



Department for Business & Trade

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

14 July 2023

Dear Darren,

I am writing in response to your request for written evidence for the Business and Trade Committee's inquiry into export-led growth.

Exports support economic growth and the delivery of key government priorities, including levelling up; the drive to net zero; increased productivity; and higher paid jobs. Our Race to a Trillion is a whole-economy and whole-of-government ambition to increase UK exports to £1 trillion a year by 2030. Based on latest forecasts and the strategy we have put in place; we believe we are well placed to achieve this ambition.

UK exports are recovering following the COVID-19 pandemic. As the world's 7th largest exporter, the UK achieved £815bn exports in 2022, above 2018 levels even after discounting the effects of inflation. Services exports are at a record high, 4% above 2018 levels after accounting for inflation, with the UK the 2nd biggest services exporter in the world and one of the strongest performers in the G7.

The Department for Business and Trade (DBT) is leading a whole of Government effort to tackle and remove barriers to trade. We estimate that 45 of the barriers we resolved in 2021-22 could boost UK exports by around £5bn over the next five years. We want to go even further, focussing on 100 priority barriers, which if resolved could boost UK exports by a further £20bn.

From a standing start 6 years ago, the Department has negotiated trade deals with 73 countries plus the EU¹, partners that accounted for £1.1 trillion UK bilateral trade in 2022.

On 31 March, the Prime Minister announced the UK will join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a vast free trade area of 11 countries spanning the Indo-Pacific, with signature of the agreement taking place on the 16of July. This is our biggest trade deal since Brexit and the UK is the first European country to join CPTPP.

¹ The UK-EU figure forms part of the UK bilateral trade figure and includes trade with the EU27 plus Andorra, San Marino, EU overseas territories and UK crown dependencies.

In 2021 we published the Export Strategy with broad support across Government and from business. We focused the Strategy on a 12-point plan of pragmatic steps we could take to motivate, support and promote UK exporters to succeed globally. We are now implementing that Strategy, and it is working:

- a. We launched the Export Support Service (ESS), initially to help UK exporters navigate our new terms of trade with the EU. We then expanded its remit to support businesses affected by the invasion of Ukraine. We have now opened the service up to cover all global markets and have managed over 14,300 business enquiries.
- b. We created and launched an innovative online Export Academy to help build knowledge and expertise of UK business looking to expand internationally. To date the Academy has had over 17,000 new sign-ups from UK businesses.
- c. We have established 'trade hubs' in each of our nine HM Trade Commissioner-led regions around the world, supporting the work of our overseas network and responding to 11,000 market enquiries from 5,800 unique businesses in 2022/23.
- d. Our network of International Trade Advisers across England have been in-housed to create an agile and efficient field-force offering proactive support to high export potential businesses.
- e. We have established new DBT offices in Scotland, Wales and Northern Ireland and our teams on the ground are ensuring the benefits of our export support accrue to all four nations of the UK.
- f. We have established a network of almost 400 Export Champions across the UK - experienced exporters and entrepreneurs sharing their time and expertise to support and inspire the next generation of British exporters.
- g. UK Export Finance (UKEF), the UK's export credit agency, is advancing prosperity by ensuring that no viable UK export fails for lack of finance or insurance, doing that sustainably and at no net cost to the taxpayer. UKEF help UK businesses unlock the finance to help win export contracts, fulfil orders, and get paid for their exports.
- h. The Made in the UK, Sold to the World campaign showcases world-beating UK products and services, drawing on a library of localised case studies to inspire more small and medium sized enterprises (SMEs) to start their exporting journey.

Delivery of the Export Strategy is giving UK businesses the knowledge, networks, capability and confidence to grow, to take their products and services to new markets around the world and to capitalise on the opportunities our independent trade policy is creating.

We have the right strategy, but we know we must do more:

- a. We are working across government to create the right business environment to allow UK exporters to expand and compete internationally – identifying opportunities to simplify existing regulation, ensuring new legislation does not obstruct exports growth and making the border as frictionless as possible.
- b. We are equipping businesses, and SMEs in particular, to capitalise on the opportunities afforded by new Free Trade Agreements (FTAs), state level

agreements and wider removal of market access barriers. Promoting the opportunities these deals create and ensuring businesses have the guidance they need to take advantage.

