

# Liz Truss announces £500 million loan guarantee to Ford

- International Trade Secretary visits Ford engine production centre in Dagenham to announce new export finance
- The loan will support investment into the development of electrification and smart mobility solutions
- Export finance provided through new Export Development Guarantee designed to boost high-value UK exports

International Trade Secretary, Liz Truss, today announced that Ford has received a £625 million loan facility from commercial banks with support from a £500 million guarantee from UK Export Finance (UKEF) during a visit to Ford of Britain's engine production plant in Dagenham.

UKEF will provide the guarantee under its [Export Development Guarantee](#) (EDG), a new facility launched today that will support high value commercial lending to UK exporters.

Before now, UKEF's support had to be tied to an individual export contract. UKEF is now able to support a company's general export activities using the EDG, unlocking its financial support for companies that wish to:

- secure working capital to bid for multiple export contracts
- scale up their existing export activities
- invest in new premises and technologies linked to exports

Ford of Britain is one of the UK's largest exporters and the company already exports to more than 15 countries in 6 continents, with overseas sales generating around £2.5 billion annually.

The loan will increase Ford's capacity to:

- export from the UK
- support investment into electrification, digital manufacturing and smart mobility solutions
- upskill its UK workforce to safeguard thousands of highly skilled jobs at the Ford Britain Dunton Campus in Essex and engine production centre in Dagenham

Ford of Britain manufactures its engines for global export at Dagenham and the company designs its next generation commercial vehicles, such as the best-selling Ford Transit cargo van – at Dunton. Ford is reinventing its product development and manufacturing processes in the UK to reduce vehicle emissions and make the UK campus its global innovation centre. To that end, Ford will be launching its first all-electric Transit Van in 2021.

**International Trade Secretary, Liz Truss, said:**

This deal firmly puts the UK at the heart of Ford's plans to grow its export business, reduce emissions and support skilled manufacturing jobs.

A thriving automotive industry is vital to the success of the UK economy. It brings prosperity and security to manufacturers across the country. That's why we are putting its needs at the heart of our strategy to remove barriers to trade when negotiating free trade deals.

**Chairman, Ford of Britain, Graham Hoare, said:**

Ford's manufacturing operations are already an export success story, with around 85% of engines and 100% of transmissions built in the UK exported. This financing will help to maintain Ford as a key UK exporter.

I would like to thank UKEF for their confidence, and Citi who acted as coordinator and facility agent for the £625 million loan facility with a repayment term of 5 years.

Mandated lead arrangers and lenders for the loan were Barclays Bank plc, Citibank N.A. London Branch, National Westminster Bank plc, Lloyds Bank plc and Sumitomo Mitsui Banking Corporation London Branch.

**About UKEF**

UK Export Finance is the UK's export credit agency. It exists to ensure that no viable UK export lacks for finance or insurance from the private market, providing finance and insurance to help exporters win, fulfil and get paid for export contracts.

**Background to the Export Development Guarantee:**

UKEF's EDG product will deliver a number of benefits for UK exporters:

- UK exporters will be able to access a flexible product to support their large-scale working capital and investment needs, encouraging increased exports from the UK without support being tied to a specific export contract
- Lenders will be able to provide increased amounts of export-related finance, supporting exporters through the economic recovery

EDG will take the form of a guarantee of up to 80% to support bank loans for general working capital or capital expenditure / investment requirements to UK companies who meet UKEF's definition of an exporter, together with other

eligibility criteria. The product has a minimum transaction size of £25 million and a maximum repayment period of 5 years.

To satisfy UKEF's definition of a UK exporter, the applicant must have generated: