



House of Commons

Business, Innovation and Skills  
Committee

---

**Exporting out of  
recession: Government  
Response to the  
Committee's Third  
Report of Session  
2009–10**

---

**Third Special Report of Session  
2009–10**

*Ordered by the House of Commons  
to be printed 23 March 2010*

**HC 504**  
Published on 26 March 2010  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The Business, Innovation and Skills Committee

The Business, Innovation and Skills Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Business, Innovation and Skills. On 5 June 2009, the Department for Business, Enterprise and Regulatory Reform and the Department for Innovation, Universities and Skills become the Department for Business, Innovation and Skills. On 1 October 2009 the Business and Enterprise Committee was renamed the Business, Innovation and Skills Committee to reflect that change. The Committee retained the same membership as the Business and Enterprise Committee.

### Current membership

Peter Luff MP (*Conservative, Mid Worcestershire*) (Chairman)  
Roger Berry MP (*Labour, Kingswood*)  
Mr Brian Binley MP (*Conservative, Northampton South*)  
Mr Michael Clapham MP (*Labour, Barnsley West and Penistone*)  
Mr Lindsay Hoyle MP (*Labour, Chorley*)  
Miss Julie Kirkbride MP (*Conservative, Bromsgrove*)  
Anne Moffat MP (*Labour, East Lothian*)  
Mr Mark Oaten MP (*Liberal Democrat, Winchester*)  
Lembit Öpik MP (*Liberal Democrat, Montgomeryshire*)  
Ian Stewart MP (*Labour, Eccles*)  
Mr Anthony Wright MP (*Labour, Great Yarmouth*)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via [http://www.parliament.uk/parliamentary\\_committees/parliamentary\\_committees](http://www.parliament.uk/parliamentary_committees/parliamentary_committees)

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [http://www.parliament.uk/parliamentary\\_committees/bis.cfm](http://www.parliament.uk/parliamentary_committees/bis.cfm)

### Committee staff

The current staff of the Committee are: James Davies (Clerk), Ben Williams (Second Clerk), Aruni Muthumala (Economist) Louise Whitley (Inquiry Manager), Anita Fuki (Senior Committee Assistant), Eleanor Scarnell (Committee Assistant), Jim Hudson (Committee Support Assistant) and Laura Humble (Media Officer).

### Contacts

All correspondence should be addressed to the Clerks of the Business, Innovation and Skills Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5777; the Committee's email address is [biscom@parliament.uk](mailto:biscom@parliament.uk)

## Third Special Report

---

The Committee published its Third Report of Session 2009–10 on Thursday 28 January 2010. The Government's Response was received on Monday 15 March and is published as an Appendix to this Report.

## Government Response

---

The Government welcomes the Business, Innovation and Skills Committee's Report, "*Exporting Out of Recession*".

The Committee's Report highlights the work of UK Trade & Investment (UKTI) to promote UK business engagement in international trade, its successes to date and what more can be done to ensure that it will rise to the challenges that lie ahead. The Government welcomes, in particular, the Committee's recognition of the dedication and professionalism of its staff and its ongoing support for UKTI's strategy.

The Committee recognises UKTI as a highly successful organisation, providing services that are valued by business. This serves to confirm the strategic direction taken by UKTI as appropriate for both its customers and the current economic challenges faced by them.

UKTI services are pivotal to the Government's policy to facilitate an export led recovery. The Committee's recommendation that all parts of Government should work towards promoting the UK as the place to do business with, and in, is welcomed and is consistent with the current thinking. UKTI works with the joint BIS/DfID Trade Policy Unit, the FCO and ECGD to create an environment where trade can flourish.

The Government notes the concerns of the Committee over UKTI charging policy, perceived duplication/competition with the Regional Development Agencies (RDAs), allocation of Strategic Investment Fund (SIF) resources and concerns over the effects of the potential loss of parts of the FCO overseas estate on UKTI trade services. Our responses to these concerns are set out in the body of this reply.

Throughout the Report, there are references to UKTI's front-line staff. Staff endeavour to provide an excellent service and are to be commended for their enthusiasm and professionalism when delivering UKTI services to their customers. The results from the UKTI Performance and Impact Monitoring Survey (PIMS) are testament to that. Evidence to end FY 2008/09 reported estimated total additional financial benefit to UK businesses of around £3.6 billion in the year covered by the survey, across all UKTI trade services.

The case for open markets has not been undermined by the economic downturn. The Government is therefore maintaining its position as a strong defender of globalisation, pushing for greater integration and liberalisation. The benefits of open markets to the UK are clear; even in the aftermath of the financial crisis the UK's employment rate is still one of the highest in the world. Over the last 20 years, UK manufacturing output grew 11% in

volume, real income per capita by more than 40% and real GDP by around 60%. The Government will work to build on these strong fundamentals.

## Conclusions and Recommendations of the Committee

The Government's response to each of the Committee's conclusions and recommendations is as follows.

### *Creating a culture of trade promotion*

**If Britain is to have any chance of exporting out of recession, and to flourish after it is over, then all parts of government, not just UKTI and the FCO, must work to promote the country as an ideal place to trade and do business with. We urge the Government to use its reply to our Report to set out how it intends to spread a more commercial, business-oriented mindset throughout Whitehall. All departments must be made to realise that they have a major role to play to help Britain trade its way out of recession and sustain its long-term prosperity. (Paragraph 16)**

1. The Government's National Economic Council has emphasised the importance of all ministers and government departments engaging in supporting economic recovery, especially through exports and encouraging inward investment. Already work is under way to make this a reality, embedding this as an ongoing policy commitment.

Examples of this policy in action include:

- UKTI's Sector Advisory Group for Education and Skills (SAGES) membership is drawn from across all segments of the sector including other Government Departments (OGDs), key industry bodies and government-backed agencies such as BIS, the British Educational Communications and Technology Agency (BECTA), the British Educational Suppliers Association (BESA), the British Council and Universities UK. SAGES supports key activities such as the recent UKTI International Delegation to the Learning and Technology World Forum (LATWF) and the British Education and Training Technology show (BETT) the world's largest educational technology event.

In addition UKTI has a University Liaison Officer within a Science & Innovation team focussed on strategic links with Universities such as Reading, Southampton and Glasgow Caledonian. This team and others throughout UKTI support University international commercial engagement and collaborations. With key links to the Technology Strategy Board, Research Councils, learned bodies and colleagues in BIS.

Within the R&D Unit UKTI works closely with Universities to deliver a coherent offer to overseas multinationals and encouraging them to invest in the UK eg the Nissan Battery Factory in the NE.

The Prime Minister announced a number of key initiatives at LATWF on 11 January 2010 aimed at increasing educational exports. UKTI, BIS and DCSF will play an active role in helping to deliver these including:

- support for the recently formed Task Force, Chair by Lord Puttnam, to look at increasing educational technology exports and international activity;
  - increase strategic UKTI support for universities to help them to meet the Prime Minister's aspiration of doubling the value higher education exports, and
  - Working with BIS to develop activities around the International Education and Research Advisory Forum which will be a key vehicle in helping universities internationalise.
- UKTI and the FCO sit on a Cross-Whitehall Committee on promoting the economic reputation of UK PLC, which met for the first time on 15 January. UKTI also sits on the International Influence Hub. Run by the Cabinet Office, this brings together senior officials from central government and partner organisations working to influence audiences on an international level, to share experience and establish best practice.
  - The Cross-party Ministerial Group on Investment Projects which convenes to remove blockages to significant investments.
  - The Prime Minister hosted a Global Investment Conference on 22 February 2010. This involved Ministers from across government meeting with major international business leaders to promote the UK as an investment destination.
  - On life Sciences, UKTI and BIS work closely with the Department of Health to promote the UK Healthcare sector. One example of this is senior-level representation on the industry-led Life Sciences Marketing Board. The role of the Board is to ensure the UK adopts a joined-up approach to marketing UK strength in the sector, internationally. This work underpins both trade and investment activity.
  - UKTI's Energy and Advanced Engineering team frequently involve other government departments in its activities, along with stakeholders from the private and academic sectors. Recent examples of co-operation include UKTI and DECC providing a joint presence at the World Future Energy Summit, in Abu Dhabi this January, and the New Industry New Jobs (NINJ) Advanced Engineering Road shows that have been taking place around the UK since last November. These have seen involvement from UKTI, BIS, ECGD and the Technology Strategy Board. UKTI's strategic advisory bodies for Energy and Advanced Engineering also include representation from several other government departments.
  - UKTI works closely with HM Treasury on overseas promotion of the financial and professional services sector. Examples include the Economic and Financial Dialogues with India and China, where we work jointly with business to ensure the programme delivers against UK objectives.
  - UKTI also works with the Ministry of Justice, the Law Society and the Bar Council to ensure joined-up and effective promotion of the legal services sector overseas.
  - UKTI ICT Sector team has been working with the Engineering and Physical Sciences Research Council, the BBC and the Home Office to promote UK excellence and

innovation in overseas markets. There is regular discussion with the Technology Strategy Board and the Knowledge Transfer Networks. The UK's flagship trade show event, Technology World, was run in partnership with the Knowledge Transfer Networks for digital content and electronics.

- The joint BIS/DFID Trade Policy Unit continues to lead work across Whitehall to push the Doha Round to its conclusion. BIS/DFID continues to provide new opportunities for UK business through Free Trade Agreements, Investment Promotion and Protection Agreements and the EU's Market Access Strategy.
- UKTI and BIS work together as the UK's contributors to the EU Market Access Strategy. This has the objectives of removing trade barriers faced by UK exporters in non-EU markets. Key to this work is the relationship with business, both through UKTI and through BIS contacts in the UK and through the work of commercial teams in overseas posts working with the Commission, Member States and others in third countries in identifying issues of most concern to business and working for effective solutions.

### **High Level Ministerial Visits**

**It is still difficult for relevant ministers to spend time away from Westminster. Current arrangements constrain the ability of ministers to engage in overseas trade missions and damages UK competitiveness. It is necessary, and should be possible, for both the Government and the opposition to make arrangements to ensure that the activities of the Trade Minister are not constrained by their presence being required at Westminster. (Paragraph 22)**

2. The Ministerial Committee on Overseas Visits (set up by UKTI under its current Strategy) coordinates the many visits made by Ministers across Government to share messages around trade and investment.

3. Lord Davies has made 20 overseas visits since he joined the Government; Lord Mandelson has also been very involved in the trade agenda, making frequent overseas visits focusing on business issues. Ministers also undertake UK regional visits with a business focus, working in tandem with business organisations like the Confederation of British Industry (CBI), Federation of Small Business and others.

