National Audit Office

**Report**
by the Comptroller
and Auditor General

**Department for International Trade, UK Export Finance**

# Department for International Trade and UK Export Finance: Support for exports

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Department for International Trade, UK Export Finance

# Department for International Trade and UK Export Finance: Support for exports

Report by the Comptroller and Auditor General

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Comptroller and Auditor General
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This report examines Department for International Trade (DIT) and UK Export Finance (UKEF) progress and performance in supporting UK exports.



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# Key facts

**35%**

government's ambition for the level of exports as a percentage of GDP. UK exports were 31.7% of GDP in 2019

**£24.4bn**

value of exports supported by the Department for International Trade (DIT) in 2019-20 against an internal target of £20.91 billion

**£4.4bn**

value of contracts supported with export finance provided by UK Export Finance (UKEF) in 2019-20 against a target of £5 billion

| | |
|---|---|
| **£701.2 billion** | of goods and services exported by the UK in 2019 |
| **6th** | UK's position compared with the rest of the world by value of exports in 2018 as estimated by the United Nations Conference on Trade and Development |
| **£500,000** | business turnover threshold above which DIT plans to provide bespoke export support. DIT estimates that around 230,000 UK businesses have a viable product or service to export and a turnover above £500,000 |
| **339** | number of customers UKEF supported in 2019-20; 199 directly and a further 140 customers benefited as suppliers to UKEF-supported projects |
| **9/10** | British Exporters Association rating for UKEF's product range in 2019 |

# Summary

**1** In 2019, the United Kingdom exported £701.2 billion of goods and services to overseas countries. Growing UK exports is an important element of the government's industrial strategy through which it aims to boost productivity and growth by helping businesses create better, higher-paying jobs and by investing in skills and infrastructure. The government's 2017 industrial strategy white paper highlighted that businesses which export account for 60% of the UK's annual productivity growth, deliver stronger employment growth and pay higher wages than those that do not.[1]

**2** In 2018, the government published its export strategy setting out how the government will support businesses of all sizes to make the most of opportunities presented by markets around the world. It also emphasised that supporting exports is a vital part of government's strategy for a global Britain following the UK's exit from the EU.[2] In particular, the export strategy announced a new national ambition to raise exports as a proportion of GDP from 30% to 35%.

**3** Both the industrial strategy and the export strategy recognise that the UK faces challenges in growing exports. The UK is the sixth largest exporter in the world, behind China, the United States, Germany, Japan and France. The UK is the second-largest services exporter in the world and the tenth-largest goods exporter.

**4** The Department for International Trade (DIT) was established in 2016 in response to the UK's decision to leave the EU. Following the UK's exit from the EU, the UK is in charge of its own international trade policy for the first time in 40 years. DIT has taken over trade functions from predecessor departments and taken competencies back from the EU. DIT has primary responsibility for delivering the UK's independent trade policy, including maintaining trade access to international markets, supporting and strengthening the multilateral trading system and creating new trading opportunities.

**5** To support exports, DIT has around 275 UK-based international trade advisers who provide information, advice and support to businesses across England, as well as an overseas network of more than 1,400 staff who promote UK business interests in overseas markets. Their work includes export promotion such as supporting businesses to attend tradeshows and working with overseas governments to resolve market access barriers that prevent UK businesses from selling goods and services overseas.

1 HM Government, *Industrial Strategy, Building a Britain fit for the future*, November 2017.
2 HM Government, *Export Strategy: Supporting and connecting businesses to grow on the world stage*, August 2018.

**6** DIT also works closely with UK Export Finance (UKEF) – the UK's official export credit agency.[3] UKEF is a ministerial government department with a statutory mandate to support UK exports and investments. UKEF helps UK companies to win contracts by providing attractive financing terms to their overseas buyers, to fulfil contracts by supporting working capital loans and to get paid by insuring against buyer default. UKEF aims to complement, not compete with, the commercial sector to ensure that no viable UK export fails for lack of finance or insurance. Consequently, it often supports businesses in challenging markets.

**7** DIT also works with other departments that play a role in supporting exports, including the Department for Business, Energy & Industrial Strategy (BEIS), the Foreign & Commonwealth Office (FCO), the Department for International Development (DFID) and the Ministry of Defence (MoD). DIT also coordinates with the devolved administrations, which have their own structures for supporting exports.[4]

**8** The National Audit Office (NAO) previously examined government support for exports in 2013.[5] At that time, the FCO and UK Trade & Investments (UKTI) were responsible for export support, and there was an ambition to increase UK exports to £1 trillion by 2020. We concluded that achieving this ambition would require FCO and UKTI to make their current activities to support exports more closely coordinated and supported by tough, measurable milestones.

## Scope of this report

**9** This report examines DIT and UKEF's progress to date and performance against their overall export support objectives. Specifically, we have assessed:

- whether DIT and UKEF have set a strategic direction and are clear about what they want to achieve (Part One);
- whether DIT and UKEF have resourced and prioritised the activities that will have the greatest impact on export growth, supported by a good understanding of the export capability of UK industry, an effective overseas network that can identify and support export opportunities and a tailored approach to reducing barriers to exporting (Part Two); and
- whether there is good performance information to demonstrate that DIT and UKEF are achieving desired outcomes and making a difference (Part Three).

3 UKEF is the export credit agency for the whole of the United Kingdom. Export credit functions have not been devolved to the Scottish and Welsh administrations and are part of reserved matters under the devolution legislation relating to Northern Ireland.
4 Economic development is a devolved function. Coordination between DIT and devolved administrations takes place under the 2013 Memorandum of Understanding between HM Government and the Devolved Administrations.
5 Comptroller and Auditor General, *Supporting UK exporters overseas*, Session 2013-14, HC 732, National Audit Office, October 2013.

