



UK Export
Finance

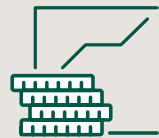
UK Export Finance

Performance Highlights 2019-20



Business highlights

A World-class ECA



Provided **£4.4 billion** in support for UK exports



Named **best export credit agency** by Global Trade Review for the third year running, as well as by Trade Finance Global for the second successive year



In the year of the Africa Investment Summit, we supported the government's ambition to be the leading G7 investor in the continent **by providing £787.5 million in support for projects across the year**

Making exports happen



Increased our **direct lending capacity to £8 billion**, including £2 billion allocated for clean growth



Supported our **first ever offshore wind projects** in Taiwan



88% of UK SMEs supported were based outside of London

Supporting businesses of all sizes



77% of the companies that we supported were SMEs



We connected **more than 500 UK suppliers** with international opportunities through our supplier fair programme



Launched our Small Deals Initiative and changed our foreign content policy, making our support **more flexible and competitive**

Ministers' foreword

British business has always looked overseas for opportunities and for over 100 years, UK Export Finance (UKEF) has been one of our greatest assets in promoting UK trade around the world and helping companies on their exporting journey.

This has been another year of great success for the department, with £4.4 billion of support for UK exports.

UKEF sits at the heart of the government's strategy for promoting exports, helping companies of all sizes, and all parts of the country, win export contracts, fulfil orders and get paid. 77% of the companies that it supported this year were small and medium sized enterprises (SMEs) and 88% were based outside of London.

UKEF is also at the forefront of the government's efforts to help UK businesses during the COVID-19 pandemic, using its tried and tested products to help ease cashflow concerns and provide insurance for export shipments.

In the March 2020 Budget, we announced a package of measures to improve UKEF support for low-carbon sectors, including £2 billion worth of direct lending capacity allocated for clean growth projects, ensuring that UK exporters are well placed to supply this fast-evolving sector.

The UK has world-leading expertise in renewable energy, particularly in offshore wind. This year, UKEF enabled British companies to win contracts on the Formosa 2, Changfang and Xidao offshore wind farms in the Taiwan Strait. With support totalling over £300 million, these projects will place UK companies at the vanguard of Taiwan's clean energy transition.

The UK is ready to trade with the world, and there is huge opportunity ahead for businesses, particularly in emerging markets. At the UK-Africa Investment Summit in January 2020, we announced £620 million in UKEF financing for 6 transformative infrastructure projects, including new hospitals, upgraded airport capacity and a business park. That is British expertise backed by UKEF financing making a real difference to the lives of millions of people and supporting thousands of jobs in the UK.

As we take our independent seat at the World Trade Organisation, sign new trade deals and lead the transition to a low carbon future, UKEF's role in unleashing the exporting potential of businesses across the UK is more important than ever before.

Liz Truss MP
Secretary of State for International Trade and President of the Board of Trade

Graham Stuart MP
Minister for Exports

19 June 2020



Rt Hon. Liz Truss MP
Secretary of State for International Trade and President of the Board of Trade