### **British Trade Ambassadors**

**We agree that the British Trade Ambassadors are doing a very good job selling Britain as a place to trade with and invest in. Having high-powered individuals singing the praises of the country can only benefit UK plc. We ask the Government to provide us with yearly updates on the activities of each of the Ambassadors, and to inform us what steps it is taking to ensure that the specialist knowledge the network possess reflects all those industries which are of central importance to the UK's economic future. (Paragraph 26)**

4. We welcome the Committee's view that the UK Business Ambassadors ('British Trade Ambassadors') are doing a very good job selling Britain as a place to trade with and invest in. We have attached at Annex A the latest progress update that was sent to the Business Ambassadors in February 2010 and we plan a full update for later in 2010 which, as requested, we will forward to the Committee. At Annex B you will find the latest list of the UK Business Ambassadors and at Annex C the current Business Ambassadors' programme and forward look.

5. The Committee may also wish to note that the Business Ambassadors Network has increased in numbers from 19 in September 2009 to 25 in January 2010. This addresses the Committee's wish that the Business Ambassadors Network should reflect the specialist industries that are of central importance to the UK's economic future. Additions to the Network include business and academic leaders in the Health, Energy and ICT sectors.

### **UKTI Strategy**

**We agree with our witnesses that there is currently no need for UKTI to engage in a fundamental re-evaluation of its strategy. UKTI has been forced to undergo too many changes in recent years and it now needs time to improve incrementally. A period of relative stability is needed to allow it to address its remaining shortcomings. We agree that the current position of the pound, which has made it more attractive for some companies to export, can be accommodated within UKTI's existing framework. That said, it would be prudent for UKTI to consult with industry, in advance of 2011, on whether or not it will deliver on its strategy. (Paragraph 32)**

6. UKTI's 2006 Strategy, *'Prosperity in a Changing World'*, mapped a course for UKTI to market the UK as never before; focus on those markets and sectors that are key for UK business; to use professional marketing skills and adopt a more target-driven, entrepreneurial approach to promoting UK strengths; and to work in partnership with others in the public and private sector. This robust approach has stood the test of the recession and has placed UKTI centre stage in aiding the UK's economic recovery.

7. Within the framework of the existing strategy, we have adapted to changing circumstances. In particular the economic crisis, to move resources to fulfil business need, for example by moving resources to emerging/high growth markets and, more recently, employing Fiscal Stimulus Initiative specialists and developing a new programme of support, (Gateway to Global Growth) aimed specifically at businesses with 2-10 years exporting experience.

8. We have regularly consulted with business during the current strategy as it has evolved. We have senior business people in a non-executive role on the UKTI Board, on our Sector Advisory Groups and working as Business Ambassadors. We also have regular stakeholder meetings with key business multipliers such as the Confederation of British Industry, the Institute of Directors, the British Chambers of Commerce and Engineering Employers Federation.

## **Emerging Markets**

**We fully support the increasing emphasis that UKTI is placing on emerging markets, including Abu Dhabi and Saudi Arabia. Neglecting these markets would not be in the long-term interest of British business. (Paragraph 42)**

9. UKTI acknowledges the Committee's view and will continue to keep the level of resources in this and other regions under review.

10. Also in October 2009, the UK signed Investment Promotion and Protection Agreements with both Kuwait and Qatar. These agreements will give greater protection to UK investors in Kuwait and Qatar and encourage Foreign Direct Investment into the UK from Kuwait and Qatar.

**We are grateful to the Minister for acting on our concerns about a lack of staffing for UKTI operating in the Middle East. We anticipate that the additional staff will assist the office, providing a more effective service to British businesses in a market that presents companies with a large number of opportunities, but recommend that the situation is kept under review. (Paragraph 43)**

11. UKTI acknowledges the Committee's view and will continue to evaluate its policy approach to maintain the most appropriate strategy and level of resource in this region.

**It is obviously sensible for UKTI to direct its resources to the locations where it can have the maximum possible impact. However, the plethora of different priority and high growth markets and sectors that UKTI has set itself could easily cause confusion. UKTI needs greater clarity in explaining its priorities to industry. Furthermore, UKTI needs to reassure business that concentrating on these strategic priorities will not undermine the level of service provided in established markets where the majority of the UK's trade is conducted. (Paragraph 45)**

12. As the Committee acknowledges, judging the relative needs of established and developing markets, and different sectors, is a delicate balancing act. We focus on the sectors where we can add most value in both established and emerging or higher growth markets with most potential.

13. UKTI priority emerging/higher growth markets under the current strategy are Brazil, China (including Hong Kong), India, Indonesia, Malaysia, Mexico, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, Thailand, Turkey, United Arab Emirates, Vietnam. However, although it is important that we develop our presence in these markets, UKTI still focuses a large amount of resource on providing support for the established markets that provide valuable opportunities for UK companies. UK maintains large networks across the established markets, with a large presence across Europe, the USA and Japan, for example. UKTI will continue to promote opportunities and services in these markets.

14. We have prioritised our key sectors to just seven: financial services, creative industries, life sciences, energy, ICT, advanced engineering and low carbon solutions, which is consistent with the key sectors that BIS works with.

15. UKTI has simplified its service offer to customers to three main products; “Developing Your International Trade Potential”, “Accessing International Markets” and “Maximising Foreign Direct Investment”.

16. UKTI will continue to deploy its resources to take advantage of both existing and new opportunities, for both trade and investment, to ensure a balanced set of criteria in future decision making and that the offer is explained clearly to our customers.

### **Overseas Market Introduction Service**

**The Committee welcomes the more innovative use of OMIS highlighted in their visit to Milan and recommend that this creative approach be disseminated across UKTI on the basis of best practice. (Paragraph 49)**

17. UKTI’s evaluation system obtains feedback from customers about their experiences of using the system. UKTI continuously reviews OMIS quality and works to spread best practice across its network in the UK and overseas. We issue a regular newsletter to inform users of changes and improvements to OMIS. We hold a regular forum that reviews randomly chosen OMIS reports in depth and uses the results to highlight any problems and spread any best practice. An annual discussion forum made up of UK and overseas customer-facing staff is held to discuss any problems and test solutions and new ideas. We have a help-line to answer questions on OMIS business practice and support users and customers with the on-line system. UKTI will continue with these practices as well as looking for means to step this up.

**A well written OMIS can, and often does, provide businesses with a wealth of opportunities to take advantage of, while a poor one is a costly waste of a company’s time and money and a disincentive for first time users to commission future reports. While we understand that complete uniformity in the quality of the product is not possible to achieve, the current gulf between the best and the worst is too wide. UKTI needs to take steps honestly to address performance in its Posts where business is providing negative feedback on the support they are given. If poor quality is due partly to companies commissioning vague and unfocused reports, UKTI needs to be more willing to recommend that businesses not use this service when it believes they would be able to add little value to a company’s operations—a recommendation there may be disincentives to implement, given the target set for UKTI Posts. (Paragraph 53)**

18. We are constantly seeking to improve the quality of the OMIS service and to spread best practice around UKTI’s delivery network (see paragraph 8). It is important to note that where a company needs the support of Posts to help access international markets, an OMIS service will often be required. Companies are closely involved in planning OMIS reports and have to agree to any proposal to commission Posts to do the work.

19. Since the National Audit Office (NAO) Report<sup>1</sup>, OMIS quality ratings have risen from 69% to 73%, and have been maintained. The improvement in ensuring that clients are clear about what to expect from the service has also been maintained, rising slightly to 82%.

---

<sup>1</sup> *UK Trade & Investment: Trade Support*, HC 297 Session 2008 – 2009.

20. There is clear evidence that customer relationship training for staff is improving the quality of service. We have also developed best practice materials and hold regular teleconferences with posts to discuss performance issues.

21. While there is an element of inconsistency that we are working to correct, OMIS varies according to the service level chosen. The amount of work that can be delivered for a given service level may vary from market to market depending on ease of doing business in the market and the business culture.

22. We discourage the commissioning of OMIS where this is not right for the client and will continue to spread best practice across the network.

**We agree with the NAO that there is a lack of clarity about the aim of UKTI's charging structure. However, we do not believe that UKTI should aim for full cost recovery, but instead that charges should be set at a level that is of the most benefit to UK companies and the economy as a whole. This means the charge should be as high as is required to discourage speculative requests and no higher. In the long term, the additional taxable revenue generated will more than cover the cost of providing the initial service. We also believe that there is scope for UKTI to be more creative in the way it uses the charging system. For example, a lower price could be charged to companies that wish to export into priority markets to encourage them to do so. Cost recovery should be an incentive to both UKTI staff and those who commission the report to use them effectively. They should not be a Treasury-driven way of reducing the costs of UKTI. (Paragraph 58)**

23. The Report acknowledges that charging is appropriate to stop speculative and wasteful requests. We note the Committee's comments. The OMIS process is still subsidised. UKTI is aware that evidence suggests that firms of all sizes are willing to pay more for OMIS. This means that there is scope to review the pricing structure when the economy is in recovery, though the impact upon demand will need to be monitored carefully. Treasury policy is to move to full cost recovery and are working progressively towards this goal.

**We do not believe that there should be a fundamental tension between the need for staff to meet centrally set targets for OMIS revenue and their ability to network and make contacts with local businesses. Indeed, without those contacts OMIS reports would be of a much poorer quality. However, we are alert to the pressures on UKTI staff and the fact that OMIS targets have the potential to trap staff behind their desks and skew their priorities. We recommend that the Department monitor this issue and where necessary, empower UKTI management to intervene and ensure that staff workloads do not prevent them from developing the local and sector knowledge necessary for them to provide a vital aspect of UKTI service. (Paragraph 65)**

24. UKTI's time recording system indicates that in the overseas network spend one day out of five on average on chargeable work. The other four days are spent on non-chargeable work. Both chargeable and non-chargeable work is targeted at supporting the efforts of exporters to succeed in global markets.

### ***Passport to Export***

If UKTI is committed to increasing the number of companies exporting to its priority high growth markets it needs to accommodate all companies who are interested in entering those markets, regardless of whether or not they are new to exporting. We welcome the aims behind the “Gateway to Global Growth” programme but are concerned about reports from industry that it is not living up to its billing as follow-on to the highly successful Passport to Export scheme. The Government should re-examine the support the Gateway provides to ensure it provides a properly tailored service to the needs of business. We invite the Government to provide more information about the operation of this scheme in its response to our Report. (Paragraph 71)

25. Gateway to Global Growth was launched on 1 April 2009 so it is a new programme requiring time to bed down. Like Passport to Export, it is delivered by UKTI’s International Trade Advisers in English regions. The main purpose of the programme is to support SMEs with some international experience to tackle new international markets in a structured and coherent way. Companies will be on the programme for around 12 months, so the first recruits have not yet completed the process. Gateway’s quality and impact will be assessed by UKTI’s PIMS evaluation system in the coming year. In addition, we are conducting a research study into the experiences of companies going through the programme.

### ***Tradeshaw Access Programme***

Companies clearly feel that the Tradeshaw Access Programme makes a valuable contribution to their ability to export successfully. However, given the current constraints on public finances it is difficult to recommend that the Programme’s budget is increased. Rather we see an opportunity to make the use of existing resources more efficient by developing a better evaluation mechanism for determining future grants, the need for which was alluded to us by the Chief Executive of UKTI. We call on the Government to protect the existing levels of funding and to explore innovative ways of maximising the effective use of the resources allocated to this scheme. (Paragraph 77)

26. We accept the Committee’s recommendation. The value of TAP support to SMEs has been confirmed by our own assessments, including an independent research study carried out in 2008/09. We will aim to increase the value of TAP support to the customer by the following actions, to be delivered in 2010/11:

- offering, through our delivery partners, more flexible, shared exhibition and meeting spaces to meet the needs of smaller businesses;
- reviewing the use of TAP funding at major trade fairs ('Key Events') to ensure more effective promotion of the UK group and to enhance the UK's reputation in a given sector, and

- implementing more joined-up working between trade associations and UKTI International Trade Advisers to help prepare SMEs to exhibit and provide relevant support services after the event.

### ***Gaps in Current Programme Provision***

**The Government should study VIE closely, identifying the benefits offered by the French system, and investigate the possibility of running a similar scheme in the UK. (Paragraph 80)**

27. VIE, (Volontariat International en Enterprise (Volunteer for Experience)), offers citizens of the European Economic Area, who are under 29, the opportunity to gain paid professional working experience overseas with participating companies.

28. UBIFRANCE, the French agency for international development, both promotes and administers the scheme. There are an estimated 100 staff members involved in identifying host organisations, the selection of candidates, obtaining visas, monitoring volunteers on secondment, etc.

29. While the potential benefits of VIE to the individual and participating organisation are undoubted, the administration of such a scheme would require consideration from central Government, as under current UKTI resource levels it is not feasible.

30. The Committee should note that the British Council also offers vocational education and training opportunities to those wishing to gain experience from working abroad and for those UK employers looking for international students to assist on short or long-term projects.

### ***Monitoring of the impact of programmes***

**We believe that the effectiveness of UKTI support to companies must be, as much as possible, measured by its “bottom line” impact, that is the direct additional financial benefit to companies—and to the United Kingdom—as a result of the services that they received. Being able to demonstrate more fully the value it adds to companies activities will help UKTI defend its budgets during continuing pressure on public finances. We therefore recommend that businesses who use UKTI services should be required to keep UKTI updated about the benefit that they receive, over the medium term as part of the agreement they enter into when using UKTI services. This should not have to be an onerous process, a short e-mail or phone call to their UKTI contact after a successful business deal had been signed would be sufficient. We also recommend that the timescale of the PIMS system is lengthened to allow companies responding the time to realise the full impact of the support they have received. Done well, this process should also enhance relationships between UKTI and the businesses using its services. (Paragraph 87)**

31. The NAO made a similar recommendation about the need for evidence of longer-term impact in its 2009 value for money study of UKTI, and UKTI has been considering possible means of obtaining such evidence. The NAO recognised that UKTI had in place, in PIMS, a robust system that provides high quality evidence about the impact of UKTI

trade services on the performance of client businesses. However, the Government notes the Committee's concern that longer-term impacts would not be fully captured.

32. PIMS evidence is currently captured in three ways:

- Some 4,000 trade clients are interviewed between 4-7 months after support, when their recollection of the service is clear, and they are well placed to give assessments of service quality and of intermediate benefits, such as whether they gained access to useful information or contacts not otherwise available, or whether the support had enabled them to raise their credibility or profile in the market;
- A smaller group of around 400 trade clients are re-contacted for PIMS follow up interviews take place around a year after the first interview. This allows UKTI to capture evidence on slightly longer-term developments, and views of the expected financial benefit. Clients are also asked whether the contacts and information they received, and impact on their credibility or profile, had turned out to be more or less useful than they had initially thought. The evidence shows a consistent pattern, that clients often revise upward their assessment of benefits from information and from effects on profile, but not for usefulness of contacts. In addition, clients in the follow up interviews often report qualitative innovation benefits not reported in the first interview, such as improvements to products or services, or to new product development strategy, and increased R&D; and
- A small number of clients—around 20 per year—are invited to take part in a longer depth interview, to discuss a range of issues relating to their international business development and the role of UKTI support. This evidence is reported in PIMS Qualitative Reports, and is also used to inform ongoing refinement of PIMS methodology and analysis.

33. Tracking longer-term impact, beyond that currently captured, is most likely to be feasible for clients who have had relatively intensive forms of support, such as through Passport to Export, especially where the client perceives value in a continuing longer-term relationship with a trade adviser.

34. Evidence from PIMS shows that many other clients derive substantial benefit from relatively short-term support from UKTI, such as through attending a single event, or receiving help from an overseas Post on a specific issue. While some of these clients might welcome a well-judged phone call from someone at UKTI to see how they are getting on, requirement for follow-up would be burdensome.

35. To be credible, impact evidence must be strictly robust. Collecting robust data by surveys becomes increasingly difficult as the length of time increases after support, both because of diminishing client recollection of the circumstances they were experiencing at the time of the support, and because of increasing difficulty in contacting the person who was directly involved, due to staff changes, etc. For these reasons, academic advisors to UKTI on PIMS issues have recommended relying more on other robust methods to obtain evidence of longer-term impact. For example, UKTI has commissioned academic researchers from Oxford to evaluate the longer-term impact of Passport and Export Marketing Research Scheme using data that clients have reported to Companies House.

These evaluation methods are highly valued by many observers as a complement to evidence based on surveys such as PIMS, and have the advantage that the research does not place any burden on UKTI clients.

### ***Delivery of Programmes***

**Value for money and high quality services should be the criteria used by UKTI when it awards contracts for its UK operations. However a partner with knowledge of local businesses and ability to promote UKTI service to the widest possible range of companies, such as a Chamber of Commerce, will be able to add a great deal of value to UKTI UK-based operations. These are considerations that UKTI should bear in mind when deciding who to partner with for local service delivery. We also believe that the Government should seek to strengthen local Chambers as a matter of policy. (Paragraph 90)**

36. UKTI undertakes a substantial amount of partnering with the private sector. We value these partnerships as the private sector provides business perspective, credibility and innovation in the way we do things.

37. In four of the nine regions in UKTI's English regional network, Chambers of Commerce or their representative bodies e.g. Chamberlink on behalf of the 17 North West Chambers, are partners in the trade delivery organisations. We have other business service organisations supporting UKTI's trade delivery in the five other regions.

38. While UKTI considers the best value suppliers i.e. the best quality at the most competitive price, it also seeks delivery partners that have a capability to deliver on UKTI priorities and that can generate synergy with other business support services. We also take account of other value added elements such as local business knowledge or particular sectoral or RDA focus.

39. In the case of Chambers, as well as working with a number of them as delivery partners, in all regions UKTI's teams will be working with their local Chambers on activities on networking, joint events or overseas visits.

40. In addition to partnerships with local and regional Chambers, UKTI has a longstanding and beneficial relationship with the British Chambers of Commerce (BCC). The BCC manage two UKTI services—the Export Marketing Research Scheme and the Export Communications Review—where private sector specialists are deployed to provide advice to companies on marketing research and export communications.

41. The BCC, under cover of a memorandum of understanding with UKTI (and its predecessor Departments), also administers the issuing of non-preferential Certificates of Origin. Certificates are issued by Chambers authorised by the BCC and the Chambers have fulfilled this role for many years. Some 350,000 certificates are issued each year, generating a good level of income for the Chamber network.

42. Business Link is the primary access channel to Government business support. It provides free professional advice, support and information to help UK business to both maintain and grow their success.

43. Business Link works with key stakeholders and partners, including Chambers of Commerce, local councils, enterprise agencies and other specialist bodies with knowledge of local businesses to promote and deliver government services to a wide range of companies. This work includes promoting the services provided by UKTI.

44. On the strengthening of local Chambers, it is for individual Chambers to offer the services that their members want in order for them to expand their operations. It is not for Government to do this as individual Chambers are focussed on local issues and driven by the requirements of their membership.

### **Staffing Costs**

**In the current climate of constrained public finances it is especially important that the maximum possible amount of resource is directed to front-line services. However, we do not believe that wasteful spending exists to the extent suggested by some of our witnesses. Neither do we believe that UKTI needs to fundamentally re-evaluate the balance it strikes between direct cash support it provides to business and the amount it spends on staff, the majority of whom deliver front line services to companies. However, changes imposed on UKTI have played their part in creating a top-heavy bureaucracy which is now being slimmed down. This process must continue—the evidence we have heard suggests that the real value to British business of UKTI is its presence at the local level both in the UK and overseas. (Paragraph 96)**

45. UKTI is committed to being a customer-focused and performance-driven organisation. We have undertaken significant work in the last few years to maximise the value of our resources by moving them to where they are most productive for UK business. In the past year we have realigned our inward investment resources to ensure that they are focused on the most productive markets.

46. This has resulted in UKTI substantially increasing the number of businesses assisted by our trade developments services to a record 23,700 (latest Q3 2009/10 figures), whilst cutting the average cost of assisting businesses from around £16,500 to just over £10,000 over the last three years. It is a similar story for inward investment, where in 2008/09 UKTI directly assisted 600 inward investment projects, a fifth consecutive year of growth, whilst cutting the average cost of securing these projects by over 13% over the last three years.

47. In the spending review, UKTI was also committed to making Value for Money (VFM) efficiency savings. The target set is £7.1 million over our three funding streams. To date, UKTI has delivered £5.5 million (latest Q3 figure 2009/10) and expect to deliver this target by the end of the CSR period. All reported gains are cash releasing, sustainable and reported net of cost.