**10** The report covers a broad range of DIT and UKEF's activities to support exports including export promotion in the UK and overseas, activity to tackle market access barriers and export finance. The report covers the UK government's work with overseas governments to resolve specific market access barriers but does not examine the government's preparations to negotiate free trade agreements, which we reported on in May 2019.[6] We have not examined government's activities to promote inward investment although we recognise the strong relationship with supporting exports, with many of DIT's staff involved in both activities. We recognise that government's support for exports interplays with other areas of policy such as national security and climate change. This report does not directly cover these areas.

**11** We carried out most of our fieldwork for this report between November 2019 and February 2020, before the global COVID-19 outbreak. We have not examined DIT and UKEF's immediate response to supporting UK exporters in the wake of the outbreak, which has included extending the guidance and financial support available to businesses trading internationally. However, the findings and recommendations in this report will help DIT and UKEF play a key role in getting the UK economy back on its feet, by supporting UK exports and driving new economic growth as part of a long-term export strategy.

## Key findings

### Government strategy for supporting exports

**12 The government has set out an initial strategy for increasing exports but will need to keep it updated to ensure it supports long-term value for money.** The 2018 export strategy builds on government's industrial strategy to identify the practical barriers that prevent businesses from meeting their full export potential. Barriers include: access to finance and cover for the financial risks of exporting; limited networks and contacts; market access barriers; lack of capacity; capability and knowledge of exporting; and limited global awareness of the UK's strengths. DIT intends to focus on around 230,000 businesses that have greatest potential to generate high-value exports, specifically those with a viable service or product to export and a turnover above £500,000. DIT is aiming to refresh the export strategy to reflect trade policy following the UK's exit from the EU, and the government's long-term economic response to the COVID-19 outbreak (paragraphs 1.11 to 1.13 and 1.18).

6 Comptroller and Auditor General, *Preparing for trade negotiations*, Session 2017–2019, HC 2143, National Audit Office, May 2019.

13 **The strategy includes an ambition to increase exports to 35% of GDP, but without analysis to understand how stretching it will be or a timescale for its achievement.** The 2018 export strategy included an ambition to increase exports from 30% to 35% of GDP. However, it is not clear how achievable the objective is because it is not based on a strategic analysis of the export opportunity in overseas markets for UK businesses. DIT has also not assessed to what degree its interventions will contribute to government's ambition to grow exports to 35% of GDP, and to what extent other factors will contribute, such as independent efforts by UK industry or activities by other departments and devolved administrations. Achievement of the ambition is dependent on economic factors such as fluctuations in GDP, and the impact of the COVID-19 pandemic. The lack of a timeframe for achieving this policy objective makes it difficult to hold DIT accountable for its progress (paragraphs 1.14 to 1.17).

## Resourcing and prioritising activities to support exports

### Prioritising support for UK companies

14 **DIT is making early progress in addressing a gap in the data it has on UK exporters.** DIT needs good data to identify which UK businesses already export, and which have potential to export with DIT's support. Although it uses survey data to estimate the number of exporters, it lacks data on how many of the 5.9 million businesses in the UK export at all, or could potentially become exporters. There are gaps in the data available on businesses that export services – exports of services are estimated to account for 47% of all exports by value. DIT has made provision in the forthcoming Trade Bill to address this data gap by enabling data-sharing between DIT and HM Revenue & Customs. Addressing this data gap will help DIT to identify UK exporters and will help DIT to understand the extent to which new potential exporters can be identified, but it may take time for DIT to establish effective processes for transferring and analysing the data (paragraphs 2.4 to 2.7).

15 **DIT's insight into exporters in different sectors of the UK economy is variable.** DIT needs a good understanding of the export capability of UK industry so that it can identify which businesses would benefit from support and prioritise its efforts. It has established six overarching sector clusters comprising teams which are responsible for providing sector-specific support to UK businesses and for working with overseas posts. For some well-established sectors, such as aerospace, DIT has good information on UK exporters. However, in emerging sectors such as renewable energy, where UK supply chains are less developed and less well understood, DIT is still developing its understanding of which UK businesses are ready to export. Sector teams within BEIS and DIT work together but there is scope for a better joint understanding of how to exploit the opportunities for UK businesses in overseas markets (paragraphs 2.11 to 2.14).

16 **DIT's digital services do not yet provide the export support that some businesses need.** To make the best use of limited resources, DIT plans to target its bespoke support at larger businesses and to direct smaller businesses to digital services on its website. Survey data DIT collected between July 2018 and June 2019 suggest that some digital services on DIT's website are not meeting businesses' needs. While 62% of DIT's clients reported that DIT's webinars programme was good at meeting their needs, under half of clients reported that services to help businesses identify export opportunities were good at meeting their needs. Since June 2019, DIT has delivered new digital services and is continuing to develop sector- and market-specific guidance and a service to help businesses create an export plan, aiming to have a pilot service in place by April 2021. It is also developing an evaluation strategy to help it understand the costs of its digital services, which will complement ongoing research on user needs, the development of more robust performance metrics and the use of data science to inform decision-making (paragraphs 2.18 to 2.21).

### Capacity and capability of the overseas network

17 **DIT is building an evidence-based analysis of the opportunities for businesses in overseas markets to inform decisions on the staff and skills it needs.** However, to get the most from its resources, DIT needs to further improve its understanding of where its interventions can secure the greatest opportunities for UK businesses, while also contributing to UK government foreign policy, security and development objectives. DIT has reshaped its areas of focus within individual regions, such as in Europe where it has prioritised key markets and changed just under 20% of roles. DIT is reviewing the resources it requires to meet its priorities across the Department to inform the next spending review, and its work on a new export strategy. This work will cover resource allocation to each overseas region, based on an analysis of market opportunity and where there are opportunities for economic growth within UK regions (paragraphs 2.22 to 2.26).