- c. We are underpinning our work with a data-driven approach to lead generation and business development - ensuring we target the right services, at the right businesses and at the right stage of their exporting journey and maximising our return on investment.
- d. We are increasing the resilience of UK supply chains, a key priority for this Government. Recent geopolitical events have shown how crucial strong supply chains are to building a resilient United Kingdom which can withstand and proactively tackle the challenges of today and the future. We will continue to work with allies to facilitate trade for UK exporters and to secure our most critical goods.

I welcome the Committee's interest in the Government's approach to export-led growth. Your Committee set out several questions in your call for evidence, for which we have provided answers in Annex A.

Best wishes,

A handwritten signature in black ink that reads "Kemi Badenoch". The signature is written in a cursive, flowing style.

THE RT HON KEMI BADENOCH MP

Secretary of State for Business and Trade & President of the Board of Trade and
Minister for Women & Equalities

Annex A: HM Government Response to the Business and Trade Committee's Call for Evidence on Export-led growth

What are the new or growing opportunities for exports which can drive UK economic growth? How can these be exploited?

Global Trade Outlook

1. Global trade is projected to grow broadly in line with global GDP over the next 30 years. By 2050, it is expected to double in real terms and almost quadruple in dollar terms to reach close to \$100 trillion.
2. Emerging economies are likely to account for a growing share of trade as economic power shifts east. Seven of the largest emerging economies are projected to match the G7's import market size by 2050.
3. Global trade is expected to gradually become more services-oriented over time. Service sectors are expected to account for 28% of global trade by 2035, up from 25% pre-pandemic. Services are the predominant driver of the UK economy, contributing around 80% of our economic activity and accounting for around half of the UK's exports in 2022. Building on this comparative advantage will be key to our future economic success.

FTA Programme

4. DBT has an ambitious programme of FTA negotiations to help our nation become a truly Global Britain. We know FTAs reduce restrictions on imports and exports, which can make trading easier and cheaper. Benefits for exporters include lowered or removed tariffs, improved market access and enhanced protections for businesses in areas such as data protection and intellectual property. Since leaving the EU, we have agreed trade deals with 73 countries plus the EU, partners that accounted for £1.1 trillion UK bilateral trade in 2022.
5. As the world economy's centre of gravity increasingly moves eastwards towards the Pacific region, HMG (Her Majesty's Government) has responded strategically with an Indo-Pacific Tilt. To date we have:
 - a. concluded FTAs with Japan, Australia, and New Zealand;
 - b. initiated FTA negotiations with India, Mexico, and Canada;
 - c. implemented a ground-breaking Digital Economy Agreement (DEA) with Singapore; and
 - d. built other digital partnerships, such as the UK's Asia Pacific Digital Trade Network; ASEAN-UK Digital Innovation Partnership; and the UK and Australia Cyber and Critical Tech Partnership (CTP).
6. On 31 March, the Prime Minister announced the UK will join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a vast free trade area of 11 countries spanning the Indo-Pacific. Signature of the agreement will take place on 16 July. After 21 months of negotiations, this is our biggest trade deal since Brexit, and we are the first European country to join CPTPP. This partnership will boost growth and strengthen our ties with some of the world's most dynamic economies, with a combined GDP of £12 trillion once the UK joins. It will be a gateway to the wider Indo-Pacific region, which is set to account for the majority of global economic growth and over half of the world's 3.5 billion middle-class consumers by 2050.

7. We are taking a twin-track approach to trade engagement in the US, strengthening our ties with individual states in parallel to our work with the federal government. We see huge potential to deepen our existing relationships with states, including implementing Memoranda of Understandings (MoUs) on trade and economic cooperation. We have signed MoUs with Indiana, North Carolina, South Carolina, Oklahoma and most recently Utah.

Market Access

8. Market access barriers are non-tariff barriers to UK exports or outward direct investment arising from systematic policies or practices by foreign governments that limit or restrict UK exports. Such barriers range from specific prohibitions of UK imports to differences in UK and partner country regulations and standards. These barriers can be resolved outside of FTA negotiations.

