



BEXA

NEWSLETTER May 2010

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

Chairman's word

Dr Vince Cable is the new Secretary of State for Business, Innovation and Skills (the role previously undertaken by Lord Mandelson). **Ed Davey** is the Minister responsible for ECGD. We know that there are to be cuts in government spending, and we will continue to lobby for support for UKTI and ECGD.

ECGD: we have been lobbying for years for ECGD to be more proactive, but it has been hampered in the last decade by very restrictive Business Principles. We are pleased that ECGD responded by re-writing them - albeit only last month, and as we are emerging from recession. Now that it has been released from its shackles, we hope that we will see a new ECGD, innovative and entrepreneurial.

BEXA research: We've been benchmarking ECGD against other similar countries' equivalents. It is very clear that UK exporters get a raw deal - ECGD has fallen well behind the others. We aim to release this research to the new Trade Minister.

Export environment: Please continue to feed us your comments about world trade and any difficulties you are experiencing.

Bonds: We are particularly keen to hear about any difficulties concerning the issue of on-demand contract bonds and tender bonds and also if it is easier to get injunctions in some jurisdictions, and any difficulties in getting return of bonds that have expired.

Wishing you a successful summer of exporting

Susan Ross

BEXA Seminar & Reception - May 26th, 2010

BEXA's Spring Reception is being held at the House of Commons hosted by Geoffrey Clifton-Brown MP (recently re-elected Conservative MP for Cotswold: in photo at right with the Lord Mayor and BEXA chairman). The reception is sponsored by Aon Trade Credit and Coface UK. It is preceded by a seminar at 2pm at Local Government House, Smith Square, Westminster, sponsored by Santander Corporate Banking.



Election Follow-Up

Members have been invited to contact their MP and draw the importance of exporting to his/her attention. To support their comments, they might forward a copy of BEXA's **Manifesto for Exporting**. At the minimum, UK must provide equivalent support to that available to EU competitors. Here is a web-link to our export manifesto <http://www.bexa.co.uk/docs/BEXA%20Manifesto%20Feb%202010.pdf>



BEXA Interview

Alan Rides of Alpertron International (a BEXA member and recently honoured with a Queen's Award for Enterprise in the International Trade Category for 2010) agreed to be interviewed:-

- 1) What percentage of your sales are UK exports? **100%**
- 2) What is the greatest issue of concern affecting your exports/sales at present? **The length of time banks hold on to our money.**
- 3) What more should the government be doing to boost UK exports? **Provide a level playing-field to ECGD to make them competitive for bonds and finance**
- 4) What was your greatest export/trading success in the last couple of years? **Rock Crusher sales in Iran from first mobile crusher sale ever in 2007 to 2010 forecast \$10m (YTD \$5m)**
- 5) What is the main benefit of membership of BEXA? **Quality connections that actually deliver help, not promise help**

Members' News

Sovereign Star Trade Finance (a BEXA member) and DT Metal of Turkey have signed a 7 year \$14m Loan Agreement insured by ECGD to support the export by Chinook Ltd of Nottingham of an environmentally-friendly turnkey boiler and steam turbine system (generating 3MWh of electricity) for an aluminium recycling plant. This was done under the SME Trade Finance Programme set up by Sovereign Star Trade Finance and ECGD in 2004 to provide medium-term buyer credits (2-7 years) for small to medium sized transactions (£100,000 - £10 million) to the overseas customers of UK exporters.

Quiz

Which two countries are the UK's main export markets?

First correct answer drawn from a hat wins a bottle of organic gin, thanks to BEXA member, London & Scottish International.

Answers by May 31st to hughbailey@bexa.co.uk
The last winner was John Lewis of Selex Galileo.

Juniper Green
ORGANIC
London Dry
Gin

BEXA Annual Luncheon

A date for your diary—the Lord Mayor has agreed to host BEXA's annual event at the Mansion House on October 18th.



Julian Barnes
(BAE Systems)
Runner up GTR-BExA
Young Exporter Award
2010



The Winner

Robert Vaughan (Corus) won the 2010 GTR BExA Young Exporter Award

GTR/BExA Young Exporter of the Year



Troy Wang
(Rolls-Royce)
Runner up GTR-BExA
Young Exporter Award
2010

As usual the standard of entrants was high, with sales successes in different parts of the world. The winner, Robert Vaughan of Corus, won £60m of sales in the Iberian peninsular, which enabled the reopening of a mothballed factory in South Wales. Robert is featured centre at the GTR award ceremony on 15th April 2010 standing between Susan Ross (BExA) and Rupert Sayer (GTR). The runners-up were Troy Wang of Rolls-Royce (right) and Julian Barnes of BAE Systems (left).