18 **There is scope for UKEF and DIT to work more closely together overseas to avoid missing opportunities for UK exports.** At May 2020, UKEF had eight country heads located overseas but in most countries, it relies on DIT staff to help identify potential customers. DIT has more than 1,400 staff overseas but those who are not finance experts may not have the technical skills to promote export finance. UKEF is concerned that it may consequently have missed opportunities to use export finance to support UK exports in some markets. For example, UKEF supported exports to 72 countries in 2018-19, but 80% of the value of these exports was concentrated in five of these countries. To address this issue, UKEF aims to increase the number of UKEF country heads overseas to 19 by July 2020 and has introduced training for DIT staff. At March 2020, 503 DIT staff had enrolled, of which 149 staff had completed the training. UKEF and DIT have discussed developing a Memorandum of Understanding to support closer working but as at April 2020 it had not been signed (paragraphs 2.24 and 2.27 to 2.31).

**Reducing barriers to export**

19 **DIT has developed systematic approaches for identifying market access barriers but has recorded more barriers than it has the capacity to resolve.** Market access barriers may restrict businesses' ability to trade in some overseas markets. In February 2019, DIT created an online database so that DIT staff in the UK and overseas can record market access barriers. DIT is using this insight alongside intelligence gathered from its network and other government departments to identify, prioritise and tackle market access barriers. In 2019-20, DIT recorded 1,238 barriers. It completed economic impact assessments on 465 barriers to help it prioritise which to tackle and had fully or partially resolved 175 (paragraphs 2.35 to 2.38).

20 **UKEF is expanding the support it offers to reduce export finance barriers for smaller businesses.** DIT and UKEF have identified access to finance as a barrier to trade for some businesses. UKEF is developing products such as the new General Export Facility (due in 2020) to support the working capital requirements of exporting companies. This is intended to help smaller businesses and those with shorter manufacturing cycles. In 2019, the British Exporters Association rated UKEF nine out of ten for its product range. We heard from stakeholders that UKEF application processes would benefit from shorter turnaround times and simpler requirements for smaller businesses. To speed up application processes, UKEF has delegated greater authority to five banks who can apply for some of UKEF's products so they can get immediate cover, and it has streamlined its eligibility criteria for applicants. However, UKEF does not conduct a customer survey, which could help it better understand the specific needs of smaller businesses (paragraphs 2.39 to 2.41 and 3.15).

## Measuring performance and knowing what works

21 **In 2019-20, UKEF operated within all its financial limits and controls, but narrowly missed its target on the value of export contracts it aimed to support.** HM Treasury sets UKEF financial limits and controls to provide assurance that it does not expose the taxpayer to excessive risk, and UKEF met these objectives in 2019-20. UKEF supported £4.4 billion of export contracts in 2019-20, against a target to support £5 billion. It fell short of its target to directly support 500 customers, supporting 199 in 2019-20. A further 140 customers benefited as suppliers to UKEF-supported projects (paragraphs 3.5 to 3.8).

**22 DIT has met its target for the value of exports it supports but, in isolation, its export wins measure may not encourage longer-term export growth.** DIT measures its annual export performance mainly through its 'export wins' measure, which reflects the value of the exports it has supported. In 2019-20, DIT achieved £24.4 billion export wins against an internal target of £20.91 billion. The export wins measure is a useful tool for incentivising staff because it enables DIT to set sector and regional targets, align activities across its UK and overseas network, and track trends in performance over time. However, setting annual export wins targets has limitations because it focuses efforts on short-term export support rather than longer-term activities that are needed to grow exports. DIT also monitors exports as a percentage of GDP. UK exports were 31.7% of GDP in 2019, against the ambition of 35%. However, the relationship between achieving export wins targets and growing exports to 35% of GDP is not clear (paragraphs 3.2 to 3.4 and 3.11 to 3.14).

**23 DIT has made progress in developing its approach to performance measurement but needs to go further to assess the impact of some of its longer-term export support activities.** DIT has developed a monitoring and evaluation framework for its export promotion activities, including annual client surveys; bespoke evaluations and a value-for-money model to assist it in assessing the cost–benefit of its services. However, DIT recognises that it needs to do more to assess and measure the impact of some of its longer-term export support activity. For example, DIT has made progress in monitoring how many market access barriers it resolves but has further to go to assess the impact of this work and how to prioritise it accordingly (paragraphs 2.38, 3.12 to 3.14 and 3.16 to 3.19).

## Conclusion

**24** DIT and UKEF will play a key role in taking forward the UK's international trade policy as the UK leaves the EU. Since its formation, DIT has taken over trade functions from predecessor departments as well as from the EU. It has made a good start in developing a strategy and the operating arrangements it needs to support export growth, and UKEF has expanded its offer of export finance to support UK businesses while remaining within the financial limits and controls it is set by HM Treasury.

**25** However, both DIT and UKEF face significant challenges and will need to work together to strengthen their approach to ensure that they achieve value for money over time. It is not clear whether DIT is focusing its efforts and resources in the regions and sectors where there are the greatest opportunities to support UK businesses. DIT has developed a framework for measuring its performance, but it is not clear how direct the link is between DIT's performance and the government's 35% of GDP export growth ambition, which can be influenced by a number of factors, some of which are outside of government's control.

## Recommendations

**26** In 2020, DIT and UKEF aim to publish a refreshed export strategy. The Departments intend for this to build on the 2018 strategy, and to position it more clearly in the economic and trade policy context following the UK's exit from the EU and the government's long-term economic response to the COVID-19 outbreak. These recommendations are intended to support DIT and UKEF as they develop and implement the refreshed strategy.

a **DIT should develop its existing performance measurement framework further, building on the principles of good performance measurement so that its performance measures reflect the long-term nature of its policy objectives.** For example, this could be a balanced scorecard of measures that includes a longer-term export wins target alongside interim milestones for tracking progress and other indicators that incentivise opening up new markets and removing market access barriers to support long-term growth in UK exports.

b **DIT should press ahead with its plans to address gaps in its data and information on UK exporters.** DIT should ensure that it also has a clear plan for how it uses data on exporters to build evidence on where it should focus its efforts.

c **DIT, BEIS and UKEF should work closely to ensure that UK industry is ready to exploit emerging opportunities in overseas markets.** This should include a robust sector-based analysis of opportunity for UK export growth in overseas markets and UK businesses' capacity to deliver. As government develops its long-term economic response to the COVID-19 outbreak, DIT, BEIS and UKEF should work together to ensure that strategies for boosting UK productivity and growth take account of regional and sector trade plans.

d **DIT should carry out a systematic review of where to prioritise its resources**. It should do this by continuing to develop its analysis of which of its activities offer the best return, to take account of different markets and sectors. It should ensure that decision-making about where to use its resources is based on evidence of what works, and where government can make the most difference in its support.

e **UKEF should aim to develop a better understanding of what export finance support businesses need and the challenges they have accessing it.** Monitoring whether export finance meets businesses' needs (for example, through a client survey) would help UKEF assess what progress it is making to provide more accessible support.

f **DIT and UKEF should agree a strategic Memorandum of Understanding to improve joint-working and report annually on progress**. DIT and UKEF must work together effectively to support exports. Agreeing a Memorandum of Understanding on how they will work together and reporting on progress will support effective collaboration.

# Part One

## Government strategy for supporting UK exports

**1.1** This part of the report sets out:

- the role of exports in the UK economy;
- how government is organised to support UK exports; and
- whether the Department for International Trade (DIT) and UK Export Finance (UKEF) have set a strategic direction and are clear about what they want to achieve.

### UK export performance

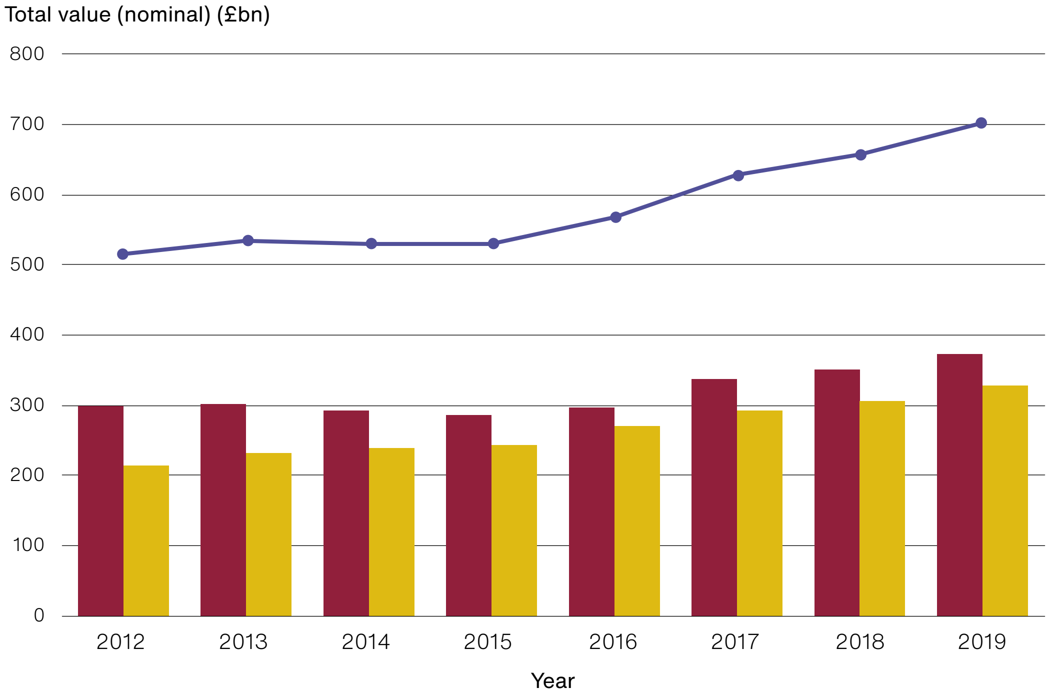
**1.2** The government considers that the UK punches above its weight in exports. In 2019, the UK exported £701.2 billion of goods and services, 31.7% of GDP (**Figure 1**). The UK was the sixth-largest exporter in the world by export value in 2018 (**Figure 2** on page 16).[7] The UK is the world's tenth-largest exporter of goods by value; top goods exports are cars, mechanical power generators and medicinal and pharmaceutical products. The UK is the world's second-largest services exporter by value; top UK services exports include financial services, travel services and transport services. The United States is the UK's largest export market outside the EU Single Market, accounting for 19.9% of UK exports by value (**Figure 3** on page 17).

**1.3** However, government also considers that the UK is not yet meeting its export potential and has ambitions to boost the role that exports play in the economy. In 2016, following the UK's decision to leave the EU, the government set up DIT, which has a policy objective to support UK businesses to grow internationally. Growing exports is also an important element of the government's industrial strategy.[8]

7 Global rankings for goods and services exports in 2018 estimated by the United Nations Conference on Trade and Development.
8 HM Government, *Industrial Strategy*, *Building a Britain fit for the future*, November 2017.