9. Overcoming market access barriers is a proven catalyst for economic growth throughout the UK and has the potential to deliver significant benefits. Government analysis of a set of OECD studies suggests substantial liberalisation of market access barriers by just the G20 countries could boost UK exports by up to £75 billion per year, based on 2017 trade levels. HM Treasury estimates non-tariff barriers to be up to three times more costly than tariffs. The OECD's estimate is even higher: up to 10 times.

10. In June 2022, the government publicly committed to resolving more than £20bn worth of market access barriers over five years. 178 barriers were resolved up to March 2023.

Trade in Services

11. With more countries joining the ranks of high-income nations and a rapidly growing middle class, we will continue to become more services-oriented, benefiting the UK firms which make us a global services powerhouse.

12. Digital Trade will also continue to grow rapidly - both digitally facilitated trade in goods and the provisions of Digital Services. The UK is in a strong position to benefit from this as the second largest exporter of digitally delivered services globally - at £250bn in 2021, up by a third in current prices since 2018.

FTA Campaign Activity and FTA Utilisation

13. DBT continues to drive awareness with UK businesses about the UK's negotiated trade deals to ensure they are taking advantage of these preferential terms. As trade deals are signed and come into force, we activate a programme of raising awareness and targeting a full range of entry points into UK businesses. When deals are finalised, we continue to monitor uptake and feed back into DBT's policy teams to continue our engagement with these countries and secure the benefits for UK business.

14. DBT provides additional support to UK businesses looking to export goods and services through great.gov.uk, including advice on how to export and market guides for each of our FTA partner countries. A dedicated FTA Utilisation (FTAU) function has been formed to co-ordinate the Department's work.

15. We are working to raise awareness and understanding of the FTAs through a wide range of partner organisations including trade associations, the professional services industry and the banks which support SMEs with growth plans.

16. Additional resources will be provided to DBT teams at UK High Commissions in Australia and New Zealand to ensure there is in-market support for UK businesses and maximise the opportunities for new exports.

17. A suite of products and services have been established to explain to businesses how they can benefit under the Australia and New Zealand FTAs. This offer will be extended to other trade policy instruments, such as Enhanced Trade Partnerships, as they are negotiated.

18. International Trade Advisors and the International Markets Service provide support in developing an exporting plan. The online Duties and Customs for Exporting Goods tool provides guidance on any necessary paperwork. Business-facing teams in DBT within the Export Support Service including International Trade Advisors will be upskilled to provide high quality support to businesses exploring opportunities in Australia and New Zealand.

19. DBT continues to engage businesses and partners to provide feedback on our ANZ FTA utilisation offer. Several business missions both virtual and in-person are planned, with the aim of refreshing UK-New Zealand and Australia stakeholder relationships, to encourage business-to-business collaboration and greater utilisation of our FTA gains.

20. Our services allow businesses to pivot their operations to seize opportunities for growth. The department:

- a. Maps benefits through the life cycle of an FTA (from before consultation to beyond entry-into-force);
- b. Sets sustainable utilisation strategies per FTA to ensure continuity between teams internally;
- c. Ensures information flow between policy teams, digital services and business facing teams to allow for targeted engagement with businesses best placed to benefit from an FTA;
- d. Builds on and aligns the different areas of business engagement and feedback to businesses to sustain positive relationships and understanding of the FTA;
- e. Uses data to shape and adapt our engagement with business and improve our FTA policy.

21. We continue to open new markets for UK exporters through our new trade deals. Our comprehensive Free Trade Agreement programme continues, with negotiations ongoing with India the Gulf Cooperation Council (GCC), Canada, Mexico, Israel and Greenland.²

22. We continue to build relationships with our trading partners, breaking down barriers to trade and supporting growth, jobs and higher wages for UK workers.

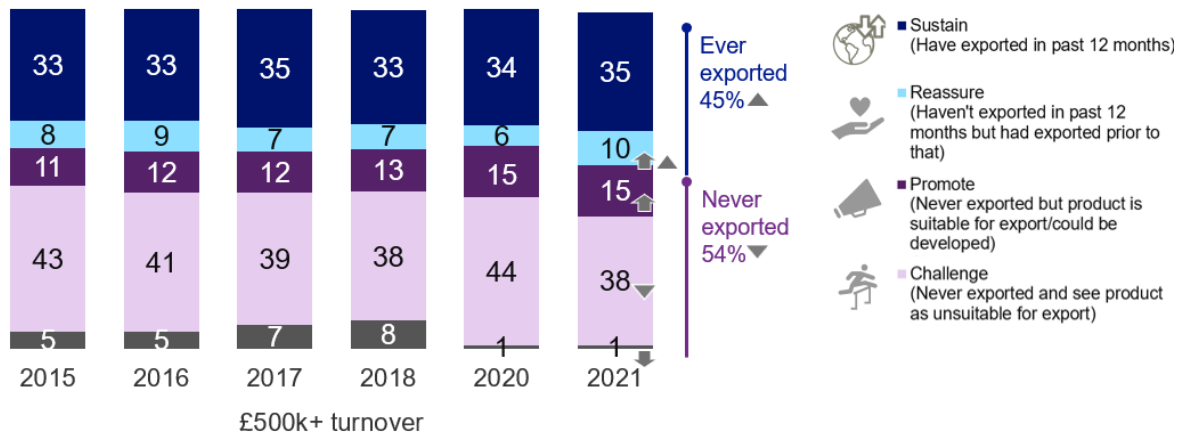
What do UK businesses need to increase exports? How does the UK compare to other countries in their support for exports?

23. We recognise the barriers businesses face to exporting: the 2021 National Survey of Registered Businesses (NSRB) highlights that 45% of businesses with a turnover of over £500,000 have exported, an increase from 2015. A further 15% of businesses have not exported before but have products that are suitable to export or could be developed to do so.

Figure 2: The proportion of £500k+ turnover businesses that have ever exported

Source: DIT NSRB. Past 12 months export behaviour: % of £500k+ turnover businesses in each export segment.

²Link outlining deal to join CPTPP - <https://www.gov.uk/government/news/uk-strikes-biggest-trade-deal-since-brex-it-to-join-major-free-trade-bloc-in-indo-pacific>



▲▼ Significant increase/decrease from 2020 Wave 5 ▲▼ Significant increase/decrease from 2015 Wave 1

24. The NSRB highlights that a lack of knowledge, capacity and awareness of opportunities are all factors which prevent some businesses from exporting.

25. The Export Strategy seeks to address these known barriers to exporting, and further increase exports, through a 12-point plan (see Question 5). Our action-led 12-point plan provides targeted support for SMEs, focusing on removing or reducing barriers to exporting such as: grant support to build capacity and capability to export; access to trade finance; and expanding a company's networks both to access new markets, but also to learn from peers. This support, in the context of persistent economic shocks, has been imperative to boosting UK exports.

26. To further improve our service, His Majesty's Revenue & Customs (HMRC) data will be critical in identifying and targeting the small number of businesses responsible for the majority of UK goods export value, and the smaller businesses with high potential for exporting. This will allow our services to be more targeted and data-driven in how we tailor the support we can provide based on a company's stage of development in their exporting journey.

27. In 2022, the Department for International Trade published a Comparative Review of Trade Promotion Organisations which concluded that a confluence of factors, most notably the COVID-19 pandemic, has changed the way governments have approached export promotion. For instance, increasing the provision of digital service offerings to exporters, such as online modules available through the Export Academy.

28. The UK Government is always open to learning from the experience of other countries when developing our approach to export promotion and regularly update our understanding through desk-based research and intelligence gathered through DBT's overseas network and engagement with export promotion agencies across the world.

Are Free Trade Agreements with countries fit for the future? How will technology, such as 3D printing or lab grown foods, change trade flows in the near-to-medium term future?

29. The UK Government has been developing a world-leading trade policy approach to the treatment of innovation in Free Trade Agreements (FTAs).

30. Innovation is a key factor for sustained growth, economic viability, increased well-being, and societal development. Innovation will also transform how trade takes place, resulting in both opportunities and challenges for policymakers and businesses.

