



Department for
Business & Trade

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Dear Tim,

As Secretary of State for Business and Trade, with responsibility for UK Export Finance (UKEF), I would like to take this opportunity to set out my priorities for the department over the next year.

UKEF is an important lever to grow our economy. The finance it provides helps to unlock exports – a key driver of growth, productivity, and well-paid jobs. I was pleased to see that last year UKEF provided £8.8 billion of support to UK exporters of all sizes, supporting 41,000 jobs across the UK.

The ambitions in UKEF's five-year Business Plan align well with this government's priorities. I would now like you to focus on delivery, driving forward the government's missions. Above all, this means deploying finance to help kickstart economic growth. Within this, I would like you to support development of our new Industrial Strategy, and continue to increase the number of small businesses UKEF supports. In doing this, I expect you to continue to work closely with the Department for Business and Trade (DBT) as well as other government departments, agencies and the private sector.

1. Driving economic growth across the UK

Kickstarting economic growth across the whole of the UK is the number one priority of this government. Delivering this growth will require a step-change in private sector investment. UKEF must continue to use its finance catalytically to drive economic growth in all regions of the UK, working in close partnership with the private sector. Your Business Plan commitment to unlock £12.5 billion of exports and enable £5bn of finance to help exporters build their capacity by 2029 is an important element of this, boosting not just the business you directly support, but also their supply chains. UKEF also needs to ensure it maintains a minimum of 80% of businesses supported based outside of London over your business plan period. I also welcome your ambitions to increase support for underserved business year on year.

My ambition is for UKEF to provide the best possible support for UK businesses to trade and invest overseas. To do that, it is critical that UKEF's offer is competitive with our international peers across the G7. I would like you to review UKEF's offer – including exploring with HMT increasing UKEF's financial capacity and benchmarking the range of

products it offers – to ensure that UKEF is well-placed to retain its position as a world-leading Export Credit Agency. I would also like UKEF to support delivery of the National Wealth Fund and ensure the collaboration with other PFIs remains strong, to help make the overall Government financing offer as clear as possible for business and the finance sector.

2. Supporting a mission-driven Industrial Strategy

This government will get businesses investing again by implementing an Industrial Strategy to mobilise private sector investment, increase productivity and create well-paid jobs. The Industrial Strategy will be clear-eyed about prioritising the sectors with the highest growth potential and those that are strategically important for the UK. Access to finance for businesses in these sectors will be integral. UKEF already has deep expertise in key growth sectors for the UK, like advanced manufacturing, defence, aerospace, and renewables. I would like you to feed into the development of the Industrial Strategy and then to make delivery of this strategy your top priority. This will mean ensuring that UKEF has deep engagement and coverage of the UK's key growth sectors.

I was pleased to see UKEF announcing its first Invest-to-Export deal, for the construction of a wind tech factory in the Tees Valley, supporting approximately 1,500 jobs in the supply chain. Crowding in inward investment and supporting our supply chains will be key to this industrial strategy and I look forward to the expansion of this UKEF support.

The industrial strategy will be international by design. I would like to see UKEF open up the markets of the future to British businesses and support their international growth through its business plan objective to mobilise £10 billion of finance in low- and middle-income countries by 2029.

3. Working to make Britain a clean energy superpower

A core mission of this government is making the UK a clean energy superpower. UKEF's plan to deploy £10 billion of clean growth finance over the next five years will be an important element of achieving this, providing finance and mobilising the private sector to support the energy transition at home and abroad. UKEF's Sustainability Strategy sets out a pathway for UKEF to increase its impact in this area. And as the inaugural Chair of the new Net Zero Export Credit Agencies Alliance, there is an opportunity for UKEF to help secure the UK's position as a world leader in climate finance, while helping to align export credit finance globally with Paris Agreement objectives. I would like you to go further, both at home and abroad, by continuing to find new ways to support our innovative green export sector and support clean investment in the UK working with GB Energy as it sets up, and to support the net zero transition with our partner countries as part of our new Clean Power Alliance.

4. Increasing support for small and medium sized businesses

I am determined to do more to support small and medium-sized businesses. These firms already form the majority of customers that UKEF supports each year. The department's Business Plan sets out an ambition to significantly increase the number of small businesses UKEF supports, reaching over a 1000 a year by 2029. Too many small businesses struggle to access the finance they need to grow and to export. Just as important as the number of SMEs UKEF supports is how it helps businesses become more productive. This means working with the Department for Business and Trade and SMEs to expand their existing export operations and giving aspiring businesses the

finance they need to export for the first time. To deliver on this, UKEF will need to continue to innovate. I would like UKEF to work to digitise its offer where it can to ensure that businesses of all sizes can access its support easily, further enhance its support for companies with a turnover below £10 million to start exporting and do more to support small businesses to access finance on the private market. By supporting these smaller exporters, UKEF can significantly increase the number of exporters it supports each year, spreading economic growth, prosperity and opportunity across the UK.

Thank you in advance for your work delivering these priorities. UKEF must move at pace to support the Government's efforts to restore economic growth, and I look forward to working closely with you to help you do that.

Best wishes,

A handwritten signature in blue ink that reads "Jonathan Reynolds". The signature is written in a cursive, flowing style.

THE RT HON JONATHAN REYNOLDS MP
Secretary of State for Business & Trade and President of the Board of Trade