## Figure 1
UK exports of goods and services 2012 to 2019

**The total value of UK goods and services exports in 2019 was £701.2 billion**




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|
| Goods exports | 298.4 | 301.1 | 292.1 | 286.0 | 297.9 | 337.5 | 349.6 | 372.6 |
| Services exports | 214.8 | 232.7 | 238.6 | 244.1 | 269.6 | 291.6 | 306.9 | 328.6 |
| Total exports | 513.3 | 533.8 | 530.7 | 530.0 | 567.5 | 629.1 | 656.5 | 701.2 |

**Note**

1 Due to rounding, values for goods and services exports may not add up precisely to the value of total exports.

Source: Department for International Trade, *UK trade in numbers*, February 2020 and Department for International Trade, *Trade and Investment Core Statistics Book*, June 2020

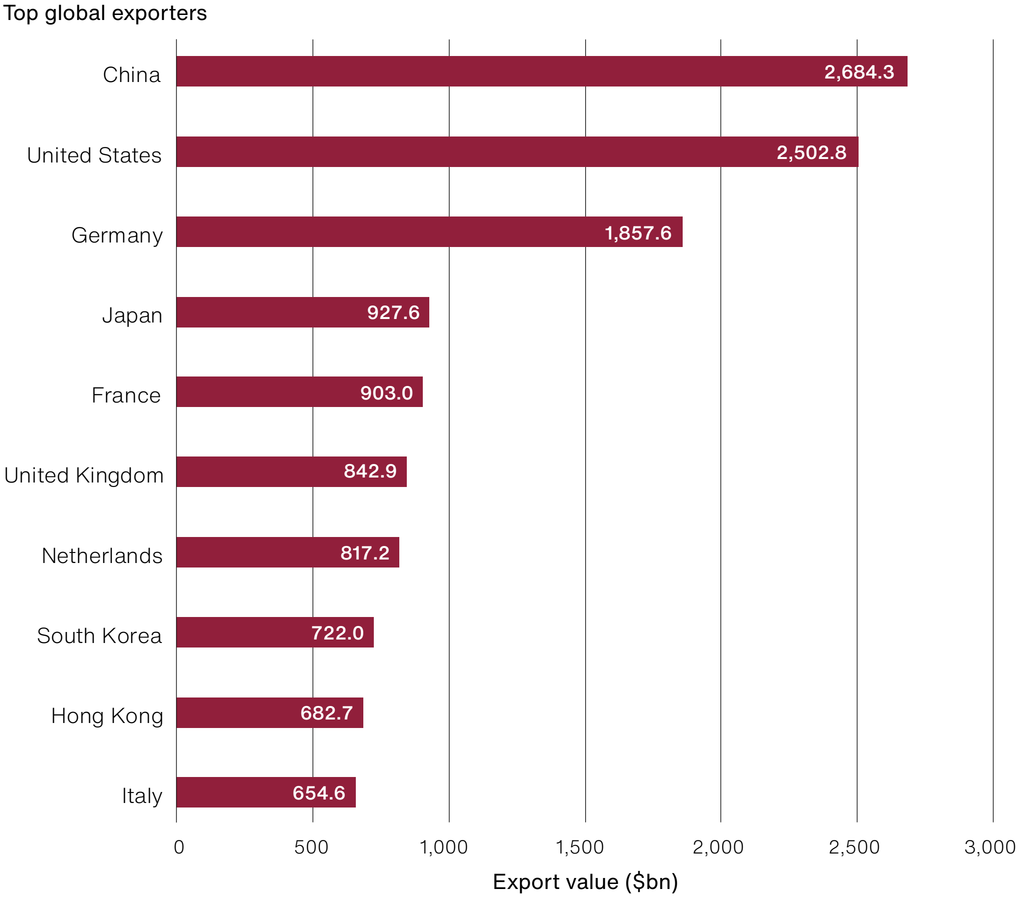
### Government responsibilities for supporting UK exports

**1.4** Although many businesses can export without direct government support, government may intervene to support exports that would not otherwise have happened. This includes by helping exporters overcome the barriers that prevent them from selling their products and services overseas (**Figure 4** on page 18).

**1.5** DIT has primary responsibility for delivering the UK's trade policy and has taken over trade functions from predecessor departments, and competencies that were previously led by the EU. It is responsible for helping businesses to export, promoting inward and outward investment, negotiating market access and trade deals, and championing free trade. It has a specific policy objective to support UK businesses to grow internationally in a sustainable way.