Graham Stuart MP
Minister for Exports

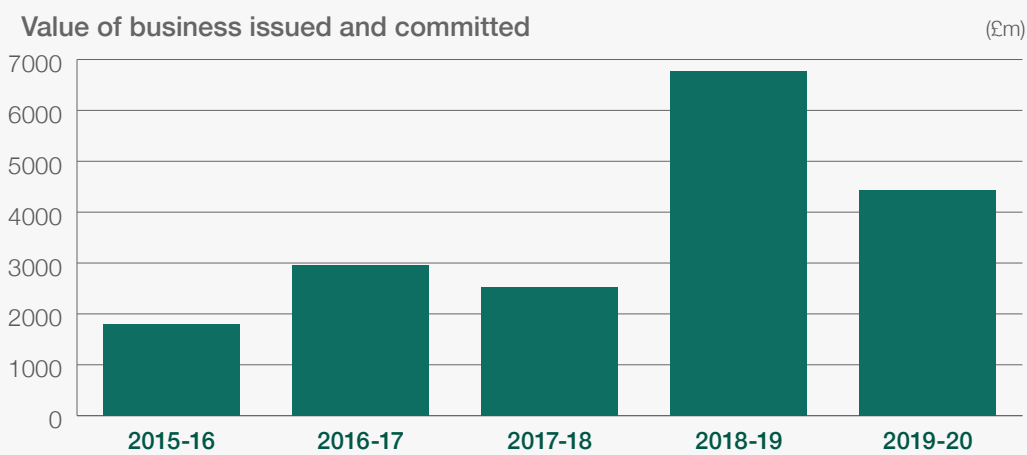
About UK Export Finance

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.

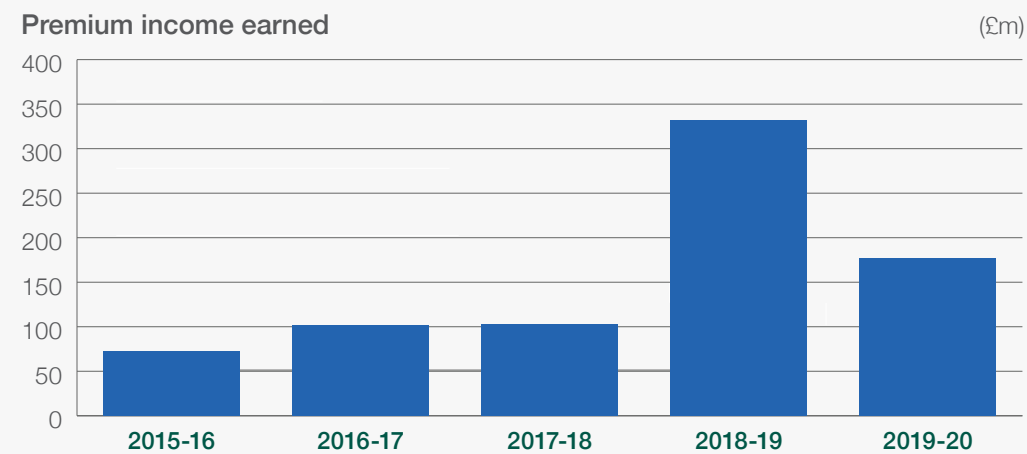
We help businesses:

win export contracts by providing attractive financing terms	fulfil orders by supporting their working capital	make sure they get paid through our export insurance
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We help UK-based exporters of all sizes, in all sectors, export to over 200 countries, working with over 70 commercial partners, including banks, alternative finance providers and insurance brokers, to help deliver our support when and where it is needed.



■ Value of guarantees, insurance policies and direct loans issued and effective



■ Premium income earned – net of reinsurance

Chief Executive's report

As the world's first and oldest export credit agency, UKEF has a track record of providing world-class support for UK businesses, leading the way in the field of export credits for the last 100 years.

Our focus is on delivering for all our customers, from the Belfast firm selling street furniture to the Dubai Arena, to the printing company in Runcorn selling secure high school certificates to the Kenyan National Examination Council and the start-up from Aberdeen selling mobile mapping technology in the Asia-Pacific region.

We are proud of the fact that 77% of the companies that we supported this year were SMEs from across the country, and we are continuing to deliver new products and processes to make our support even easier for them to access.

In June 2019, we announced our Small Deals Initiative and General Export Facility. Designed to make our support more flexible and competitive, these innovations will put SMEs in a better position to win business internationally.

We also announced changes to our foreign content policy, in order to recognise the full contribution of the UK supply chain and increasing its access to our support. This enabled our support for Solarcentury, a renewable energy company based in London, which we provided with nearly £50 million in financing to build two of the largest solar plants in Spain.

