

Speech: Where credit's due: helping our creators and innovators export

Thank you, Mark.

And thank you all for coming here today.

I'm here because we, as a country, have a challenge. But it's a good challenge!

Yes, we've had 5 consecutive years of economic growth.

Yes, unemployment is at its lowest for 40 years.

Yes, exports increased 10% last year.

We exported well over £600 billion last year – on the latest figures, these small islands are the 4th largest exporters in the entire world, and the second-largest exporter of services.

So what's the challenge?

You see, when it comes to exports we punch above our weight.

But we punch below our potential.

We are a great trading nation. Exporting is one of our strengths.

If we want to sustain jobs and prosperity across the country we must play to our strengths.

But with exporting we're not playing at full strength.

Exports make up 30% of UK GDP, compared to 46% Germany.

Less than 10% of our businesses export. Now, not all those should – it's not the government's job to tell people what's best for their own business.

But so many more of them could.

If we could get those businesses selling internationally, imagine the difference it would make!

I've seen that difference myself: before I went into politics, I spent a decade in the publishing industry as CEO of the Financial Times Group and CFO of Pearson.

Publishing is one of the most export-driven industries in the UK.

And I can tell you first-hand – I found that exporting and operating internationally didn't just raise our profits and let us access new

customers.

It also made us more competitive at home, letting us spread risk and achieve economies of scale, and exposing us to new ideas and practices from other countries.

That's backed by evidence – exporters are more profitable, more productive and more enduring.

So we need to get those non-exporters exporting – and get our existing exporters to sell more things to more markets.

If we do that, it will be a genuine step change for our economy.

And that's why our new Export Strategy will be so important.

It's not enough to just do more of what we're already doing.

We need to take a strategic look at our export support, starting from first principles; and we need to take an evidence-based approach, to allow us to solve our challenge.

That's what our Export Strategy is for.

Firstly, it will give us the rigorous analysis, so we know why we aren't exporting more, where our strengths and weaknesses lie, and where government intervention can make the most difference.

And secondly – it is a strategy. That might sound trivial, but it really is important – it allows us to look across the piece, to see the challenge, and solution, as a whole. That's the only way we'll get the step-change in exporting we need.

That means being strategic about how we work as a government, too.

Businesses shouldn't have to know how government works to get help from the government.

Most of you here today are from business – you wouldn't expect your customers to be familiar with your own internal structure. If your customers contact the wrong part of the business – you just redirect them.

Government shouldn't be any different. So one key principle of the Export Strategy will be a "no wrong door" policy – we will work better together as government, so we can work better with you, not the other way round.

It'll be joined up with the Industrial Strategy, and our drive for a more prosperous Britain – all targeted at creating the right environment and the best base for exporters.

And that leads us on to the second principle, which is that our Export Strategy must be business-led.

We need a strategy run for exporters. The government doesn't export.

Businesses export. Our job is simply to facilitate you exporting – so our export strategy must be designed around you.

It needs to be a strategy designed with exporters. We're using the Export Strategy is to give us the hard analysis and data to do that better.

We must focus on doing what only government can do – our USPs, if you like – rather than trying to replicate what business already does.

For example, the government has a role providing advice to exporters. But that should complement and not usurp the role of private-sector business advice services.

And the government has a role providing export finance – but that should complement the role of banks and insurers providing cashflow and managing risk.

And when the government does take action, we can work with and through the private sector. That's why, as of last year, SMEs can now get Export Finance directly from their bank.

We'll be publishing in the coming months, so let me give you a flavour.

We'll be focusing on key areas:

Firstly, we will inspire and catalyse companies to export.

Surveys suggest there's between three and four hundred thousand businesses who could export but aren't.

Many businesses that do export sell to just one market.

We need to persuade those businesses to look further afield, because people do want to buy British.

As a trade minister I regularly travel abroad – there is no question of the regard in which the UK is held. People are impressed by the quality of our goods and the professionalism of our services.

According to research by Barclays, 61% of people in China, for example, would actually pay more money for a product if it had a Union Jack on it – that's some reputation for quality.

This underpins our award-winning GREAT campaign, who advertise the benefits exporting can have for businesses across a range of sectors, from education to science to sport. To paraphrase: "if we can, you can".

And we will promote peer-to-peer learning, so potential exporters can learn from existing ones – as I said, this is about business first and foremost.

Secondly, it means supporting and guiding businesses to export.

Specific advice on our website.

Our network of regional trade advisers is already helping businesses across the country to export; and our network of trade advisers in 108 countries across the world can help companies navigate local markets.

Thirdly, it means working with private providers, using the Connecting power of government to connect businesses with opportunities.

We are appointing 9 Trade Commissioners to promote trade.

But export finance is at the heart.

Almost 1/5th of businesses report concerns about finance or getting paid as being their main barrier to exporting.

And research shows that exporters that have access to trade finance have export volumes as much as 60% higher.

We start from a strong base here – and that's our best kept secret. As you'll have heard today, UK Export Finance has the capacity to provide over £50 billion worth of support, in over 60 currencies.

This year, UK Export Finance (UKEF) has been named best export credit agency by both the Global Trade Review and Trade Finance.

We whisper: but we need to shout!

To give some recent examples, UKEF is providing a 270 million Euro loan to support the construction by Colas UK of a new international airport in Kabaale, Uganda.

And UKEF is helping secure at least \$250 million of UK exports for two power projects in Iraq, running a supplier fair with lead contractors Enka UK and GE to source suppliers for their projects.

So it's clear that in UK Export Finance, the UK's exporters, or would-be exporters, have a truly world-class export credit agency at their disposal.

But we recognise that we have more to do. 75% of SMEs report that they don't know how to access trade finance – we clearly need to fix this.

So in last year's Autumn Budget the Chancellor allocated funding to enhance marketing of UKEF services, putting export finance at the heart of trade promotion.

And our new Export Strategy will do even more.

We will encourage these smaller businesses to access UKEF support directly from their banks, giving them fast access to government backing to grow their international business.

We will also capture the value of UKEF's highly successful supplier fairs, as a draw to international companies to deepen their investment and engagement with the UK supply chain.

We want to use this to make it easier for SMEs to export, by providing a 'safe' channel for them to find and bid for contracts on major international projects that are backed by UK Export Finance.

And we are conducting a full review of our product suite – to ensure we can provide the best possible support even as market conditions change.

Step-by-step, we are making sure companies can access the finance they need to sell abroad – so no viable project fails for lack of finance.

This is not a straightforward task – but it is one that, if addressed, will reap invaluable benefits.

Remember – the reason this government prioritises trade and exports isn't because we start from a low base.

It's precisely because we start from a high base – exports are 30% of our GDP.

That inevitably makes the challenge more difficult – but it also makes it a challenge worth undertaking.

That's what the Export Strategy is for.

I can promise you that export finance will be front and centre of our Export Strategy.

But that will only work if you as businesses are front and centre of the Strategy, and if you help in creating the export strategy you need.

That's my call to you today.

We want to build our Export Strategy with you; and together with you, we can build a nation of exporters.

Thank you.