31. DBT supports HMG's aim for the UK to be a Science and Technology superpower by 2030. Emerging technology companies are one of the UK's strengths, and we rank 3rd in the world, and 1st in Europe on most metrics. We are focusing our export support to these companies to deliver the Government's Science and Technology Framework which prioritises five technologies: Artificial intelligence, Engineering biology, Future telecommunications, Semiconductors and Quantum technologies.

32. The Government's ambition is to deliver agreements which capitalise on these opportunities and remain fit for purpose as new technologies emerge and our trade relationships and economies grow.

33. Set out in the UK's 2021 Innovation Strategy, the UK Government is pursuing Innovation Chapters in FTAs with strategic partners. These chapters drive forward our international collaboration, supporting the UK's ambition to become a science and technology superpower, to deliver on net zero commitments, and to grow our strengths in key technologies and sectors.

34. The UK agreed a world-first innovation chapter in our FTA with Australia in 2021 and built on this precedent in an ambitious innovation chapter with India. Future FTAs will maintain this momentum, delivering chapters which support trade in innovative products and services through cooperative institutions.

35. Using cooperative frameworks, we will work with key international partners to achieve the early identification and mutually beneficial resolution of unintended barriers to trade, supporting businesses to maximize their global trading ambitions.

36. Discussions under these cooperative frameworks may cover a range of areas including future regulatory approaches, the commercialisation of new technologies and supply chain resilience. Crucially, these institutions provide a platform for industry, academia and civil society to advise government on key challenges and opportunities that innovations such as 3D printing or lab grown foods will have on trade and to help shape an appropriate response.

37. The UK already has world-class additive manufacturing experience in research, design, and manufacturing expertise and we have programmes in place, such as Made Smarter Adoption, to increase uptake of this technology by UK manufacturing businesses.

38. Lab grown foods are an interesting area for development because of their relevance for food security and sustainability, they are unlikely to replace traditional production to any great degree in the near future due to cost, accessibility and acceptance. This indicates they will not replace traditional production methods and a full regulatory path in the UK and in potential target markets has not yet been secured. The UK can lead in this area in promoting quality of production and setting standards for manufacturing and safety, which could lead to a huge investment opportunity.

How achievable is the Government's "Race to a trillion" target for reaching £1 trillion worth of exports per year by 2030 – and is the UK on track to achieve it?

39. We are in a good position to reach our shared ambition for Government and industry to reach a £1 trillion of exports annually by 2030, faster than the projected mid-2030s. UK exports have grown an average of 4% in current prices over the last decade.

40. At the launch of the Export Strategy, analysis suggested exports would reach £1 trillion per year by the mid-2030s without additional intervention. We made an ambitious call to action for business and Government to work together to get there faster by setting the challenge of accelerating the race to a trillion to push companies to export. This is about incentivising business to achieve the £1 trillion export ambition while government creates the conditions for growth.

How adequate is the Government's 12-point Export Strategy, Made in the UK, Sold to the World (2021)?

41. The Export Strategy responded to economic drivers and strategic priorities, working in partnership with business to deliver a business and delivery-focused solution to target key barriers to trade. When launched, it was welcomed by business and endorsed by major business representative organisations such as the Federation for Small Businesses (FSB) and the Institute for Exports (IoE). Through adopting a clear 12-point action plan, informed by evidence and with support from across Government, we are delivering the services businesses need to start and increase exporting. The services offered through the Export Strategy continue to develop to ensure we are meeting the evolving needs of businesses.

42. In 2018 a fifth of all jobs in the UK relied on businesses who export. Those businesses pay higher wages and are 20% more productive than businesses who do not export.

43. At the heart of the Export Strategy is the Export Support Service (ESS), our first ever end-to-end service to support businesses exporting. Since launch in October 2021 to 31 May 2023, the ESS has received 14,300 enquiries, with 93% coming from SMEs.

44. Our Made in the UK, Sold to the World campaign harnesses the UK's exporting potential and ensures that UK companies are aware of export opportunities in new markets. We are increasing the visibility and profile of local exporters and global opportunities with more than 1,000 regional variations of the Made in The UK campaign. It promotes the best of British goods and services and seeks to take advantage of our independent trade policy, targeting the world's fastest growing economies. This will drive job creation, foster a dynamic and productive economy and level up the entire country. Our campaign will directly demonstrate how each region/city/town is succeeding through exporting. Additionally, the wider UK public will see how government action is helping local businesses grow and prosper.