## Figure 2
Top global exporters by export value in 2018

**In 2018, the United Kingdom was the sixth-largest exporter in the world**




**Note**

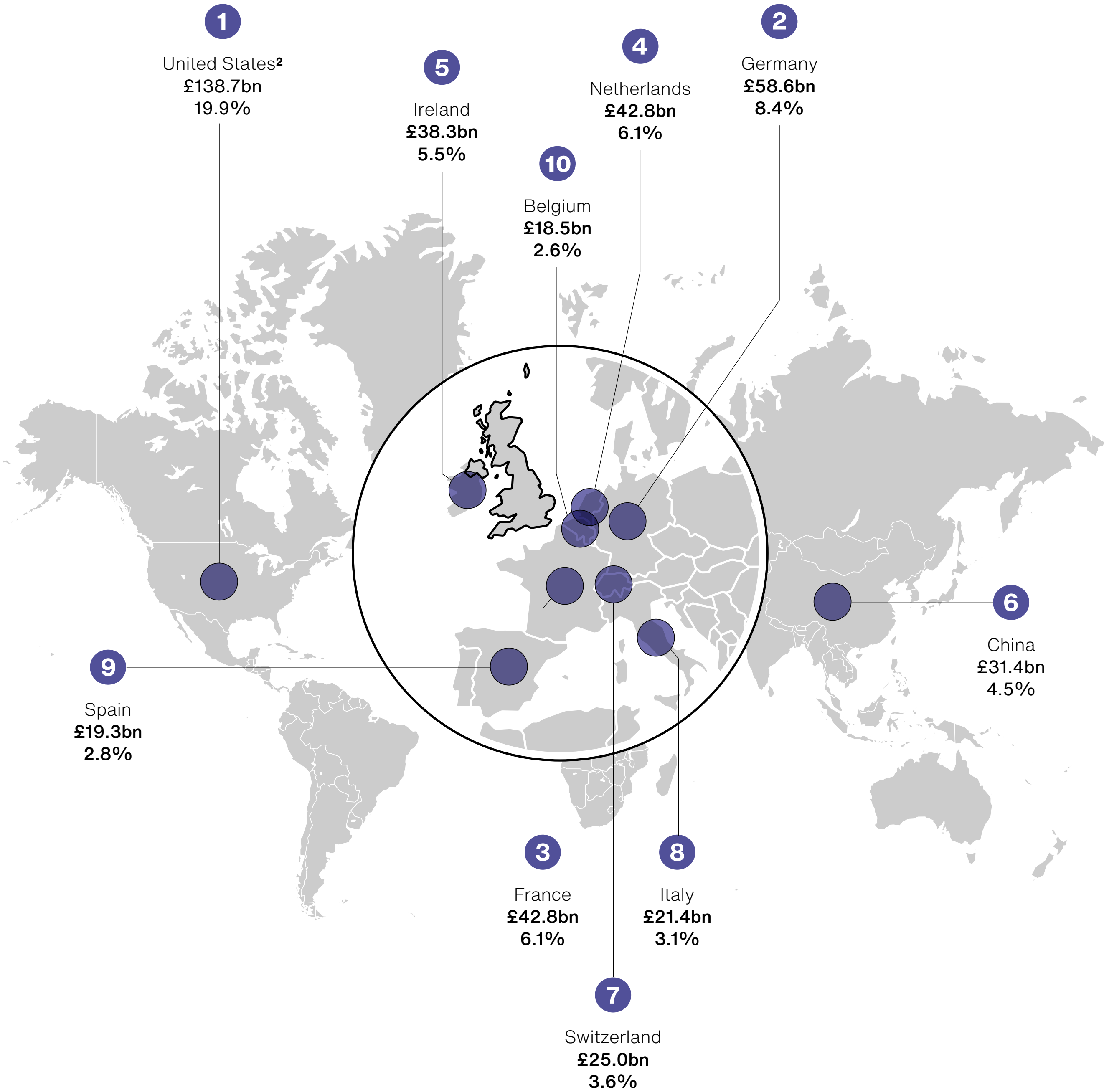
1 Hong Kong is a special administrative region of China and reported on separately here.

Source: National Audit Office summary of data estimated by the United Nations Conference on Trade and Development

**Figure 3**

Top 10 export markets for UK goods and services (2019)

**The UK's top 10 export markets include the US, China and a number of European countries**




**Notes**

1 These 10 countries accounted for around 62% of total UK exports by value in 2019.

2 United States includes Puerto Rico.

3 Exports to EU countries are shown separately, rather than aggregated for the whole of the EU Single Market.

4 Based on non-seasonally adjusted 2019 data from UK experimental quarterly trade in goods and services tables, October to December 2019 release.

Source: Department for International Trade, *Trade and Investment Core Statistics Book*, June 2020

**Figure 4**

Barriers to export for UK exporters

The Department for International Trade (DIT) and UK Export Finance (UKEF) carry out activities to help UK businesses overcome barriers to export

**Global awareness or attitudinal barriers**

Some businesses may think they are unsuited to exporting, or some overseas buyers may be unaware of the UK's strengths and capabilities. DIT activities to raise awareness include marketing campaigns.

**Finance**

UK exports could fail if exporters lack the capital they need or there is a risk of buyer default. UKEF provide finance or insurance to help UK exporters secure a deal.


**Knowledge and lack of capacity**

Businesses may not know how to go about exporting or face capacity barriers such as lack of time or staff. DIT and UKEF can provide UK exporters with information and support on what they need to do to export.

**Limited networks or contacts**

Communication problems and distance make it difficult for exporters to establish relationships with customers. DIT can provide information, guidance or introductions to overseas buyers.

**Market access barriers**

Market access issues can include tariffs or non-tariff barriers such as differing intellectual property rules or local regulations. DIT can work with the Foreign & Commonwealth Office to negotiate changes to these rules and processes.

Source: National Audit Office summary of information in HM Government, *Export Strategy: Supporting and connecting businesses to grow on the world stage*, August 2018

**1.6** DIT and UKEF – the UK's official export credit agency – work closely together. UKEF aims to ensure that no viable UK export fails for lack of finance or insurance and aims to operate at no net cost to the Exchequer. Its role is to respond to market conditions, complementing rather than competing with the private sector. UKEF support includes:

- **buyer financing:** UKEF offers financial guarantees to banks where they may otherwise be unwilling to lend. Where banks do not offer support, UKEF can lend directly to overseas buyers;
- **support to fulfil contracts:** UKEF helps exporters and their direct suppliers in fulfilling their contracts, for example, through the provision of working capital loans; and
- **insurance:** UKEF provides UK exporters with insurance against buyer default.

**1.7** DIT and UKEF have a role to play in supporting UK exporters in the wake of the global 2020 COVID-19 outbreak. DIT has directed exporters to additional guidance and UKEF has expanded its insurance provision to cover transactions with a wider range of countries.

**1.8** DIT also needs to work with other parts of government that play a role in supporting exports. Other departments have policy objectives that relate to supporting UK exports (**Figure 5** overleaf). The devolved administrations play a role in supporting exports from Scotland, Wales and Northern Ireland.