48. In addition to these VFM savings, UKTI has driven efficiencies and cost reductions in our accommodation costs by utilising existing space. This delivers a year-on-year reduction of £987,000 in accommodation costs to BIS.

49. UKTI is committed to achieving efficiencies by reducing input costs whilst delivering improved customer services. We maximise the value of our resources by moving them to

where they are most productive for UK business and by realigning our inward investment resources to ensure that funding and Posts are focused on the most productive markets.

50. UKTI has a programme of external evaluation on the quality of its services. The PIMS Survey provides quantitative and qualitative measures of UKTI's performance in delivering its targets, including data on customer satisfaction with service outputs and quality. Management information generated by PIMS is used to inform decisions on further improving the quality of service delivery and achieving further productivity gains, backed up by improved staff capabilities and professionalism, and refining Headquarter business processes. The NAO has reviewed all of UKTI data sources and considers UKTI evaluation robust and all of our systems "fit for purpose".

51. UKTI will continue to strive to be an exemplar in Whitehall for innovative and cost-effective delivery. The outcome of the Operational Efficiency Programme will help focus our plans and facilitate further initiatives to ensure we are delivering maximum value for money to our stakeholders and customers.

### ***The FCO estate***

**In the current financial situation there will naturally be the desire to reduce expenditure and make savings. However, to do so by selling parts of the FCO estate, especially those based in such prestigious surroundings, would be a short sighted decision and in the long run could cost UK plc much more than was saved. (Paragraph 99)**

52. The FCO is considering its resource position. It remains committed to fulfilling its historic responsibilities and pursuing its modern priorities in deciding whether it sells any property, FCO would take into account the potential impact of any such decision on the delivery of UKTI services. The FCO and UKTI will continue to work together to maximise the benefit of the FCO network and overseas platform.

### ***Fiscal Stimulus Initiative (FSI)***

**We support the aim of the Fiscal Stimulus Initiative to help British businesses benefit from other countries' fiscal stimulus packages. However, we believe that creating another new programme, separately identified, contributes to the bloated pool of existing programmes. UKTI should simply have shifted resources on a short-term basis to markets where new opportunities have been created. We invite the Government to provide us with a progress report on its aim to support a thousand companies by March 2010, given that this is now only two months away. We remind the Government and UKTI that to the greatest possible extent the British business community needs and requires simplicity in UKTI programmes to engage effectively with them. (Paragraph 104)**

53. UKTI is pleased to report that progress towards the aim of supporting 1,000 companies has been excellent, with that figure already considerably exceeded. By the end of February 2010, UKTI had helped over 1,500 companies identify business opportunities arising from fiscal stimulus-related spending in overseas markets.

54. Attention is focused on markets that appear to offer the most significant opportunities, particularly China, the Gulf (mainly Saudi Arabia and UAE) and North America (USA and Canada). Opportunity development also continues in Australia, Brazil, India, Russia and South Africa. Resource that was targeted on France, Germany and Spain has been mostly shifted to higher priorities.

55. Early results from PIMS evaluation indicate that our interventions have been viewed positively, but it will be later in 2010 before we have evaluation covering the whole period that the initiative has been operating. Even so, there are good prospects for UK business in a number of areas, for example:

- Large power plant project in South Africa identified (\$1.25bn) with interest expressed from 3 UK companies;
- UK construction consultancy introduced to large US construction business to develop opportunities from US Green Federal Buildings programme (\$5.5bn);
- UK engineering firm introduced to opportunity to partner with Brazilian companies in state of Rio Grande do Sul to bid jointly for oil and gas business, and
- Opportunity presented to UK firm to provide protective coatings for carbon steel pipelines in Saudi Arabia.

56. UKTI recognises the need for simplicity. UKTI services are part of the Government's streamlined Solutions for Business portfolio of business support products. Support from the fiscal stimulus initiative falls under the Accessing International Markets product. Business Specialists working for UKTI do not market the fiscal stimulus initiative as a separate UKTI service. Instead, they focus on highlighting the actual opportunities identified in specific overseas markets, briefing interested UK-based companies on how best to position themselves to take advantage of those opportunities and signposting firms to existing UKTI services where further help may be required.

- The resource for the fiscal stimulus initiative was re-directed from within UKTI's existing budget.

### **Security Sector Tradeshow**

**The Committee is not convinced that the funding of this trade show represents the best use of the Strategic Investment Fund allocation. UKTI should set out in detail the rationale behind this decision and provide the assumptions underpinning the assertion that his event will become self-funding within two years. (Paragraph 111)**

57. The Home Office Scientific Development Branch exhibition is a well-established public security exhibition. It has traditionally been a relatively small show focused almost entirely at UK Government and law enforcement officials. For 2010, UKTI has teamed with the Home Office and the A|D|S (the trade organisation advancing UK Aerospace, Defence, and Security industries) to significantly enhance the show and transform it into an international showcase for the UK Security Industry.

58. The exhibition will feature around 400 UK companies and UKTI, together with the Home Office, has invited senior government and law enforcement officials from some 63 countries to attend the event. These visitors will be hosted on a government-to-government basis and will see at first-hand the cutting-edge technology and expertise that the UK has to offer. Both the Home Office and the A|D|S trade association have expressed their overwhelming support for our plans to bring overseas government buyers to this event for the first time. They also recognise the potentially significant impact that it will have on UK security exports in a global market which is growing rapidly and which is currently estimated to be worth around \$140 billion annually. A|D|S has stated that they expect to levy a small additional charge on exhibitors in future years. This will provide the source of funding for the exhibition after 2011, making it a self-funding annual event.

### **UK Global Connections**

**The UK Global Connections initiative is still in its infancy and therefore we are unable to judge its contribution to trade promotion. That said, we are not convinced that this scheme will address a real gap in the current programme offered by other organisations, and are uncertain what value it will add to the UK's trade promotion activities. Between them the British Trade Ambassadors and existing bilateral chambers of trade should provide precisely the networks which are needed. We see no need to reinvent the wheel. (Paragraph 118)**

59. UKTI notes the Committee's concern that the proposed new global network, referred to in the Report as 'Global Connections', will duplicate existing activity and will not, therefore, add value to the UK's existing trade promotion activities.

60. The network in development differs significantly from other networks that already operate and will complement what they do. It will bring together business people, academics and others who have a strong affinity for Britain and who are willing to speak out positively and regularly about the strengths the UK has to offer through the supply chain or as a location for inward investment, and to provide insights and guidance to other businesses.

61. The aim is to create a network of about 1,000 members, not necessarily UK nationals, with representatives in all markets. Because members will be business people rather than officials or Chamber employees they will be better placed to connect into international business networks and what they say will be highly credible. Where similar networks have been created, they have been a valuable complement to other structures. For example, the GlobalScot network between 2005 and 2007 generated more than £30million in gross value added for Scotland's businesses. As the network develops UKTI will monitor the costs and benefits associated with the network, but our initial assessment is that the network will deliver significant value for low set up and operating costs.

### **Marketing Campaign**

**We welcome the Department's decision to allocate more resources to increase awareness of UKTI's services amongst businesses, as there are clearly many businesses that are unaware of the help that is available to them. However, we believe this money should be used to develop a more carefully targeted communication programme,**

**including sending UKTI staff to meet business rather than buying poorly targeted advertising space to spread unfocused generalised messages. (Paragraph 123)**

62. The vast majority of UKTI's awareness raising is highly targeted with customers in mind. For 2010, there will be a greater emphasis on strategic communications, with enhanced collaboration across Whitehall communications departments. As well as its own activity, including press tours by foreign journalists, UKTI marketing and communications takes part in both the Foreign and Commonwealth Office's Economic Reputation Committee and the Cabinet Office's International Influence Hub. UKTI marketing promotes the strengths of the UK economy and tackles negative international perceptions regarding the UK as a place to do business in and with.

63. Last year, UKTI's Marketing and Communications Team ramped up their press activity issuing 200 press releases, each resulting in an average 30 pieces of coverage in the national, regional and international trade press as well as local radio and TV items. UKTI also uses social media, using blogs, twitter, flickr, etc. to provide detail in the lead up to regional and international visits by the UKTI executive team, the Secretary of State for Business and the Minister for Trade, Investment and Small Business. This activity comes at no additional cost.

64. UKTI is also developing strategic paid media partnerships. These include one with the Telegraph that saw the production of a series of articles looking at the opportunities for UK exporters, under the title 'Telegraph Trade Month'; and the Economist Innovation Awards, celebrating the achievements of winning individuals and companies. Both have been highly fruitful in terms of recruiting new clients.

65. UKTI leverages strategic partnerships with British Airways, through its in-flight magazine, and Google, through the Google Export Advisor, to publicise the benefits of exporting. This is done at no additional cost. Also without cost, UKTI partnered with the Evening Standard to develop the London Export Awards, which showcases British exporting excellence. UKTI has also organised a series of seminars with the Institute of Directors focused on exporting to developing markets, along with the US.

66. Additionally, working in partnership with HSBC, we participated in a series of regional events aimed at supporting UK business activity overseas.

67. UKTI's "Take it to the World" (TITTW) campaign, which ran from March to October 2009, took advantage of exceptionally low billboard rates at the height of the recession to play an important role in raising awareness about the benefits of exporting as a mechanism of coping with a decline in domestic demand for goods and services. In phase one (March 2009): "Go further. Export." our focus was to encourage businesses, who might not otherwise consider it, to see the benefits to them of exporting. Phase two (June 2009): "Get the Export Advantage" made the business case for the additional benefits of exporting. Phase three (October 2009) "Want to grow your business globally?", highlighted the expert advice and support that UKTI offers businesses. The campaign has been hugely successful. It was designed to attract overall interest, and then drive traffic to a website that clearly outlined all the benefits of exporting. Highlights of the campaign, included:

- Over 31,000 visits to the TITTW website landing page;

- Over the period of the campaign there was a 9.9% increase in website views compared to the same period in 2008, and
- UKTI Enquiry Unit also saw a 8.3% increase in enquiries (telephone and website related emails) compared to the same period in 2008.

68. To improve further our marketing focus, UKTI will conduct a survey of exporters' media consumption habits in order to define a more reliable measurement of the impact of our marketing and communications.

69. UKTI will also take part in the Central Office of Information's standardisation of PR evaluation metrics, during the first year of its introduction in 2010.