45. Our innovative UK Export Academy (UKEA), a comprehensive and free package of skills, capability, and knowledge training, including webinars and face to face training is available to support UK business. As of June 2023, UKEA has run over 1,200 events, providing training to over 7,500 unique businesses with over 17,000 new sign ups since launch. The UKEA helps businesses discover exporting, with 29% of businesses answering "I have never exported but have a product suitable or that could be developed for export" on registration.

46. Additionally, we have a diverse group of around 400 real-world exporters across the UK from a range of sectors via our Export Champion community. Export Champions support UK businesses by offering insight and sharing their experience of trading internationally, encouraging and inspiring new and fledgling exporters to do the same.

47. The UK government's international teams based in over 180 global locations provide sector and market-specific support to UK companies. HM Trade Commissioners and their teams support British businesses to export across 9 global regions, promoting the utilisation of our Free Trade Agreements (FTAs) and ensuring resource is focused on priority sectors and markets.

48. UK Export Finance (UKEF), the UK's export credit agency, ensures no viable UK export fails for lack of finance or insurance, doing so sustainably and at no net cost to the taxpayer. It supports the growth and exporting ambitions of businesses across the UK by

unlocking the finance to help them to win export contracts, fulfil orders, and get paid for their exports. UKEF supports British companies to win export contracts by providing attractive financing terms to their buyers; fulfil contracts by supporting working capital loans; and get paid by insuring against buyer defaults.

49. In fulfilling the commitments made in the Export Strategy, UK Export Finance (UKEF) has expanded the availability of its products to offer even greater support to UK exporters of all sizes. Progress includes:

- a. The Export Development Guarantee (EDG) is operational and available to support clean growth exporters through extended repayment terms and companies with the potential to export from the UK, including international investors.
- b. General Export Facility (GEF): This SME-targeted product unlocks working capital to support a business's overall growth rather than being tied to a specific export contract. In 2022-23, it was UKEF's most used facility and unlocked £325 million of working capital loans. UKEF has onboarded 10 financial institutions to GEF to improve accessibility of the product and we expect to reach 20 participating lenders by the end of FY 23/24.
- c. Bills and Notes Guarantee: Re-launched in November 2022, the enhanced product allows UK SMEs to get paid more quickly and easily for their exports.

50. UKEF is also reviewing its internal process to improve insight into the broader supply chain impact that it delivers to UK SMEs. This includes an objective to work closely with DBT to drive higher UK content in the commercial transactions that UKEF supports overseas, as was recently committed to in the DBT-UKEF Partnership Agreement.

51. The continued expansion of UKEF's overseas network of International Export Finance Executives (IEFEs) will support this work. As part of the Export Strategy's commitment to strengthen the UK's global reach, the current network of IEFEs has increased from 15 to 20 since the Strategy's launch, with new hires expected to be completed later this year.

52. Our published Analytical Framework underpins the 2021 Export Strategy. It outlines the potential positive impacts of export promotion and our approach to evaluating and monitoring these in the future. We remain committed to the continuous improvement of export promotion services and to understanding the effectiveness and impact of the system to ensure that it delivers value for money for the taxpayer.

53. We use a number of different approaches including the maintenance and development of a range of internal performance metrics, our value for money model, which considers the cost efficiency of our offer and the overall potential return, and monitor business satisfaction via the Export Client Survey. Our approach also includes bespoke research to improve our understanding of the effectiveness of our services.

54. In June 2022 DBT also published its wider monitoring and evaluation strategy, which set out how monitoring and evaluation will be used to support policy delivery and inform decisions on whether to continue, stop or amend our interventions.

What can the Government do to promote and facilitate UK exporters' involvement in critical international supply chains? What opportunities are there for the UK to become a key supply chain partner to the United States, European Union and other democratic allies? What needs to be done to secure those partnerships?