Our offer for UK exporters was expanded by the Chancellor of the Exchequer who more than doubled our Direct Lending Facility capacity, recognised as a 'gamechanger' by the British Exporters Association, to £8 billion. He also announced half a million pounds that will not only strengthen UKEF's export finance manager (EFM) network in the north of England and Scotland but support these new positions with targeted marketing activity focusing on companies that supply to clean growth industries.

Our success has also been recognised more widely, with UKEF named as Global Trade Review's best export credit agency (ECA) for the last 3 years in a row, and the British Exporters Association (BExA) scoring us 9/10 for our product offering every year since 2014.

UKEF's response to the COVID-19 pandemic has demonstrated the strength of our product suite, as well as our adaptability as a department. Our Export Working Capital Scheme is easing cash flow constraints for businesses disrupted by late payments and our Export Insurance Policy allows exporters to recover the costs of fulfilling an order terminated by events outside of their control, or where their customer has failed to pay.



Louis Taylor
Chief Executive Officer

Louis Taylor
Chief Executive Officer

Levelling up the UK

UKEF can help businesses of all sizes and in all sectors to win orders, fulfil contracts and get paid. We directly supported 339 companies last year, and 77% of those that directly received UKEF financing were SMEs. We have a network of 24 export finance managers (EFM) from every corner of the UK ready to help UK business to realise the benefits of exporting. Thousands more companies in supply chains indirectly benefited from UKEF support in the year.

Environmental Street Furniture, Newtownabbey, County Antrim

Thanks to an introduction from Liz McCrory, UKEF's EFM for Northern Ireland, Environmental Street Furniture secured its largest-ever overseas order, worth £600,000, to supply its award-winning products to the Dubai Arena. This enabled them to double their turnover and their workforce. ▽



Green Resource Engineering, Willand, Devon

Cooling equipment manufacturer Green Resource Engineering was able to fulfil a £1.1 million contract from a South Korean energy provider after securing a warranty bond from UKEF worth £90,000.

TALL Security Print, Runcorn, Cheshire

UKEF provided TALL Security Print with export insurance after they were unable to obtain insurance from the private market. This enabled them to sell 2 million secure high school diploma certificates to Kenya.

Excelerate, Cardiff

Excelerate turned to UKEF when they needed external financing to support its supply chain for a contract in the Middle East. UKEF provided a working capital loan to enable them to complete the order and grow their business.

Rautomead, Dundee

UKEF guaranteed over £1 million worth of financing for Rautomead to export machinery to China, helping to keep supply chains open during the COVID-19 pandemic. ▽



IQA Group, Glasgow

£83 million worth of support from UKEF enabled IQA Group to install new electricity infrastructure in Angola, helping to spread secure power and prosperity in this developing economy.

Jaguar Land Rover receives export development guarantee

A £500m loan, guaranteed by UKEF, is supporting the design and manufacture of the next generation of Jaguar Land Rover's electric vehicles in the UK.

The facility was designed to support bank loans for general working capital or capital expenditure for UK exporters. Crucially, this is not tied to any specific export contract, instead supporting an exporter's overall working capital needs, building on UKEF's General Export Facility announced in March 2019.

Jaguar Land Rover is the UK's largest automotive exporter, and this support from UKEF will secure jobs in the UK and underpin the company's future success.

Forrest Fresh, Rochdale, Greater Manchester

Family run wholesaler Forrest Fresh Foods was able to manage its cash flow and take on big export orders at the same time thanks to support from UKEF. This has enabled them to rapidly expand their overseas business.

Premier Ship Models, Potters Bar, Hertfordshire

Premier Ship Models was able to secure a prestigious contract for 6 historic model ships for the new National Museum of Qatar thanks to a performance bond from UKEF. ▷



Leading with finance in Africa

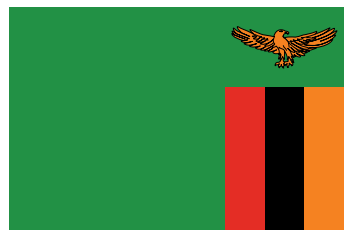
Africa is home to some of the fastest growing economies in the world, and the government is committed to making the UK the partner of choice for countries across the continent.

