

Dear Minister Thomas and Minister Smith,

Support for Women in Trade

Ahead of the upcoming publications of new government strategies, particularly the Trade Strategy and the Small Business Strategy, I am writing to provide feedback on policy areas which the [Chartered Institute of Export & International Trade](#) has recently been consulting on with a range of women in trade.

You will be aware that research commissioned by the Scottish government into the Gender Export Gap, earlier this year, showed that Scotland's trade alone could increase by as much as £10.3bn over two years if women-led businesses exported at the same rate as firms owned by men. If government and industry could work concertedly together to help more women to export, how much more so would economic growth be boosted across the UK. However, with only 15% of small and medium-sized enterprises employers across the UK [estimated](#) to be led by women (18% if without employees), there are clearly also barriers with women being able to start a business, let alone begin exporting. We have reflected some of these challenges below, and some suggested solutions, which we were keen to pass onto you, as the government considers how best to support women in trade.

Growth phase challenges and access to finance

The creation and growth phase for women-led businesses presents several challenges, including difficulties in accessing finance for SMEs, which often leads to exclusion from trade missions due to turnover ineligibility. Additionally, they face time and resource challenges in attending trade missions or shows, regardless, as their businesses 'stand still' if they are either the sole member of their business or one of only a few employees. Women, in particular, often juggle multiple responsibilities, making it harder to participate in trade promotion activities. Although face to face interactions in-market are known as being the best medium for engaging with new markets, an increase in digital trade missions would be a useful back-up to mitigate some of the accessibility and cost challenges for women looking to export.

There are a range of challenges women face with access to finance, and we will be submitting separately to the government's call for evidence on SME Access to Finance. However, as a top-line overview, from the basics of challenges in securing bank accounts to costs associated with receiving loans and managing high interest rates, it can be challenging to become financially stable at the beginning of a company's export growth journey. Traditional banks and lenders often favour businesses with longer trading histories and strong collateral, placing newer or niche businesses at a disadvantage. This particularly affects those businesses led by women and/or other under-served groups such as ethnic minorities.

Beyond banks, even local and regional authority grant processes can often involve more time and paperwork than the benefits received, making it difficult for smaller businesses to access necessary funding. We were recently told of a situation where the time and money spent on the grant process totalled more than the grant itself (£10,000).

There can also be specific market challenges in relation to finance. For example, when exporting to Africa, businesses face currency risks, with local currency contracts sometimes losing value over time. Obtaining bank accounts in countries where businesses are not well-known is also a challenge.

Resources and signposting

Whether signposting of educational resources or pots of funding, signposting challenges are a recurring piece of feedback from women in trade. There appears to be a significant gap in awareness about the available finance options and how to then access them. Many women entrepreneurs either do not know enough about the options, and how to find them, or it is not clearly explained how to effectively utilise the opportunities that are available. This leads to pots of funding sometimes going unused, not because there is no need for them, but because the information regarding these funding doesn't reach the right people.

We have also been told that more customs training is needed amongst the export community, especially for younger people entering international trade. E-learning is also a vital mechanism in order to support the flexibility requirements of women-led exporters. The Chartered Institute, of course, exists to provide exactly this kind of support and has invested in transforming a number of our courses to e-learning formats. Vocational education and peer mentoring are also important, but can be sparse. However, the Export Champions community has been flagged as a positive initiative and there is a strong argument that there should be both an increased number of champions and increased utilisation of these champions. It has also been suggested that peer mentors are needed who haven't always experienced successes. Comparison culture can be difficult in the trade world, and it helps to have 'champions' who have also experienced similar difficulties and are relatable in terms of what can be achieved.

In order to further respect the flexibility needs of women who are exporting, businesses have reflected to us that there is a need for more resources in 'plain English' to help businesses understand regulations and requirements without the 'policy waffle'. Even the language around exporting can be seen as corporate 'big speak', with information often weighted towards large scale export. For example, for those in the MSME craft community, the knowledge they need is around domestic postal and courier services, but they often end up wading through lots of information to get to the bottom of requirements. Women in business are adept at managing multiple responsibilities, but have limited time and must use it smartly – particularly if they have no employees to share the load.

Regulatory issues

Regulatory issues, and ensuring alignment, provides an incredibly wide range of challenges to women in trade trying to navigate constantly adapting rules. VAT returns are particularly cumbersome, post-Brexit, and we have raised with DBT – on previous occasions - the time and cost difficulties faced by the need to appoint responsible economic operators (REOs) in the EU and Northern Ireland.

When new regulations which will significantly affect smaller businesses are being developed (for example, the UK's response to the EU's General Product Safety Regulations) it is crucial to involve small business owners who understand real-life trading at a micro and small business level in communications out to women in trade. A suggestion from one business was that, when new regulations are implemented and DBT seeks to communicate these out to the business community, they could utilise women who have experience in trade to help in walking other businesses through the practicalities of implementation. The insights of these women with long-held experience is also crucial for testing and understanding how new policies will work at the grassroots level and ensuring that others do not lose their livelihoods due to ineffective regulations. Solutions for one sector or size aren't solutions for all. For example, solutions

designed for medium and large operators are simply not always practical for small and micro businesses, when their corporate structure and practice is so different.

Business Growth Service

We appreciate that the government is working hard on the creation of a Business Growth Service and asked a range of businesses how this could best encourage business finance readiness – particularly for under-served communities. Feedback we received reflected that a personalised life-cycle based approach to the service would be helpful, with content and support tailored directly to where the business is in their lifecycle and matching this to the business' life-cycle. Integration with other sources of support is also important – for example, Female Founder Finance was raised as an exemplar of clear and tailored information for business owners. Likewise, the E-Commerce Trade Commission is creating a specific resource hub for businesses at different stages of their export journey, who might need support with exporting online.

We also received a suggestion that the Business Growth Service should enhance outreach to actively engage with under-served communities, especially women, actively raising awareness of available services. Specifically, a suggested resource for the service is to include 'finance-readiness modules' into local business support programmes.

We hope that these reflections have been helpful and will be taken into consideration to support and empower women in the export sector. I would be delighted to meet and discuss any of these points further with you.

Yours sincerely,

Marco Forgione MCIEx
Director General