55. DBT works across our global network to connect businesses to new buyers and markets, facilitating and encouraging them to take advantage of international supply chain opportunities across a range of priority sectors. Our Export Strategy embraces market-

based solutions and leverages trade finance to incentivise green technology, goods and services, developing our exporting supply chains in green sectors where we have a comparative advantage.

56. UKEF and DBT continue to work closely across HMG to support the Plan for Growth, the Ten Point Plan, and the Clean and Green Initiative to grow export capability in net zero technology, research and development, and other critical sectors to create trading opportunities for the UK supply chain and help realise UK ambitions as a science and technology superpower. Our MoU programme will increase our supply chain partnerships in the US.

57. In addition, we work to strengthen the long-term resilience of the UK's international critical supply chains, improving our national security and economic resilience through an open and stable international order. The Integrated Review Refresh reinforces the importance of strong and resilient supply chains to our economic and national security. The UK has been at the forefront of international activity to improve resilience through an open and stable international order.

58. The Government has already conducted reviews and set out our approach to a number of critical supply chains including through the Critical Minerals strategy, and UK 5G Diversification strategy. The Supply Chains and Imports Strategy will build on this work and consider supply chain resilience for sectors critical to both UK national security and economic growth.

59. The US-UK 'Atlantic Declaration' heralds a new era for the thriving economic relationship between the UK and US. The Prime Minister is keen to see immediate progress on the Atlantic Declaration Action Plan (ADAPT), including starting negotiations on a Critical Minerals Agreement and taking forward further discussions on trade, ahead of his next meeting with President Biden on 10 July. The UK is already a net exporter of raw materials for EV (Electric Vehicles) batteries to the US and this agreement will help UK-based firms involved in the mining, recycling and refining of critical minerals who are supplying US electric vehicle and battery manufacturers – benefitting this growing industry.

State-level Memoranda of Understanding (MoUs) with US states:

- a. MoUs strengthen our trading relationships with US states, helping us unlock trade barriers, seize investment opportunities, and promote UK business. The MoU programme will seek to increase the supply chain partnerships between the UK and the US. We have signed MoUs with Indiana, North Carolina, South Carolina, Oklahoma and most recently Utah.

60. We are already delivering activity through our signed MoUs to help UK businesses deepen their commercial links and drive trade growth. For example:

- a. In June 2023, we hosted a delegation of North Carolina officials in Liverpool, Wrexham, and Manchester to advance cooperation on future mobility, workforce development, and advanced manufacturing. The visit culminated on 22 June with the second working group meeting under the MoU, involving participation from UK companies looking to grow their commerce with North Carolina in the automotive (including EVs), clean energy, and aerospace sectors, and win government procurement contracts.
- b. We hosted a delegation of eleven economic development leaders from across Indiana in early March 2023, exploring opportunities to cooperate on clean energy, women's economic empowerment, and levelling up.

- c. The Mayor of Greater Manchester and Mayor of the City of Manchester, Andy Burnham, and Bev Craig, visited North Carolina in March. They met with policymakers and business executives to explore the deepening of trade and investment ties between North Carolina and Greater Manchester.
- d. A delegation from the UK's Motorsport Industry Association visited North Carolina in May to discuss collaboration with leading companies from across the US Motorsport Market to promote innovation in clean technologies. The UK and Welsh governments also hosted a delegation of 11 economic development leaders from Indiana in February 2023. The programme focused on clean energy, women's economic empowerment, and levelling-up.

Sector-specific activities and trade missions

Creative Industries:

- a. Music synchronisation trade mission to Los Angeles – September 2023;
- b. UK group at the International Association of Amusement Parks and Attractions (IAPPA) Expo, Orlando – November 2023;
- c. Live Design International, Las Vegas, December 2023 – lighting and sound products and services for the live entertainment sector;
- d. UK group at Realscreen unscripted TV market, New Orleans – January 2024;
- e. UK group at Kidscreen, children's media conference and market, San Diego – February 2024;
- f. South by Southwest, Austin, creative technologies, panels and showcase at UK House and British Music Embassy – March 2024;
- g. Trade missions to Game Developers Conference in San Francisco – organised by English regions, March 2024.