## Government spending on export support

**1.9** In 2018-19, DIT incurred £413 million of net operating expenditure (**Figure 6** on page 21). DIT's Global Trade and Investment team has a direct role in supporting exports, while other DIT teams also play a role in supporting exports. It is not possible to derive a precise figure for DIT's spending on exports because many staff involved in export support carry out additional activities. DIT is working to estimate what it spends on exports as part of its work to develop a value-for-money model for exports (paragraphs 3.17 to 3.19).

**1.10** UKEF funds its administrative costs and the cost of the risk that it takes on through income generated from its customers. It charges exporters premiums at levels that match the perceived risks and costs of the contract or project involved. UKEF aims to at least break even over business cycles. UKEF's total premium income between 2017 and 2020 exceeded its costs by £274 million. UKEF employed 336 staff in 2019-20.

## Figure 5

Examples of other government departments with policy objectives relating to supporting UK exports

**In addition to the Department for International Trade (DIT), other government departments have policy objectives that relate to exports**

| Government department | Policy objectives relating to supporting exports |
|---|---|
| Foreign & Commonwealth Office | Work with DIT and BEIS to support UK exports and inward and outward investment. |
| Department for Business, Energy & Industrial Strategy (BEIS) | Tackling climate change; solving society's Grand Challenges; and making the UK the best place to work and grow a business. |
| Department for International Development | Work with other government departments, including DIT, to increase trade and investment in developing countries to reduce poverty. |
| Ministry of Defence | Promote defence exports, lead strategic campaigns and increase global opportunities for UK industry in the defence sector. |

Source: National Audit Office summary of policy objectives in Single Departmental Plans

## Government's strategy for growing UK exports

**1.11** In the past, successive governments have provided support and assistance to UK exporters but not as a clearly articulated cross-government strategy. In 2018 the government, building on its 2017 industrial strategy, published its export strategy. This reaffirmed the role that exports play in driving the economy and its desire to increase exports significantly. The export strategy recognised DIT and UKEF's central roles and the need for an integrated approach with other parts of government.[9]

**1.12** The strategy identifies the practical barriers that prevent businesses from meeting their export potential, including limited contacts in overseas markets, lack of capacity, capability and knowledge of exporting, market access, access to export finance and cover for the financial risks of exporting and limited global awareness of the UK's strengths. It sets out five principles that govern how it intends to interact with exporters:

- **Business-led approach.** Government aims to design its services around businesses' needs and communicate clearly to businesses.
- **Doing what only government can do.** Government will focus its interventions where only it has the influence, networks and assets to provide support.

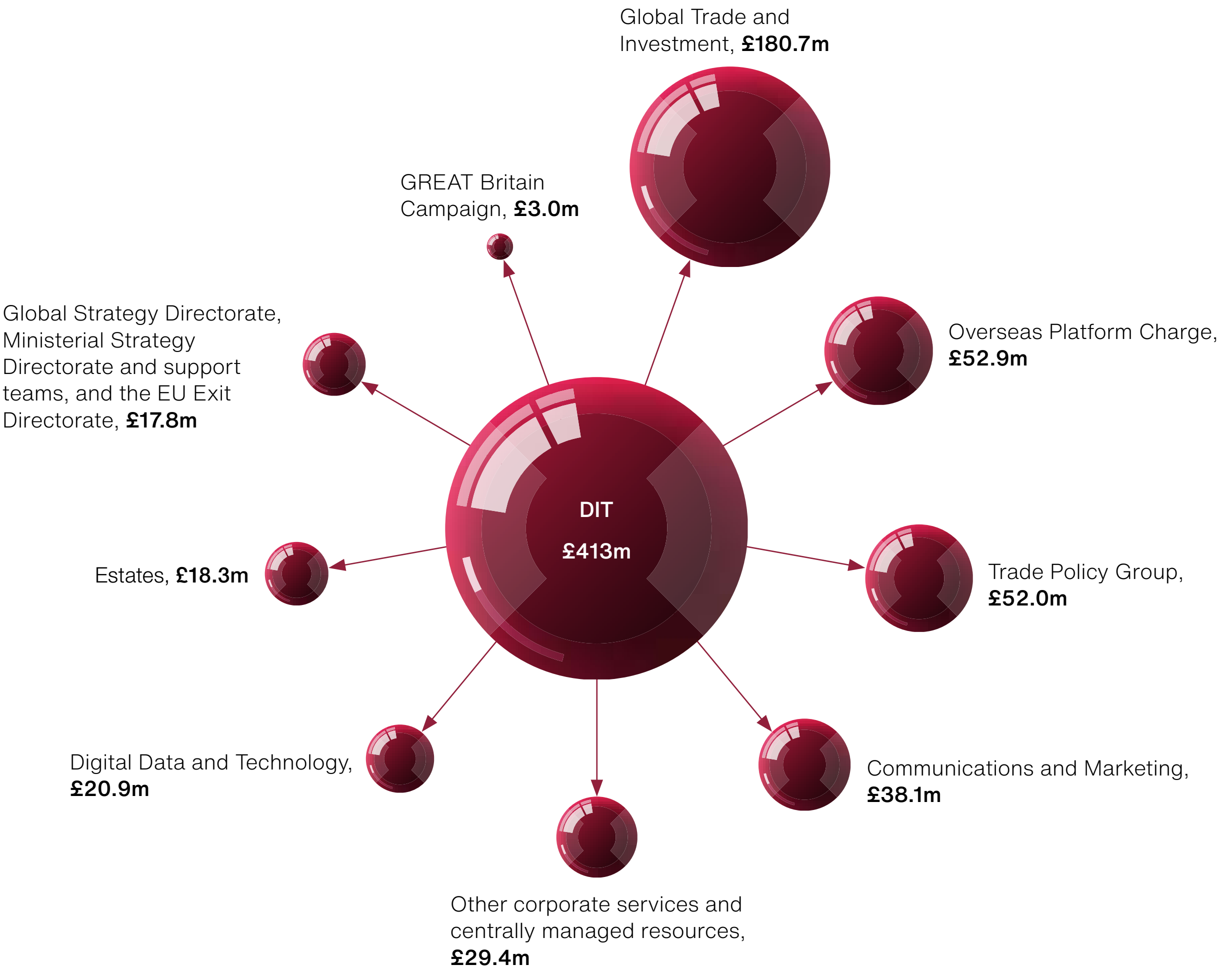
9 HM Government, *Export Strategy: Supporting and connecting businesses to grow on the world stage*, August 2018.