**In addition to raising awareness of the services business can request UKTI needs to be more proactive in alerting companies to opportunities in their markets. We saw some promising new activities in Milan, we recommend that the best practice exemplified in Milan—and what we are confident is being developed in other UKTI Posts—is disseminated across the organisation. (Paragraph 126)**

70. We agree with the Committee's recommendation. We are seeking to improve the ways in which we identify opportunities and alert companies to them and encourage posts to find innovative ways to do so.

71. One initiative available to UKTI customers is the ability to subscribe to the Business Opportunities Scheme, an email update service that provides the delivery of timely, free business opportunities, across all sectors in some 96 markets.

72. UKTI staff overseas, in British Embassies, High Commissions and Consulates, are always looking for business opportunities that UK businesses can take advantage of. Over 400 Business Opportunities are published each month, and range from market pointers, to private sector opportunities and multilateral aid agency tenders to public sector leads.

### ***UKTI's administration of the Strategic Investment Fund Support***

**We have already highlighted in this Report the importance of UKTI listening to its customers when deciding how to prioritise its activities and deploy its resources. But this appears not to have happened in the case of the allocation of funds from the Strategic Investment Fund. While we understand the need to deploy resources quickly in some cases the haste with which decisions were taken has resulted in poor choices being made. This could have been avoided if UKTI had properly consulted businesses when making these decisions. Without undertaking such consultation it is highly unlikely that the maximum potential benefit of an unexpected increase in funding from the SIF investment will be realised. (Paragraph 131)**

73. The £10 million of SIF funding was allocated to UKTI to spend on events to promote sector expertise both in the UK and abroad. The funds are to help UK businesses better showcase their strengths to overseas customers and markets. All events must meet the following criteria:

- High value and visibility to UK business;

- Early impact with strong legacy which the private sector can run with;
- Directly related to the government's activist industrial policy *New Industry, New Jobs*; and
- Leverage multiplying effects from partners to reach the widest possible audience.

74. This approach is in line with UKTI's focus on reasserting the UK's worldwide business reputation and is central to economic recovery. UKTI's strategy is to market the economic strengths of the UK and the innovation, creativity and expertise of Britain in high value sectors. This attracts potential investors to the UK and helps our exporters sell themselves more effectively as international partners of choice.

75. As the wider context at the time was the economic downturn, UKTI took the view that it needed to move rapidly to deploy the extra resources in the most effective way. The bulk of the extra funding has been directed towards boosting an existing programme of events, rather than new activities, aimed at showcasing the strengths of the UK in key business sectors.

76. Our first and very successful event was in the margins of London Fashion Week in September 2009. We are still at a relatively early stage in the process in terms of being able to give a full assessment of the benefits of our 2010/11 funding. However, to the end of January, more than 900 UK companies have attended events that have benefited from SIF funding.

77. Other examples include ICT and advanced engineering sector events. Some 527 UK companies and over 150 overseas delegates attended Technology World 2009 in November in Coventry, with about 2,500 facilitated one-to-one meetings taking place. We estimate that at least £10m of business was generated by the event. Overseas, an Advanced Engineering event in Sao Paulo, in the margins of last autumn's Brazilian Grand Prix, showcased the UK and enhanced Brazilian perceptions of the UK capability in that sector; delegates from 38 UK companies attended and there were 106 attendees from Brazil.

78. Some of this extra money has been used for TAP-supported events. One example is Arab Health, held earlier this year in Dubai. SIF funding allowed us to increase our spend on enhancing the UK's stand at the event, UK branding in the main concourse and inside the UK pavilion, and gave us additional visibility on the Arab Health website. This pre-show and onsite PR generated a huge impact, with a total of 87 online and print articles featuring the UK running in international and regional press.

79. SIF funding also enabled UKTI trade teams from 17 markets to recruit local buyers from their markets, to attend one-to-one meetings with UK companies at this event. Our online meeting booking system resulted in 234 meetings between UK companies and international organisations during the event. And UKTI commercial officers provided market briefings—for markets including the Gulf States, China, India, Syria, Saudi Arabia and Pakistan—for UK delegates.

80. We are starting to see real returns on our investment and so we are confident that the funds are being deployed in an effective way. We know from our customers that these events are highly valued and we have built on tried and tested channels for showcasing the

strength of the UK in high value sectors rather than inventing a wholly new programme. This demonstrates that we do listen to our customers but there is always more we can do. However, in this case we believe that a consultation exercise would have caused an unnecessary delay to what has been an important and successful part of UKTI's response to the economic downturn.

**We also note a tendency of UKTI to use Strategic Investment Fund money to embark on new initiatives. The consensus view of industry was that it should have been used to improve and expand existing programmes. We appreciate the Government's desire to be seen to be engaging in exciting new activities, but additional funding for existing mechanisms could have led to a quicker and more direct impact on businesses. The problem stems from the fact that the Government appears to have decided on a welcome but essentially arbitrary increase in funding for UKTI. We have seen no convincing rationale behind the decision to give UKTI £10 million, rather than £5 million or £15 million. This does not seem to be a strategic use of the Strategic Investment Fund. (Paragraph 132)**

81. As noted above, the bulk of the extra funding has been directed towards boosting an existing programme of events, rather than new activities.

82. All expenditure was carefully planned well in advance of the 2009 Budget, working with both HMT and wider Whitehall.

83. As part of the preparation for the 2009 Budget, UKTI put together a detailed bid to HMT setting out options for what it could deliver to encourage more companies to export. All new activities funded under the temporary funding are aligned to the NINJ agenda.

84. UKTI is continually reviewing the services it offers to business in order to ensure it adds maximum value for money.

### ***Regional Development Agencies and Trade Development***

**Regional Development Agencies have been given an important role to play in trade promotion. However, we continue to hear worrying accounts of unnecessary duplication of programmes and competition between different agencies. If this is allowed to continue the benefit of the RDAs' work, and that of UKTI, will be undermined. In particular, RDAs should be required take a more coordinated approach to trade missions both with other RDAs or UKTI, so that the problems of duplication are avoided. (Paragraph 143)**

85. UKTI has an agreement with the RDAs that UKTI should deliver trade services in the English regions as the RDAs' "international trade arm", under a Dual Key Framework Agreement. Regional trade delivery services are managed by UKTI's regionally based International Trade Directors, who are co-located with each RDA. UKTI's regional presence is an important part of getting closer to our customers and encouraging companies to export. Reaching out to potential customers, which the Committee want us to do, is an important part of that.

86. Under the terms of the Dual Key agreement the RDAs do not run trade missions except with the full agreement and involvement of UKTI's regional trade directors. Almost all

regional trade missions overseas are organised by UKTI's regional teams and funded by RDAs. Businesses in the regions value the opportunity to participate in these missions, which help them to win business in overseas markets. In general, regional missions are open to companies from other parts of the UK.

87. UKTI acknowledges that there is a need for greater clarity around mission activity and it will make available a fully searchable list of all trade missions run by UKTI and its partners shortly after its new website is launched in April 2010.

88. The Committee should also note that there are other regionally and locally based organisations (e.g. chambers) running trade missions besides UKTI. Although UKTI tries to work with such organisations to avoid duplication and to maximise the benefits to UK companies, we ultimately have no control over what they do.

### **Export Credits Guarantee department**

**The Committee welcomes ECGD's decision to examine the possibility of extending the bond support it offers by entering into a risk sharing agreement with banks. ECGD should provide the Committee with an update on these negotiations in its reply to this Report. (Paragraph 153)**

89. Ministers are considering whether a contract bond support scheme should be provided to assist exporters. Therefore, ECGD is exploring the feasibility of this with the banks with whom ECGD would share the risk. Further announcements will be made in the coming months.

**The European Commission waiver of the Short Term Communication provides the Government with an opportunity to address the failure of the market to provide business with trade credit. Neither we, nor any of the businesses who we have spoken to, have seen evidence that this situation is improving and therefore the Government's decision to merely "monitor the market" is inadequate. We strongly recommend that the Government reassess its decision not to use the opportunity presented by the Commission's decision to re-enter the short-term trade credit market until the financial situation improves. (Paragraph 159)**

90. The Government has no plans to introduce a short-term trade credit insurance intervention. The shortfall in the availability of trade credit insurance arising from the credit crunch is now easing. The major credit insurers have assured Ministers that they will make additional risk capacity available in the coming year. This should enable cover to be restored for exporters.

### **Organisational Structure**

**We are concerned by reports that businesses feel that ECGD is not properly reacting to customer demands. It is especially important that during these challenging times ECGD are properly equipped to deal with, and able to focus upon, businesses' needs. (Paragraph 163)**

91. ECGD is responding to customer demand. It recruits staff with relevant knowledge, experience and skills to deliver its primary duty, set out in its statute, to support exporters.

ECGD has introduced a new letter of credit guarantee scheme and extended its fixed-rate export finance scheme. In addition to exploring the feasibility of providing a contract bond support scheme, the Government will shortly be announcing its response to a Public Consultation on proposals that would help streamline the way ECGD operates.

### ***Support for Airbus***

**The UK aerospace sector is an example of UK excellence in higher value-added manufacturing and we believe that the Airbus proposals for simplifying export credit arrangements for customers in the aerospace sector merit consideration. Clearly, the current system involving three different organisations is not ideal. However, we have not yet had time to examine this proposal in full and we shall return to it in our Report on the motorsport and aerospace industries. (Paragraph 164)**

92. Airbus's need to deal with three Export Credit Agencies (ECAs) is not ideal. In recognition of this, the European ECAs have looked at possible options to create a single ECA to deal with Airbus transactions. However, each agency has statutory, institutional or policy impediments to take into account. ECGD's statute, for instance, prevents it from delegating decision taking to other parties. Forming a single ECA would be a complex task: its structure, capitalisation/funding, the allocation of costs, risks and losses would need to be decided, as well as how it would account to its shareholding Governments.

93. The three ECAs have therefore focussed their attention on streamlining the provision of their support. Processes and procedures have been simplified; for example, there is now common documentation and a single external legal team on each transaction. At the beginning of 2009, the ECAs agreed to institute a 'one-stop shop' arrangement for Airbus' customers on most cases. Although this arrangement falls short of Airbus's aspirations for a single ECA, the company has recognised the benefits of the new arrangement. Airlines have also noted its advantages.

94. The Government is pleased with this progress. However, it has not detected any interest from its European partners in pushing the wider, and more complex, issue of looking at the merits of creating one ECA for Airbus. As the Committee Chairman recognised during Ian Lucas' evidence to the Committee's hearing on the UK motorsport and aerospace industries (26 Jan), such an arrangement would also raise the question as to why Airbus should have a dedicated ECA: Other multinational European exporters could argue that their export business would also benefit from a single ECA when they source exports from across Europe.