Aerospace and Space:

- a. DBT's Aerospace and Space sector teams have led UK Technology Showcase missions in-person and virtually. This puts UK companies in direct engagement with the host company's Supply Chain, Engineering and Business Development executives. These trade missions are supported by UK Space Agency, Aerospace and Space teams, and the DBT/wider HMG overseas network.
- b. In the past three calendar years (including 2023 to-date), DBT has facilitated trade missions with US companies Raytheon (virtual), GE Aviation, Boeing, Northrop Grumman and Axiom Space (virtual), and hosted senior supply chain executives at Farnborough Air Show and Paris Air Show for UK industry programmes.

Defence and Security Exports:

61. Ongoing workstream between UK Defence and Security Exports (UKDSE) and US Defence Security Cooperation Agency to investigate closer working and better identify UK equipment being purchased via US Government Foreign Military Sales
62. UKDSE support a number of events/trade missions where UK industry is taken directly into the US Market to engage with customers, with upcoming events Including:
 - a. New Jersey State Chief of Police Event, Atlantic City

- b. DSEI (Defence and Security Equipment International) London – UKDSE will curate a programme hosting 5 senior USA military delegations from across all services to engage with UK industry directly;
- c. US Meet the Buyer event, a significant opportunity for UK SME's to engage with key decision makers from the US Military community.
- d. International Security Expo, London – initial discussions with Home Office and DBT Sports Economy team on hosting Los Angeles Olympic delegation to expose them to UK security industry,
- e. International Association of Chiefs of Police, San Diego

Facilitating UK exporters' involvement in key EU supply chains:

63. We have approximately 300 trade experts in Europe, mainly located in EU markets, charged with resolving market access barriers and promoting UK exports, supporting work to facilitate UK exporters' involvement in EU supply chains.

64. DBT Europe runs an extensive programme of activity to help UK businesses export to the EU, through several one-to-many and one-to-one advice services. This support includes initiatives to assist businesses in trading, such as the single point of access digital enquiry Export Support Service (ESS), the UK Export Academy and the Internationalisation Fund. As part of the ESS service, the ESS Market Access Centre (ESS-MAC) helps UK companies navigate barriers while the ESS International Markets (ESS-IM) service identifies key opportunities for British business exploring trade across the EU. Most recently, our Europe network have initiated a pilot project training export staff to match UK exporters with EU buyers and supply chains, directly contributing to the UK's position as a supply chain partner to the EU.

65. Our programme of trade dialogues is creating additional opportunities for UK exporters. In February, the UK and Italy signed a Ministerial Dialogue on Export and Investment Promotion. The UK and Italy will be focusing on promoting bilateral exports in green economy, frontier technologies, life sciences and advanced engineering through discussion and information sharing between business associations.

66. We are also pursuing regular meetings with EU Member States' trade ministers to promote trade and investment opportunities, many of which link to EU supply chains.

67. We will initiate and lead discussions with like-minded allies to collaborate on economic resilience, bringing partners together and sharing expertise to develop effective international responses to supply chain challenges, agreeing actions that will strengthen resilience and build global capability.

68. DBT have already undertaken a range of engagements with international partners, including the EU and US, hosting a government and industry conference on critical minerals, entering bilateral agreements with the Republic of Korea and driving forward multilateral cooperation through the G7 Economic Resilience Panel and OECD, amongst others.

69. Planning for further trade missions under the MoU programme is underway. Trade missions are one of the methods we use to ensure the MoUs deliver for business, other listed activities have included best practice exchange and private sector partnership development.

70. The UK is the fifth highest global exporter of digital tech services, with exports worth £34.5 billion in 2022, rising by 11% in current prices compared to 2021.

71. We are using our trade deals to harness the power of technology, providing opportunities for companies to do business digitally around the world. We are leading the way by agreeing some of the most innovative trade agreements in the world (such as the UK-Singapore Digital Economy Agreement) reducing tariffs on technology, promoting innovation and protecting intellectual property.

72. We will continue to showcase the UK as the destination of choice for global technology talent and capital. This will be supported by the launch of the GREAT tech campaign, a campaign aimed at the US West coast to improve investors' perceptions of the UK's technology ecosystem to attract more investment into the UK. The UK's second Global Investment Summit in October 2023 will also have a strong focus on technology sectors.