



Department for International Trade

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Dear Angus,

I would like to thank the International Trade Committee for its report following its inquiry on UK Export Finance (UKEF).

The Government welcomes the report's recognition of the important part UKEF plays opening up export opportunities and supporting UK exporters to take advantage of them, and in particular its importance in helping businesses through the pandemic and the economic recovery. It also recognises recent progress in supporting government objectives, including SME exporters and net-zero goals.

The Government fully recognises the imperative of tackling climate change and has legislated to ensure that the UK's carbon account reaches net zero emissions by 2050, the first G7 country to do so. The full response below sets out the steps UKEF is taking to support this, including establishing a new specialist Renewables and Transition underwriting team and gearing its business origination towards renewables and clean growth with at least 50% of the early-stage pipeline focused in these areas. We note the weighting of UKEF's historic support towards particular sectors; the department is proactively working to expand its support for new and emerging sectors and aligning these with wider government priorities.

Supporting SMEs remains a high priority for government. The Government agrees with the Committee's recommendations on the importance of reaching SMEs and our response sets out the steps we are taking to better understand and respond to SME needs. For example, UKEF is working with the British Business Bank to improve join-up on government support for SME access to finance, exploring options to further expand the delivery partners it works with to support smaller exporters, and expanding its stakeholder engagement with SMEs and representative bodies.

The Committee is right to highlight the importance of maintaining the high standards with which UKEF approaches the business it supports. UKEF is currently reviewing its entire suite of Financial Crime Compliance policies and will report back to you on the outcome of this review by the end of March 2022.

With regard to transparency, the Government has considered UKEF's disclosures in its Annual Report and Accounts and concluded that its approach appropriately reflects the full range and impact of UKEF's support. Nevertheless, the Government is supportive of the Committee's recommendation to make the nature of the interventions clearer, and to improving the clarity of disclosures related to SME support in particular.

In line with the Committee's recommendation on UKEF's mandate, the Government commits to reviewing UKEF's mission statement and objectives to ensure they accurately reflect its approach to upholding values in the business it does, and notes these values already feature in UKEF's decision-making processes.

Looking ahead, as announced in Build Back Better: our plan for growth, the Department for International Trade (DIT) launched a new Export Strategy on 17 November, setting out a refreshed government ambition and support offer for exports. UK Export Finance is an integral part of this offer and the department is working closely with DIT to deliver the step-change in support it sets out.

I enclose a detailed formal response to each of the recommendations made in the Committee's report.

Best wishes,

A handwritten signature in black ink, appearing to read 'Anne Marie Trevelyan', with a horizontal line underneath the name.

THE RT HON ANNE-MARIE TREVELYAN
Secretary of State for International Trade
& President of the Board of Trade