## Annex A: The Business Ambassador Network – March Update

When Sir Andrew Cahn last wrote out to you at the end of 2009 to thank you for your efforts as a Business Ambassador, I also provided you with a summary of the work of the network over the last year. I'm writing to you now to update you on a number of the activities I referred to in that report and to give you an idea of how our programme for 2010 is progressing.

### *The Network Gets Wider*

In December 2009 and February 2010 the Prime Minister announced that he had asked another seven business and academic leaders to become Business Ambassadors—bringing the number in the network to 25. The decision to add to the group was made for two main reasons: to be able to increase the overall number of engagements that the Business Ambassadors are able to undertake; and to widen the specialist sector coverage we are able to offer. This also reflects the recently published findings of Parliament's *Business, Innovation and Skills Committee (BISCOM)* report on 'Exporting out of recession'. The report said:

*"We agree that the British Trade Ambassadors are doing a very good job selling Britain as a place to trade with and invest in. Having high powered individuals singing the praises of the country can only benefit UK plc. We ask the Government to provide us with yearly up-dates on the activities of each of the Ambassadors, and to inform us what steps it is taking to ensure that the specialist knowledge the network possesses reflects all those industries which are of central importance to the UK's economic future."*

This is a tremendous endorsement of the Business Ambassadors initiative, particularly as the 'singing the praises of the country' referred to by the BISCOM took place at the height of the global financial recession—a challenging and complex time for anyone involved in promoting trade and inward investment. During this period the Business Ambassadors played an important role in helping to restore confidence in UK business by getting positive trade and investment messages out to the front line and to potential customers and investors around the world.

Of course there is a lot more that still needs to be done. The point made by the Committee on the need to ensure that the network reflected all of those industries of central importance to the UK's economic future was also one of the drivers behind the appointment of the seven new Business Ambassadors. The new members are:

*Chris Brinsmead - Chairman, AstraZeneca Pharmaceuticals UK*

*Lord Ara Darzi - Professor of Surgery, Imperial College London*

*Larry Hirst - Chairman, IBM Europe, Middle East and Africa*

*Lady Barbara Judge - Chairman, UK Atomic Energy Authority*

*Professor Julia King - Vice-Chancellor, Aston University*

*Samir Brikho – CEO, AMEC plc*

*Sir John Sorrell – Chairman, London Design Festival, Co-Chair, The Sorrell Foundation*

Many of these names are already well known to UKTI and we are looking forward to working closely with them in their new role as Business Ambassadors. As a result of these appointments our sector coverage in the Creative, Health, Pharmaceutical, Energy, ICT and Manufacturing areas will significantly increase. A complete list of the current members of the Business Ambassador Network is attached at *Annex A*.

### *The End of 2009*

Further to my last update, the Business Ambassadors finished off 2009 with a number of top class events. Building on the really successful programme of work that was summarised in my November report there were additional contributions in November and December, including: *Lord Rogers* in Australia and South Korea; *Paul Skinner* in Trinidad; *Lord Browne* in Finland; *Sir Roger Bone* in London; and *Digby, Lord Jones* in the USA.

The trip that Lord Jones made to the USA is worth highlighting as it consisted of three cities in three days, nine speeches and many additional meetings. The trip promoted the UK's focus on innovation and the generation of foreign direct investment by encouraging US stakeholders to tap into the UK's innovation networks. At every stage of the programme Lord Jones gave out positive messages about the UK innovation agenda – with tremendous responses from all of his audiences. Our Posts in the USA are following up a number of leads and ideas that can be directly linked to the Business Ambassador work undertaken by Lord Jones.

We were also pleased to organise a Business Ambassador dinner at Chevening House, on behalf of Lord Mervyn Davies, where we were able to bring together a number of the Business Ambassadors to discuss the network and wider business issues. Finally, in December, a group of Business Ambassadors took part in the first UKTI Business Advisory Group meeting in the Locarno Suite at the FCO - the culmination of a very successful year for the Business Ambassadors.

### *The Programme for 2010*

The Secretariat team within UKTI has been working hard to build a full Business Ambassador programme to take us through 2010 and we are already well underway, with a number of very good events confirmed or completed.

Events that have taken place in January and February 2010 have included: *Lord Darzi* delivering keynote speeches at the 'Arab Health' Conference in Dubai; *Sir Kevin Smith* leading a UK Aerospace delegation at the Singapore Airshow; *Sir Roger Bone* speaking at the London Chamber of Commerce; *Sir Victor Blank* undertaking a number of engagements at the Winter Olympics in Vancouver and later in the USA; and *Marcus Agius* met with HMA Edward Oakden and senior business figures in Abu Dhabi. In addition, a number of the Business Ambassadors attended the Prime Minister's Global Investment Conference in London.

Business Ambassador events coming up during *March* include: *Professor Julia King* delivering key-note addresses at a Low Carbon Capabilities Conference in London and at a Low Carbon Vehicles event in Newcastle; *Digby, Lord Jones* facilitating at a UK/South African Business Forum in London for SA President Jacob Zuma and later visiting Australia as part of a Western Australia initiative; *Sir Roger Bone* attending the Nordic/UK Business Awards in London; *Lady Barbara Judge* undertaking engagements in Kazakhstan, China and Jordan; *Sir John Sorrell* delivering a key-note address in Barcelona; and *Paul Skinner* speaking at the Construction Equipment Association AGM Conference in London.

Further into the future, we are currently planning events in a number of markets, including: Australia; China; Russia; India; and the USA. A copy of our current programme is attached and this includes details of all the work the Business Ambassadors undertook in 2009, as well as events we have already completed or are planning in 2010. The programme is ongoing and will develop further over the coming months.

### ***Making the Most of Opportunities***

In all our activities we ensure that the Business Ambassadors programme directly supports UKTI's strategic business and trade priorities. By working closely with our sector, market and regional experts we have a good picture of where we need to target our resources in order to achieve this.

In addition to these major conferences, exhibitions or trade shows, the programme will also be made up of a series of more 'reactive' events. These will be added to the programme as we work with our overseas and UK networks to make the most of every Business Ambassador opportunity that becomes available to us. Although it is just not possible to support every proposal we get (either because we don't have the resources to do so, or it is not in a priority market/sector or just because there isn't a suitable Business Ambassador available to do it), on balance we have taken the view that, if an opportunity arises, it is better to try to do something to promote UK expertise, rather than nothing.

In the case of opportunities arising in the margins of the Business Ambassadors own personal or business travel, we rely heavily on our FCO colleagues in UK Embassies, Consulates and High Commissions around the world being able to deliver a suitable trade event. Over the last year a significant number of successful Business Ambassador events took the form of small business dinners or receptions hosted, often at comparatively short notice, in this way. With the right audiences, these sorts of events can be extremely effective and we are keen to continue with this approach.

### ***Getting the right information***

We will also continue to update you with the current trade and economic messaging. In addition to this generic information the Secretariat has been providing detailed briefing and speeches for many Business Ambassador events and we will continue to do so. Although we think we mostly get it right, any feedback about the quality or timing of briefing would be appreciated, particularly as everyone has different preferences and working styles. The key thing we always need to do is to ensure you are absolutely clear about why you are at a function and what your involvement is meant to achieve.

We also welcome your reports back of the events you have attended. These do not have to be long, but your general summing up whether you felt the event went well, if the organisation/briefing was right and any follow-up actions or general thoughts, would be extremely helpful in evaluating the value of the event.

### ***Finally***

If we haven't yet got around to talking to you or your advisors about potential Business Ambassador activities in 2010, please get in touch and I (or a member of my team) will be more than happy to come and discuss ideas with you.

Once again, many thanks for your efforts to date, a warm welcome to the new Business Ambassadors and I look forward to working with you all throughout 2010.

**Jack Charteris**  
**Head of Business Ambassador Secretariat**

## Annex B: Business Ambassadors

<b>Marcus Agius</b>	Chairman, Barclays
<b>Sir Victor Blank</b>	Former Chairman, Lloyds Banking Group
<b>Sir John Bond</b>	Chairman, Vodafone
<b>Sir Roger Bone</b>	President, Boeing UK
<b>Samir Brikho</b>	Chief Executive, AMEC plc
<b>Chris Brinsmead</b>	Chairman, AstraZeneca Pharmaceuticals UK
<b>Lord John Browne</b>	President, Royal Academy of Engineering and Managing Director of Riverstone Holdings
<b>Sir Terence Conran</b>	Chairman, Conran Holdings
<b>Lord Ara Darzi</b>	Professor of Surgery, Imperial College London
<b>Gerry Grimstone</b>	Chairman, Standard Life PLC & Candover Investments PLC
<b>Dr Chris Gibson-Smith</b>	Chairman, London Stock Exchange and British Land
<b>Professor Malcolm Grant, CBE</b>	President and Provost, University College London
<b>Sir Philip Hampton</b>	Chairman, Chairman RBS Group, Non-Exec Director Anglo American Plc
<b>Dr John Hood</b>	Former Vice-Chancellor, University of Oxford
<b>Larry Hirst, CBE</b>	Chairman IBM, Europe, Middle East & Africa
<b>Digby, Lord Jones of Birmingham</b>	Chairman, International Business Advisory Board, HSBC; Chairman Triumph Motorcycles
<b>Lady Barbara Thomas Judge</b>	Chairman, UKAEA
<b>Professor Julia King, CBE</b>	Vice-Chancellor, Aston University
<b>Dr Anna Mann</b>	Senior Partner, MWM Consulting
<b>Dick Olver</b>	Chairman, BAE Systems
<b>Professor Alison Richard</b>	Vice-Chancellor, University of Cambridge
<b>Lord Richard Rogers</b>	Chairman, Rogers Stirk Harbour & Partners
<b>Paul Skinner</b>	Chair of Infrastructure UK and formerly Group Managing Director of Royal Dutch Shell and Chairman of Rio Tinto
<b>Sir Kevin Smith, CBE</b>	CEO, GKN
<b>Sir John Sorrell, CBE</b>	Chairman London Design Festival, Co-Chair, The Sorrell Foundation

