to be a great place to work. We need to maintain our highly capable, ambitious and fulfilled workforce that is the driving force behind our vision of being the best export credit agency and part of 'One Department for International Trade.'

This year we made exceptional progress towards that aim. We achieved our highest ever engagement score in the annual Civil Service People Survey at 66%, the result of a 4% year-on-year increase for the second consecutive year, and making UKEF a 'high performing' government department.

We increased our headcount dramatically, delivering an impressive 80% increase on the number of new hires compared to 2016-17. This will support all staff, and the Department as a whole, to continue to innovate, enhance the service we can offer our customers, and build our capacity to support UK businesses.

We also boosted the senior management capability of the department, ensuring staff have the resources, flexibility and support to meet our Business Plan ambitions, and demonstrating that UKEF is a place where hard work is rewarded and successful careers are built.



**40%** of new hires were female as part of our commitment to improving the gender balance within the Department



We joined HM Treasury's Women in Finance Charter



We attained **Level 3** of the national Disability Confident Employer Scheme

**93%**

of UKEF staff report feeling motivated by their work



# UKEF in the Export Strategy

Looking ahead, as the UK begins to shape its own trading agenda for the first time in decades, UKEF will be front and centre of the government's forthcoming Export Strategy.

Trade and export finance can have a transformative effect on the competitiveness of an exporter in the global marketplace. We want to ensure UK businesses know how to leverage UKEF's world-class export finance capability to realise their full exporting potential.

To do that, the government will deliver on its manifesto commitment to put finance, and UK Export Finance, at the heart of trade promotion.

The Export Strategy will set out the government's plans to:



Expand UKEF's flagship supplier fairs, connecting UK suppliers with overseas business opportunities supported by UKEF's attractive finance offer and providing a 'safe channel' for smaller companies to export for the first time



Significantly increase the contribution of UK goods and services to major international projects, using the draw of UKEF financing to create hundreds of millions of pounds worth of opportunities for consortia of UK exporters



Improve awareness and take up of UKEF support among SMEs and companies that supply to exporters, but are not yet themselves exporting



Enhance existing UKEF products or develop new ones to adapt to market demand and provide the best possible support to the UK export community



Baroness Fairhead, Minister of State for Trade and Export Promotion, has ministerial responsibility for UK Export Finance



## UK Export Finance

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Our mission is to ensure that no viable UK export fails for lack of finance or insurance, while operating at no net cost to the taxpayer.

We are the UK's export credit agency and a part of the Department for International Trade, complementing rather than competing with the private sector.

Our regional export finance managers are located across the UK. They are the first point of contact for guidance.

Search online for UKEF to find your nearest export finance manager.

Or contact our national customer service helpline:

**+44 (0)20 7271 8010**  
**[customer.service@ukexportfinance.gov.uk](mailto:customer.service@ukexportfinance.gov.uk)**  
**[www.gov.uk/uk-export-finance](http://www.gov.uk/uk-export-finance)**