



Department for Business & Trade

Nusrat Ghani MP
Minister for Industry and Economic Security
at the Department for Business and Trade and
Minister for the Investment Security Unit at
the Cabinet Office

Old Admiralty Building
Admiralty Place
London
SW1A 2DY
United Kingdom

T +44 (0) 20 4551 0011
E Ghani.correspondence@trade.gov.uk
W gov.uk

Darren Jones MP
Chair, Business and Trade Committee
House of Commons
London
SW1A 0AA

26 July 2023

Dear Darren,

Later today, I will announce the launch of a Shipbuilding Credit Guarantee Scheme. The Shipbuilding Credit Guarantee Scheme (SCGS) is designed to help stimulate the UK's shipbuilding industry, by helping UK ship owners and operators to access finance and place their orders at UK shipyards. The scheme has been a personal priority and today represents the earliest opportunity to formally launch it.

The Scheme will guarantee a portion of the value of eligible loans, sharing the risk with lenders to encourage offers of finance to UK vessel owners and operators.

Subject to credit checks and due diligence, the scheme will be available to support the purchase of new vessels as well as the refit, retrofit and repair of existing ones.

I am writing to confirm that I intend, at the earliest possible opportunity once the House returns, to lay before Parliament a Departmental Minute describing a contingent liability arising from this launch, and setting out that UK Export Finance (UKEF) will act as service provider to the Department for Business and Trade, and for which an initial urgent expenditure will be met by repayable cash advances from the Contingencies Fund.

The SCGS is one of a number of targeted interventions being taken as part of the government's National Shipbuilding Strategy Refresh, to encourage UK ship owners and operators to place new orders and upgrade their existing fleets with world-leading shipyards that are based up and down the UK. The SCGS forms part of over £4 billion of government investment planned through the National Shipbuilding Strategy Refresh to reinvigorate the entire UK shipbuilding industry. UKEF will have a role in the delivery of the scheme, but accountability for the scheme will rest with the Department for Business and Trade.

HM Treasury has approved the arrangements.

Yours sincerely,



Nusrat Ghani MP

Minister of State for Industry and Economic Security at the Department for Business and Trade and Minister of State for the Investment Security Unit the Cabinet Office