



# BEXA

## NEWSLETTER

### May 2009

British Exporters Association  
(est. 1940)  
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Director: Hugh Bailey

TO SUPPORT, REPRESENT AND PROMOTE THE INTERESTS OF THE UK EXPORTING COMMUNITY

## Message from the Chairman

After three years, the time has come to hand over to my successor and it is with great pleasure that I introduce to those of you who don't already know her Susan Ross, who has been my deputy for the last three years. Susan works for Aon Trade Credit and therefore has her finger on the pulse of exporters' needs in the area of credit insurance. [See Susan's letter in The Times, 13th April on this subject [www.timesonline.co.uk/tol/comment/letters/article6082270.ece](http://www.timesonline.co.uk/tol/comment/letters/article6082270.ece)]

Richard Hill

May I pay tribute to Richard's energy and vision expanding BEXA's lobbying to a wide range of export issues and continuing the series of practical guides. Richard has worked tirelessly to develop BEXA's work and profile. I am fortunate to be taking over at a time when HMG's focus is increasingly on manufacturing and exports. BEXA's deputy chairman will be Gerard Grady of Motorola, who has been doing a sterling job as chairman of the BEXA Industry Committee.

Susan Ross



## BEXA GTR Young Exporter of the Year 2009

For the first time BEXA's Young Exporter of the Year award was held jointly with Global Trade Review. As usual, we were delighted with the quality of entries. Competition was tight and the winner, who was announced at the GTR awards luncheon on April 24th, was Marie Quilter who is Principal Commercial Officer - China, Rolls-Royce plc. BEXA's retiring chairman is seen above (on left) with Marie and GTR representatives and (on right) with the jury.

### BEXA Activities

BEXA has been actively lobbying government, alongside the CBI, SBAC and other organizations to get more support for exporters, particularly in the area of export credit insurance. To this end we have met Lord Davies, the Minister for Trade, and Ian Pearson MP, the Economic and Business Minister. On 15th April BEXA was represented at a meeting of exporters with Patrick Crawford and colleagues from ECGD and BERR, and BEXA also held a meeting with Geoffrey Clifton-Brown MP.

- **Bond Support:** Importers increasingly require (expensive) bid and contract bonds. Exporters are turning business down because bond support from banks is prohibitively expensive or not available except to long-standing customers. Government could help by sharing the risk with banks, increasing the availability of bonds and reducing the cost to exporters. **Please provide BEXA with details of exports declined for lack of bond support.**
- **Government Export Strategy – data required:** The recent International Chamber of Commerce survey 'Rethinking Trade Finance' draws on the

experience of 122 banks worldwide and is widely read by government. It, arguably, gives insufficient profile to the commonest terms of trade, open account (usually backed by credit insurance). BEXA feels Government policy should take greater account of the needs of exporters. To substantiate our viewpoint, data from exporters is required. **Please complete and return BEXA's questionnaire (overleaf).**

### HMG Measures

- ECGD is planning to provide cover to banks which confirm overseas letters of credit for exporters.
- HMG is considering a government funded short-term export credit insurance service to counter market failure. Before these offerings can be finalised, ECGD will hold consultations, to which BEXA will be contributing.
- Following widespread lobbying, including from BEXA, HMG has implemented a £5bn top-up scheme to provide additional capacity for domestic credit insurance.
- HMG is to spend a further £10m to expand its range of export advisory services and inward investment.

### 2009 BEXA

- BEXA VISIT TO FELIXSTOWE PORT ON 12TH MAY, 2009
- BEXA INDUSTRY COMMITTEE MEETING 10TH JUNE, 2009
- BEXA COUNCIL MEETING JUNE 25TH, 2009
- BEXA ANNUAL LUNCHEON AT MANSION HOUSE ON 12TH OCTOBER  
CHIEF GUEST: LORD DAVIES OF ABERSOCH, TRADE MINISTER



### Training

Institute of Export holds many training courses but the following will take in place in London in August and September:

- Starter Course for Export
- Introduction to Exporting
- Complete Export Manager
- Advance Export Practice

Return To: Hugh Bailey, Director, BExA (hughbailey@bexa.co.uk FAX: 020 7799 2468 Tel.: 020 7222 5419)

**EXPORTS: PAYMENT TERMS/CREDIT INSURANCE 2009 vs 2008**  
**British Exporters Association (BExA) Questionnaire 2009**

		Current period Oct 08 – March 09	Previous period Oct 07 – March 08	COMMENTS
<b>LETTER OF CREDIT (LC) USAGE</b>	Please answer in relation to exports to third parties (ie exclude inter-company sales)			
	A. Proportion of exports on LC terms or other terms requiring bank security (e.g. bank guarantee as security for payment)?	%	%	
	B. Of LC business, what proportion is confirmed (i.e. CILC)?	%	%	
	C. Is decision to confirm related to country, bank, etc?	YES/NO	YES/NO	
<b>ON OPEN ACCOUNT (e.g. 30 days, by simple invoice)</b>	D. Do you have a credit insurance policy?	YES/NO	YES/NO	
<b>IMPACT OF CREDIT INSURANCE LIMIT WITHDRAWALS</b>	E. Proportion of exports covered by credit insurance	%	%	
	F. Volume of exports lost as a result of credit limit withdrawals	£	£	
<b>IMPACT OF LIMIT WITHDRAWALS ON TRADE FINANCE</b>	G. Proportion of exports financed	%	%	
<b>GENERAL COMMENTS ON YOUR RECENT EXPORT PERFORMANCE/REASONS FOR THIS PERFORMANCE</b>	COMMENTS			

This information will be collated and sent in confidence to the Department for Business Enterprise and Regulatory Reform (BERR). BExA is pressing for introduction of (i) Top up insurance; (ii) Permanent credit limits. BExA has been asked by BERR to demonstrate the impact of credit insurance limit withdrawals on export volumes and trade finance and if exports are being lost as a result of the difficulties in obtaining letter of credit confirmations.

Volume of your exports p.a.  
(Please circle)

Under £25m

£25m - £100m

Over £100m

**COMPANY**

**REPRESENTATIVE:**

**Date:**