This year, UKEF has provided £787.5 million worth of support for African projects, unlocking exporting opportunities for UK businesses and delivering prosperity both here and in Africa.



Ghana

Support worth £110 million will enable construction work on Kumasi Teaching Hospital by Contracta Construction UK. This will create 750 beds in the main hospital for the Ashanti region for maternity care, helping to reduced mother and child mortality rates.



Zambia

A direct loan of £244 million will support the design, construction, equipping and operation of 108 rural healthcare clinics and three hospitals by Leicestershire-based NMS Limited. Each rural clinic will be powered by solar energy, ensuring renewable, reliable power in remote areas.



Angola

£60 million worth of support will enable an agricultural project delivered by Incatuk. This will enable the Cambridge-based firm to improve the rural development of the Camambatela Planalto region and contribute to reducing Angola's \$1.5 billion annual spend on food imports.

Supporting clean energy

Zero carbon energy makes up an ever-increasing proportion of the electricity generated in the UK.

We are not alone in this. It now accounts for around one-third of all global energy capacity, and UKEF is here to unlock the exporting potential of the UK green energy sector.¹ Indeed, a recent independent assessment ranked UKEF third in a league table of ECA's support for sustainable deals, providing more support than France and Germany combined.

Winning business for the UK supply chain

UKEF is a main finance provider to Formosa 2 offshore wind project in the Taiwan Strait. Crucially, we are providing our support, worth £230 million, in New Taiwanese Dollars, protecting the project from currency fluctuations.

Our involvement in this project will help to unlock the potential of the UK supply chain, positioning them strongly to win further contracts in future projects.



Securing financing for solar power

Two of Spain's largest solar plants will be constructed by London-based Solarcentury thanks to £47.6 million worth of financing from UKEF.

These developments, built with British expertise, will generate over 500MWp of green energy, powering over 250,000 Spanish homes.



¹ <https://www.irena.org/publications/2020/Mar/Renewable-Capacity-Statistics-2020>

Connecting the supply chain with international opportunities

Since November 2016, we have been holding supplier fairs to connect UK suppliers with international opportunities.

Working with trade associations, we invite relevant UK suppliers to meet and engage with international buyers, who are incentivised to source from the UK by the offer of UKEF finance.

The supplier fairs provided a channel for UK exporters to win international business knowing that the buyer is backed by UKEF, further helping to drive UK content into overseas projects.

This year, we have doubled the number of supplier fairs we have held, helping to connect over 500 UK companies with projects in the United States, the Middle East and Africa.

Contracta Supplier Fair

In February 2020, UKEF partnered with Contracta to give UK companies the opportunity to supply to three transformational infrastructure projects in Ghana. These included the modernisation of a market used by 800,000 people daily, the construction of a new airport terminal and upgrading of a maternity hospital

The event was attended by 100 UK suppliers who all had the chance to meet with the buyers, creating real and tangible opportunities to do business.



GET THE EXPORTERS' EDGE

UK Export Finance supported luxury furniture company Distinction to deliver a \$7 million contract supplying furniture to the luxurious Dubai Palm Jumeirah Hotel.

They secured an advance payment from the buyer - and thanks to a \$1.2 million guarantee from UK Export Finance, Distinction got the exporters' edge and boosted their revenue by millions.

LEARN MORE AT
[GREAT.GOV.UK/TRADE-FINANCE](https://www.great.gov.uk/trade-finance)

EXPORTING IS GREAT
BRITAIN & NORTHERN IRELAND



UK Export Finance

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, strategically and operationally aligned with 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:

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customer.service@ukexportfinance.gov.uk
www.gov.uk/uk-export-finance