



BRITISH EXPORTERS ASSOCIATION

BExA releases Export Credit Agency (ECA) benchmarking of ECGD

London, 29th July 2010 –Still work to do to deliver the ambitions of the UK Government in increasing exports. BExA commends the Export Credits Guarantee Department for its 50% growth in the year to 31st March 2010 announced on 22nd July¹, however, UK exporters remain disadvantaged because ECGD has a more limited product range than other OECD Export Credit Agencies.

BExA research, presented to ECGD's Minister Edward Davey MP today, shows:

- 1, Despite the increase in turnover, ECGD insured 61% less exports in 2009-10 than in 2001. But in a comparable period, Belgium's ONDD tripled, France's Coface and Italy's SACE quadrupled their support to exporters. Norway's GIEK backed nearly five times more.
2. Published turnover figures for 2009 for France's Coface and Germany's Euler Hermes indicates just how much ground ECGD has to make up. If ECGD can continue to grow at 50% p.a., it will take 5 years to catch up with France and Germany's ECAs which each support over €20bn of exports.
- 3, It is excellent news that, in 2009-10, ECGD increased its vital support for the aerospace sector, insuring the sale of wings and engines on Airbus aircraft. ECGD's support of the Airbus wings business helps secure around 10,000 jobs for Airbus UK alone, extending to around 135,000 jobs in the UK supply chain.
4. In 2009-10, ECGD supported just £200m of non-aerospace goods and services, down from £4.4bn in 2000-2001. BExA believes there is potential for expanding ECGD support for other business sectors through increasing the range of services that it provides. Of 10 key types of state support for export credits, USA and Canada offer all 10, France provides 9/10, Germany 8/10 yet ECGD scores only 5/10.
- 5, ECGD issued 198 policies in 2009-10, a welcome 44% more than in the previous year. However, the number of policies issued is in stark contrast with EDC, Canada, which issues 10,000 policies a year.
- 6, The running costs of export credit agencies are funded from their premium income, and therefore do not rely on taxpayers' funds. In 2009-10, ECGD generated £85 of export orders for the UK for every £1 of administration cost, up from £64 last year. Germany's ECA generates €127 for each €1 of administration. By comparison, Britain's export business support service, UK Trade & Investment (UKTI) generates £16 of exports for every £1 of taxpayers' money spent on administration.

¹ ECGD Press Release

<http://nds.coi.gov.uk/content/detail.aspx?ReleaseID=414618&NewsAreaID=2&HUserID=895,777,894,850,779,869,710,705,765,674,677,767,684,762,718,674,708,683,706,718,674&ClientID=-1>

ECGD results

<http://www.ecgd.gov.uk/assets/bispartners/ecgd/files/publications/ann-reps/ecgd-annual-review-and-resource-accounts-2009-10.pdf>



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Susan Ross, Chairman of BExA, comments: "At last ECGD looks to be turning the corner, however we need these improvements to be maintained year after year. British exporters of all sizes and in all industries need ECGD to be more accessible, dynamic and innovative so that they can win international business. If ECGD can become more attractive to exporters, multinational manufacturing business will be encouraged to set up bases in the UK."

BExA set out the improvements needed from ECGD in a Manifesto for Exporting² launched in February.

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Notes to Editors

BExA is a politically independent national trade association representing the interests of the export community

ECGD, the Export Credits Guarantee Department, is the UK's official Export Credit Agency. ECGD's role is to benefit the UK economy by helping exporters of UK goods and services to win business, and UK firms to invest overseas, by providing guarantees, insurance and reinsurance against loss, taking into account the Government's international policies.

² BExA Manifesto

<http://www.bexa.co.uk/docs/BExA%20Manifesto%20Feb%202010.pdf>