## Annex C: Business Ambassador Programme 2010

### Events Key:

- Taken Place
- **Committed**
- *On Offer*

JANUARY	FEBRUARY
<p>Bristol – 21st Jan. Sir John Sorrell (SF) accompanied Lord Davies on Regional Roadshow.</p> <p>Dubai – 25<sup>th</sup> Jan. Lord Darzi (ICL) delivered the keynote speeches at a dinner and reception, hosted by HMA during visit to the Arab Health Show.</p> <p>Switzerland – 27<sup>th</sup> Jan. Lord Darzi undertook BA speaking engagements in the margins of Davos promoting the UK's Life Science Sector.</p>	<p>Singapore – 1<sup>st</sup> - 4<sup>th</sup> Feb. Sir Kevin Smith (GKN) led UK Aerospace delegation at Singapore Airshow and delivered short address at a BHC Lunch.</p> <p>South Africa – 2<sup>nd</sup> Feb. Lady Barbara Thomas Judge (UKAEA) met with the HM Consul General in Cape Town to discuss future BA engagements in South Africa.</p> <p>London – 9<sup>th</sup> Feb. Sir Roger Bone (Boeing UK) delivered short speech to senior business people at 'London Chamber of Commerce &amp; Industry Patron's Members' Lunch.</p> <p>Canada – 13<sup>th</sup> – 15<sup>th</sup> Feb. Sir Victor Blank hosted 2012 UK Olympic Business Table at the Winter Olympics in Vancouver.</p> <p>USA – 16<sup>th</sup> Feb. Sir Victor Blank attended a lunch with BABC and met with the Federal Reserve Bank in San Francisco.</p> <p>London - 22<sup>nd</sup> Feb. PM's Global Investment Conference. 6 BAs attended the conference.</p> <p>Abu Dhabi – 23<sup>rd</sup> Feb. Marcus Agius met with HMA Edward Oakden and senior Business Group over tea.</p> <p>East Midlands - 25<sup>th</sup> Feb 2010. Sir Roger Bone delivered keynote address at <i>Emerging Markets: 'Too Much Potential to Ignore' Conference</i> in Loughborough.</p>

MARCH	APRIL
<p>London - 4<sup>th</sup> Mar. Sir Roger Bone to attend the Nordic/ UK Business Awards.</p>	<p>China - 6<sup>th</sup> - 7<sup>th</sup> April. Lady Barbara Judge to be guest of honour at a dinner with representatives from the Chinese nuclear industry sector as well as have breakfast with local based representatives of British Companies in Beijing.</p>
<p>London - 5<sup>th</sup> Mar. Digby Lord Jones to act as facilitator at UK/SA Business Forum for SA President Jacob Zuma.</p>	<p><i>China - 9<sup>th</sup> - 11<sup>th</sup> April. Boao Forum. Gerry Grimstone to undertake BA engagements in the margins of the conference.</i></p>
<p>London - 11<sup>th</sup> Mar. Professor Julia King (Aston Uni) to deliver keynote address at a major UKTI Conference on the UK's Low Carbon Capabilities - Market Prioritisation.</p>	<p><i>Far East - 14<sup>th</sup> Apr - 5<sup>th</sup> May. Malcolm Grant to undertake a series of BA engagements in the margins of private visits HK, China &amp; Australia</i></p>
<p>Russia - 16<sup>th</sup> Mar. Sir Philip Hampton to attend dinner with key representatives from Moscow's banking sector, hosted by HMA.</p>	
<p>London - 17<sup>th</sup> Mar. Paul Skinner to deliver keynote address at the Construction Equipment Association (CEA) AGM Conference.</p>	
<p>London - 17<sup>th</sup> Mar. JETCO - Professor Malcolm Grant to moderate Education sector group at the UK/Turkey JETCO meeting at the Guildhall.</p>	
<p>Kazakhstan - 16<sup>th</sup> Mar. Lady Barbara Thomas Judge to be guest of honour at reception hosted by HMA in Astana.</p>	
<p>India - 24<sup>th</sup> Mar. Marcus Agius to undertake BA engagement in the margins of private visit to Mumbai.</p>	
<p>Jordan - 20<sup>th</sup> - 22<sup>nd</sup> Mar. Lady Barbara Thomas Judge to undertake BA engagement in margins of private visit to Amman.</p>	
<p>Spain - 23<sup>rd</sup> - 24<sup>th</sup> Mar. Sir John Sorrell to deliver keynote address at IBN Launch <i>'Leeds in Barcelona - a Festival of Commerce and Culture'</i></p>	
<p>Newcastle - 24<sup>th</sup> Mar. Professor Julia King to deliver keynote address at Low</p>	

<p><b>Carbon Vehicles Gala Dinner.</b></p> <p><b>Australia – 23<sup>rd</sup> or 26<sup>th</sup> Mar. Digby Lord Jones to take part in a breakfast and lunch meetings with key local business contacts during visit to Perth as part of Government of Western Australia initiative.</b></p> <p><i>Australia - 24<sup>th</sup> Mar. Lord Richard Rogers to undertake BA engagements in the margins of private visit to Sydney.</i></p> <p><i>China – 26<sup>th</sup> Mar (DTBC) Lord Richard Rogers to undertake BA engagement in margins of private visit.</i></p> <p><i>Taiwan – 28<sup>th</sup> Mar (DTBC) Lord Richard Rogers to undertake BA engagement in margins of private visit.</i></p> <p><i>France – Mar (DTBC) Dr Anna Mann to undertake BA engagement being organised by HMA Peter Westmacott.</i></p>	
<p>MAY</p> <p><i>Finland – 6<sup>th</sup> – 7<sup>th</sup> or 10<sup>th</sup> – 11<sup>th</sup> May. Business Ambassador to be invited to speak at Business Circle Dinner hosted by HMA</i></p> <p><b>London – 13<sup>th</sup> May. Sir Victor Blank to sit on Financial Services Panel at British American Business Council (BABC) Conference.</b></p> <p><i>USA – 14<sup>th</sup> – 16<sup>th</sup> May. Sir Terence Conran invited to attend breakfast with the UK exhibitors at the International Contemporary Furniture Fair (15<sup>th</sup> – 20<sup>th</sup> May)</i></p>	<p>JUNE</p> <p><i>London – 8<sup>th</sup> -10<sup>th</sup> Jun. Islamic Banking Financial Services Event being organised by UKTI. BA to be identified when more details become available.</i></p> <p><i>Lebanon – 14<sup>th</sup> Jun. Business Ambassador to be invited to attend Queen’s Birthday Party Event, showcasing UK strengths.</i></p> <p><b>China – 21<sup>st</sup> -22<sup>nd</sup> Jun. Sir Kevin Smith to lead group of British Aerospace, Automotive and Advanced Engineering companies at Shanghai Expo.</b></p> <p><i>Birmingham – June. Gulf Focused Financial Services Roadshow being organised by UKTI. BA to be identified when more details become available.</i></p>
<p>SEPTEMBER</p> <p><i>London – 20<sup>th</sup> September. Financial Services City Week being organised by UKTI. BA to</i></p>	<p>OCTOBER</p> <p><i>China &amp; India – 18<sup>th</sup> Oct. Sir Philip Hampton possible 3 day private visit on</i></p>

<p><i>be identified when more details become available.</i></p> <p><i>London – 23<sup>rd</sup> Sept. Sir John Sorrell &amp; Sir Terence Conran to take part in a series of press and media interviews as part of London Design Festival.</i></p>	<p><i>RBS business.</i></p>
<p>DECEMBER</p> <p><i>London – Early Dec. World Islamic Banking Conference. BA to be identified when more details become available.</i></p>	

\*This guide is intended as a current summary of the Business Ambassador schedule. The programme itself is continuously evolving as new events are added and planned.

## Annex D: Completed Business Ambassador Programme 2009

<p>JANUARY</p> <p>London – 14<sup>th</sup> Jan. Anna Mann (MWM) met with Paul Boateng, British High Commissioner for South Africa.</p> <p>Oman – 21<sup>st</sup> Jan, Dick Olver (BAE Systems), accompanied by HMA, met with the Oman Minister for Commerce and senior business figures to discuss business opportunities in the market for UK plc.</p> <p>Abu Dhabi - 22<sup>nd</sup> Jan, Dick Olver (BAE Systems), attended a lunch hosted by HMA, for 12 of Abu Dhabi's leading local business people.</p> <p>Switzerland – 28<sup>th</sup> Jan – 1<sup>st</sup> Feb, Sir Victor Blank (Lloyds) recorded video diary/web blog, for London Summit.</p>	<p>FEBRUARY</p> <p>Hong Kong – 5<sup>th</sup> Feb, Inward Investment Asia Pacific Seminar. Mervyn Davies nominated Cindy Tang, Head of Asia, Standard Chartered, to undertake the engagement.</p> <p>Oxfordshire - 3-4<sup>th</sup> Feb, Advanced R&amp;D/ Engineering Conference - Mervyn Davies, MfT delivered opening address.</p> <p>Mexico – 6<sup>th</sup> Feb, Lord Rogers (RSHP) accompanied by HMA Giles Paxman, met with representatives from Mexico's Ministry of Transport &amp; Telecommunications and the Office of the President.</p> <p>London – 10<sup>th</sup> Feb, Business Ambassadors Network Launch Event at Lancaster House, hosted by SoS, Lord Peter Mandelson.</p>
<p>MARCH</p> <p>Denmark – 2<sup>nd</sup> Mar, Dr John Hood (Oxford) chaired Oncology Conference in Copenhagen.</p> <p>Barcelona – 5<sup>th</sup> March, Lord Richard Rogers met with British Consul-General and UKTI trade team.</p> <p>Japan – 6<sup>th</sup> – 9<sup>th</sup> Mar, Sir Terence Conran met with a group of Japanese architects and developers and took part in media interview with Nikkei newspaper.</p> <p>Birmingham &amp; London – 11<sup>th</sup> Mar 2009, Digby Lord Jones &amp; Sir Kevin Smith (GKN) participated in UKTI Advanced Engineering Global Strategy Launch with MfT Lord Mervyn Davies.</p> <p>London – 10<sup>th</sup> Mar, Lord John Browne (Riverstone LLC) conducted a telephone interview with Figyelo (Hungarian</p>	<p>APRIL</p> <p>London – 1<sup>st</sup> April, Gerry Grimstone (Standard Life) took part in a live 10 minute TV interview with leading Indian news channel NDTV, on flagship 10pm bulletin.</p> <p>Oxford – 2<sup>nd</sup> Apr, Biotrinity Seminar – Professor Malcolm Grant (UCL) delivered opening address at Life Sciences seminar.</p> <p>Hong Kong – 23<sup>rd</sup> Apr, Professor Malcolm Grant (UCL) addressed Institution of Civil Engineers on '<i>Sustainable Urban Development</i>' and attended Reception hosted by Andrew Seaton, BCG.</p> <p>China – 17<sup>th</sup> – 19<sup>th</sup> Apr, Boao Forum – Gerry Grimstone (SL) participated in session 'Balancing Financial Innovation, Openness and Oversight' and met with Chinese inward investors.</p>

