

# A true collaboration

## Working with UK Export Finance to implement the Government's Export Strategy.

AUTHOR – Lesley Batchelor OBE FCICM



Lesley Batchelor

**O**VER the summer the Government announced its intention to increase exports as a proportion of GDP from 30 percent to 35 percent. Export volume has started to increase in the last couple of years and though much more work needs to be done to increase national trade confidence among the UK's SMEs in particular, a start has been made towards making the UK a greater exporting nation.

One of the real success stories of recent years has been the Government's broadening of the support provided by its export credit agency UK Export Finance (UKEF). In the past UKEF has been criticised for serving mostly larger corporates, however, over the last five years this has changed. Indeed, in the last five years it's provided £14 billion of support to UK exports in partnership with banks and brokers.

Its mission is 'to ensure that no viable UK export fails for lack of finance or insurance, while operating at no net cost

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

to the taxpayer', and recently it's been moving much more efficiently towards this end-goal.

At the Institute of Export & International Trade (IOE&IT) we are proud of the part we've played in this burgeoning national success story. We have partnered with UKEF on an 'Award in Trade Finance' qualification, which all UKEF, Foreign & Commonwealth Office (FCO) and Department for International Trade (DIT) staff take to ensure thorough product knowledge. This creates an understanding of how these financial products fit within a commercial setting in all sizes of business.

Once this is completed, staff can move on to a Level 5 Diploma in International Trade which ensures they understand the fuller context of international trade when advising companies on key international business tasks such as international physical distribution, international marketing strategy, and of course the financing of international trade. We do so in such a way that ties in effectively with UKEF's core offerings and services.

For instance, in the part of the course in which we train UKEF advisers in how to ensure the security of international payments, as well as covering key areas like currency risk, open account trading and documentary letters of credit, we also explain how UKEF's Export Insurance Policy can be applied. When training UKEF advisers in how international working capital cycles work and the role of bonds and guarantees in supporting export trade, we also address how UKEF's Export Working Capital Scheme is used to support UK exporters. And we also evaluate how UKEF's medium and long-term export finance support services are applied, including Buyer Credit, Supplier Credit, and Direct Lending.

### NETWORK TO THRIVE

Not only do we train UKEF's advisers, but all of the UKEF managers are members of the Institute, meaning they receive daily bulletins about the key developments in trade, have access to our Technical

Helpline, and can constantly stay on top of things through our CPD scheme; our support network and the access to knowledge and skills we provide have proved invaluable.

Elizabeth McCrory, an Export Finance Manager at UKEF who works in Northern Ireland, recently told me: "As a local point of contact for exporters I am helping them to get a better understanding of their export finance requirements and, where possible, I'll identify an appropriate solution to support their export transactions. The Diploma in International Trade has given me a broader understanding of International Trade. Being a graduate member of the IOE&IT gives me added accreditation and I'm delighted to use the letters MIEx (Grad) after my name."

### JUST THE START

At our recent World Trade Summit event in London, we were delighted to be joined by Louis Taylor, Chief Executive of UKEF, and Baroness Fairhead CBE, the Minister of State for Trade and Export Promotion. Both of these key decision-makers made the point that this can only be the beginning for UKEF, and as the Department for International Trade looks to go about producing its second Export Strategy in as many years, the role of UKEF looks certain to become even greater.

Our work with UKEF is a great testament to the importance that education and training has in any export strategy as our trade advisers can only do the job of supporting UK businesses into international trade if they know how it's done themselves. We are always keen to forge relationships, like the one we have with UKEF, because it is only through driving the export skills agenda that any strategy becomes achievable.

*Lesley Batchelor OBE FCICM is Director General of The Institute of Export and International Trade.*