BExA seminar on legal aspects of letters of credit and guarantees in China

On 17th May, BExA held an afternoon seminar relating to Chinese letter of credit law which is an area that is still developing. BExA is grateful to HSBC for hosting the seminar. Dr Saibo Jin of Beijing Commerce and Finance Law Offices explained that all international LCs in China are subject to UCP600 even if they are silent on this aspect. All domestic LCs are subject to Peoples Bank of China rules - UCP600 is not allowed to apply to domestic LCs. The statute of limitations is 2 years for LCs. Appeals must be made within 10 days, and this is not sufficient time if documents have to be translated. There are no equal words in Chinese for assignment, factoring or forfaiting, or for presentation or negotiation of documents. It is difficult to follow the development of the law because a judge in one city will not follow a judgement made in another Chinese city, or even his own judgement from a few months before. For example, a court applied URDG 458 to a bond dispute, and this was confirmed by the Chinese Supreme Court, but in a similar situation a few months later, a judge said that URDG 458 did not apply. We asked Dr Jin for practical advice; if an exporter is asking his customer to open a letter of credit, what should be on that instruction. Dr Jin recommended that exporters should ask for the LC to be opened by a Chinese bank that has a representative office in London (or at minimum, Hong Kong) so that if there are disputes, action can be taken in London (or Hong Kong). There have been a lot of disputes about discrepancies in relation to commodities such as steel and soya, particularly where the commodity price is falling.

BExA Council

During 2009/10, under the presidency of the Rt. Hon. Sir Richard Needham, BExA's Council has consisted of:

Mrs Susan Ross	Aon Trade Credit <i>Chairman</i>	Mr Richard Hill	BAE Systems <i>Vice-President</i>
Ms Debby Bass	Credit Agricole CIB <i>Chairman, Bank Committee</i>	Mr Peter Johnson	Telent
Mr David Benton	Rolls-Royce	Mr Keith Johnson	Keith Johnson Consulting <i>Vice-President</i>
Mr James Bidwell	Barclays Bank		
Mr Malcolm Booth	<i>Treasurer</i>	Mr David Millett	The Royal Bank of Scotland
Mr Jon Coleman	BAE Systems <i>Chairman, Industry Committee</i>	Mr Terry Partridge	R A Watts <i>Vice-President & Chairman, SME Traders Group</i>
Mr Gerard Grady	Motorola <i>Deputy Chairman</i>		
Mr Nigel Ford	Siemens Industrial Turbomachinery	Mr Alan Rides	Alperton International
Mr Colin Heritage	Stemcor	Mr Guillaume Simonnet	Thales
Mr Richard Heyhoe	ANZ Bank <i>Vice-President</i>	Mr John Tyler	Alstom <i>Vice-President</i>

Recent & Forthcoming Events

- 15th April: BExA Council meeting with Mr Guy Beringer QC, Chairman, ECGD
- 17th May: Presentation on Use of LCs and Bond & Guarantees in China by Mr Jin Saibo, a senior Chinese lawyer, at HSBC
- 26th May: BExA AGM
- 26th May: BExA Seminar on Export Issues and Latin America (Sponsor: Santander Corporate Banking)
- 26th May: BExA Spring Reception (House of Commons, Terrace Pavilion)
- 9th June: BExA stand at Coface Country Risk Conference, Manchester
- 18th October: BExA Annual Luncheon (at the Mansion House, City of London)

Training by Institute of Export

The Institute of Export has many and various courses throughout the year and throughout the country but in June and July they have An Introduction to Exporting, A-Z of Export Management, Advanced Export Practice, Letters of Credit and Advanced Letters of Credit. For more details see their website <http://www.export.org.uk/index.php/General/short-course-training-programme-2009.html>

For 'Trade Advisers', who work for UKTI, banks and others offering advice to exporters, the Institute runs an online Certified International Trade Adviser (CITA) scheme, which was launched at BExA's Spring Reception in 2007. It ensures that exporters receive the best advice from appropriately qualified individuals.