<p>equivalent of the Economist magazine) on Low Carbon Economy.</p> <p>London – 23<sup>rd</sup> Mar, Anna Mann met with Brian Gallagher, British Trade Commissioner, Johannesburg.</p> <p>London – 23<sup>rd</sup> Mar, Getenergy UK Education and Training Capability Conference. Dick Olver delivered keynote address.</p> <p>Hong Kong – 24<sup>th</sup> Mar, Lord Richard Rogers &amp; Frank Geary Exhibition – UKTI invited a number of Hong Kong industry figures.</p> <p>London – 26<sup>th</sup> Mar, Doing Business in Asia Conference. Sir Kevin Smith (GKN) sat on high-level panel and discussed the importance of trade opportunities in Asia.</p> <p>London – 30<sup>th</sup> Mar, Dick Olver (BAE) and Sir Kevin Smith (GKN) attended dinner with President Calderon of Mexico.</p>	<p>Czech Republic – 27<sup>th</sup> - 28<sup>th</sup> Apr, Digby Lord Jones led UKTI International Business Network mission of 19 SMEs to Prague</p>
<p>MAY</p> <p>Lebanon – 12<sup>th</sup> May, Lord Richard Rogers (RSHP) met with HMA in Beirut and discussed future BA engagements in the region.</p> <p>London – 18<sup>th</sup> May, Dick Olver took part in one to one interview with UKTI Springboard Magazine.</p> <p>Qatar – 31<sup>st</sup> May, Professor Malcolm Grant (UCL) to undertake one to one meeting with HMA John Hawkins to discuss future BA engagements in Doha.</p>	<p>JUNE</p> <p>Russia – 4<sup>th</sup> Jun, Dr Chris Gibson-Smith (LSE) addressed International Economic Forum and attended Reception, hosted by HMA, with Economist, business people and key government officials.</p> <p>Edinburgh – 4<sup>th</sup> Jun, Gerry Grimstone delivered keynote address on UK/India relations at Scottish Financial Enterprise.</p> <p>China – 10<sup>th</sup> – 12<sup>th</sup> June, Sir Victor Blank (Lloyds) delivered keynote addresses at 3x BA engagements in Shanghai i.e. reception with Chevening Alumni; breakfast with the British Chamber of Commerce; and a seminar with the Shanghai Institutes for International Studies.</p> <p>France – 15<sup>th</sup> – 16<sup>th</sup> June, Dick Olver (BAE) delivered short address at Paris Air Show Reception hosted by HMA.</p> <p>South Africa – 19<sup>th</sup> – 30<sup>th</sup> Jun. Digby Lord</p>

	<p>Jones took part in a series of UKTI T&amp;I engagements in the margins of a private visit to Durban and Cape Town.</p> <p>Argentina – 22<sup>nd</sup> June Dr Chris Gibson-Smith (LSE) attended a High-Level Business Dinner with key local business and govt contacts, hosted by HMA.</p> <p>Brazil – 25<sup>th</sup> Jun, Dr Chris Gibson-Smith (LSE) attended High-Level Business Dinner with key local business and govt contacts, hosted by British Consul General.</p>
<p>JULY</p> <p>South Africa – 3<sup>rd</sup> Jul. Digby Lord Jones delivered a keynote address at a UKTI Trade &amp; Investment seminar in Johannesburg.</p> <p>London - 16<sup>th</sup> July, Gerry Grimstone (Standard Life) attended a reception to mark the opening of the London Representative office of the China Merchants Bank</p>	<p>AUGUST</p> <p>London – During month of August, all 18 Business Ambassadors had one-to-one telephone discussions with Andrew Cahn and shared their views on how the BA initiative had worked so far and how the role/service could be further enhanced in the future.</p> <p>Hong Kong – 27<sup>th</sup> Aug, Professor Malcolm Grant (UCL) took part in a series of press and media interviews with South China Morning Post and other local media outlets.</p>
<p>SEPTEMBER</p> <p>Aberdeen – 9<sup>th</sup> Sept, Offshore Europe - Lord John Browne delivered keynote address at UKTI Energy Excellence seminar and sat on SPE panel session for Low Carbon Focused Oil &amp; Gas.</p> <p>Saudi Arabia – 13<sup>th</sup> Sept, Lord Richard Rogers met with Paul Williams, International Trade Director, British Embassy Riyadh, and discussed future BA engagements in the region.</p> <p>Lebanon – 14<sup>th</sup> Sept, Lord Richard Rogers attended high-level dinner with 20 top architects/designers and engineers, hosted by HMA.</p> <p>London – 16<sup>th</sup> Sept, Digby delivered keynote address to 200 US Business</p>	<p>OCTOBER</p> <p>Turkey – 2<sup>nd</sup> Oct, Sir Phillip Hampton (J Sainsbury &amp; RBS) addressed 10 major Turkish retailers in Istanbul on the opportunities in the UK retail sector at afternoon tea hosted by BCG.</p> <p>Turkey – 2<sup>nd</sup> Oct, Marcus Agius (Barclays) delivered an update on the UK &amp; global financial services sector to 11 key members of the Turkish Financial community.</p> <p>London – 14<sup>th</sup> Oct, Sir Roger Bone (Boeing) delivered keynote address to 200 US Business Leaders from Los Angeles at the BA/UKTI Face of Opportunity Business Reception/ Forum.</p> <p>London – 20<sup>th</sup> Oct, Professor Malcolm Grant (UCL) chaired UAE/UK Education</p>

<p>Leaders at the BA/UKTI Face of Opportunity Business Forum at Terminal 5 LHR.</p> <p>London – 18<sup>th</sup> Sept, Sir Terence Conran (CH) took part in a media interview with the Monocle Magazine promoting the UK’s creative industry sector.</p> <p>Spain – 22<sup>nd</sup> Sept, Lord Richard Rogers (RSHP) met with HMA in Madrid to discuss future BA engagements in the market.</p> <p>London – 23<sup>rd</sup> Sept, London Design Festival – Sir Terence Conran (CH) took part in a series of press and media interviews and met a high level inward delegation of potential design partners and investors</p>	<p>Sector Round Table (part of Middle East week)</p> <p>China – 22<sup>nd</sup> Oct Dr Chris Gibson-Smith (LSE) addressed British Chamber of Commerce and provides an update on UK financial services sector.</p> <p>London – 22<sup>nd</sup> October, International &amp; Private Schools Education Forum (IPSEF). Professor Malcolm Grant (UCL) delivered keynote address at the conference.</p> <p>China – 24<sup>th</sup> – 27<sup>th</sup> Oct, Lord Browne delivered key UK economic messages at the Beijing Energy Club.</p> <p>USA – 25<sup>th</sup> Oct, Sir Terence Conran, had Breakfast/Brunch with Nick McInnes, Director Trade &amp; Investment, New York, and discussed future BA events in the US</p>
<p>NOVEMBER</p> <p>Saudi Arabia – 2<sup>nd</sup> Nov, Digby Lord Jones met with David Harries, Head of British Trade Office, Al Khobar and discussed future BA activities in the market.</p> <p>Turkey - 5<sup>th</sup> Nov - Lord Rogers attended and spoke at an exclusive Design reception hosted by BCG, Istanbul at Pera House.</p> <p>Australia – 12<sup>th</sup> Nov, Lord Richard Rogers (RSHP) took part in a Breakfast meeting in Sydney and delivered an address on ‘<i>Richard Rogers Buildings &amp; Cities</i>’</p> <p>Bahrain – 15<sup>th</sup> – 16<sup>th</sup> Nov, Digby Lord Jones undertook a series of BA calls on Bahraini Ministers; delivered the opening address at the GetEnergy Exhibition and lobbied on behalf of Rolls Royce.</p> <p>London – Professor Malcolm Grant (UCL) provided Foreword for UKTI Brochure ‘<i>Building Sustainable Education</i>’.</p> <p>London – 18<sup>th</sup> Nov, Digby Lord Jones delivered keynote address to 200 US Business Leaders at the BA/UKTI Face of</p>	<p>DECEMBER</p> <p>London – 2<sup>nd</sup> Dec, Digby Lord Jones took part in a press interview with Pittsburgh Business Times in advance of his visit to the US.</p> <p>South Africa – 3<sup>rd</sup> – 7<sup>th</sup> Nov, Lord Jones attended Business Breakfast and delivered keynote address and undertook press interview with CNBC.</p> <p>London – 14<sup>th</sup> Dec. Sir Terence Conran took part in a telephone, Raffles Conversation interview promoting the UK’s Creative Industries.</p> <p>USA - 14<sup>th</sup> - 16<sup>th</sup> Dec, Digby Lord Jones undertook a series of BA engagements focused on Innovation in Washington, Pittsburgh and Boston.</p> <p>London - 17<sup>th</sup> Dec, Sir Roger Bone (Boeing UK) sat on a high-level panel for the Nordic/ UK Business Awards.</p> <p>London - 17<sup>th</sup> Dec. 5x Business Ambassadors took part in the first Business Advisory Group Business Breakfast in the</p>

<p>Opportunity Business Forum at the Hilton, Park Lane.</p> <p>London – 19<sup>th</sup> Nov, Sir Roger Bone met with Nick McInnes, Director, Trade &amp; Investment, BCG New York.</p> <p>South Korea – 24<sup>th</sup> Nov, Lord Richard Rogers (RSHP) took part in a breakfast meeting with the BCCK i.e. local Chamber of Commerce</p> <p>Kent – 23<sup>rd</sup> Nov, BA Network Dinner, hosted by Lord Mervyn Davies at Chevening.</p> <p>Finland – 25<sup>th</sup> – 26<sup>th</sup> Nov, Lord Browne delivered keynote address on the UK’s Renewables sector at HMA Business Circle Dinner for key Finnish (potential /existing) investors and delivered keynote address at Cleantech Venture Day.</p> <p>Trinidad – 25<sup>th</sup> Nov, Paul Skinner (Chairman, Infrastructure UK) delivered keynote address at Network Business Breakfast in the margins of Commonwealth Heads of Govt Mission.</p>	<p>Locarno Suite at FCO.</p>
--	------------------------------