- **Joined-up across government and the private sector.** Government aims to join up better with other providers of export support and to signpost businesses to the right support at the right time.
- **Digital by design.** Government aims to make it as easy as possible for businesses to find and access export support using its digital services.
- **Value for money.** Government aims to focus on where interventions are genuinely additional and drive new activity rather than subsidising activity which would happen anyway.

## Figure 6

Department for International Trade net operating expenditure by operating segment (2018-19)

**The Global Trade and Investment team has a direct role in supporting exports. Other teams within the Department for International Trade (DIT) also play a role in supporting exports**




**Notes**

1 These teams include staff who work on activities other than export support so it is not possible to precisely disaggregate what DIT spends on export support.

2 Expenditure is presented net of income received. DIT received income of £37.3 million in 2018-19.

Source: Department for International Trade, *Annual Report and Accounts 2018 to 2019*, Statement of net operating expenditure by segment, 2018-19

**1.13** DIT has developed a segmented approach to supporting businesses of different sizes. DIT intends to focus its bespoke support on businesses with a turnover of more than £500,000 while providing support to all other potential exporters mainly through digital channels. DIT estimates that there are around 425,000 micro, small, medium and large businesses in the UK with a turnover of more than £500,000, approximately 16% of the UK registered business population. Of these, it estimates that around 230,000 have a product or service that could be exported.[10] DIT identified this threshold so that its bespoke support would be available to businesses that are big enough to have potential to add significantly to the value of UK exports, but may not be so large that they have already seriously considered exporting.

## Ambition to increase export growth

**1.14** In 2018, the government also set a new national ambition to raise exports as a proportion of GDP from 30% in 2018 to 35%. With exports valued at 31.7% of GDP in 2019, reaching this ambition would require growth in exports of around £73 billion (if GDP and inflation remained unchanged).

**1.15** The new ambition supersedes an earlier aim to increase exports to £1 trillion by 2020. Government was not on course to meet this target; the UK exported £701.2 billion of goods and services in 2019. DIT informed us that the £1 trillion target was abandoned because it would encourage government to support only the largest businesses, and because it did not allow for the effect of inflation over time.

**1.16** DIT informed us that the ambition to increase exports to 35% of GDP is intended to signal the scale of government's ambition for export growth and its aim to compete globally on exports. However, it is difficult to use the ambition to hold government or DIT accountable for their progress and it is not clear how achievable the target will be:

- **Timescale**. Government has not set a timescale for achievement of the ambition.
- **Analysis:** The 35% figure is not informed by an analysis of the export potential in overseas markets and the capability and capacity of UK businesses to respond.
- **Influence:** DIT has not assessed to what extent its interventions (including export promotion, action to tackle market access barriers, or work to negotiate free trade agreements) will contribute to the overall growth ambition, and to what extent other, external factors such as UK businesses' own efforts to increase exports independently or activities by other parts of government, will contribute.

10 Estimates are based on 2017 data.

- **Economic factors:** Increases or decreases in the UK's GDP will also make the ambition respectively more difficult or easy to achieve and can be significantly influenced by macro-economic conditions outside of government control.

**1.17** DIT informed us that it understands the limitations of the metric. At the time of setting the ambition, DIT was reluctant to set a timescale for its achievement because it recognised that achieving the ambition would depend on business activity and global trade trends.

## Updating the export strategy

**1.18** DIT is considering a refresh of the export strategy. It aims to build on the 2018 strategy to position it more clearly in the economic and trade policy context following the UK's exit from the EU and the government's medium-term economic response to the COVID-19 outbreak. The government expects to announce its plans in the second half of 2020.

# Part Two

## Resourcing and prioritising activities to support exports

**2.1** This part of the report sets out how the Department for International Trade (DIT) and UK Export Finance (UKEF) are organised to support exports and how they prioritise their activities. It examines whether they have:

- a good understanding of which UK companies need support to grow their exports, and whether they can prioritise resources and support for those companies;
- an effective overseas network that can identify and support export opportunities; and
- a tailored approach to addressing barriers to exporting.

**2.2** The main building blocks of DIT and UKEF's support to UK exporters include: a network of nine regional offices in England which provide export services to businesses in their region; six overarching sector clusters comprising teams which provide specialist knowledge and information about UK industry sector capability; and an overseas network of nine geographical trade regions, each led by a regional trade commissioner (**Figure 7**). UKEF has a network of 24 export finance managers based across the UK and country heads based at some overseas posts. **Figure 8** on page 26 shows how a business may access support from DIT and UKEF.

### Prioritising support for UK companies

**2.3** DIT aims to prioritise the businesses where government support will result in the greatest benefits to the UK economy. To do this successfully DIT requires a good understanding of the export capability of UK industry including robust data and an effective network for engaging with UK exporters. It also needs a cost-effective way of offering quality support to large numbers of smaller exporters.

## Figure 7
Systems in place to support exporters

**The Department for International Trade (DIT) and UK Export Finance (UKEF) provide support for exporters in the UK and overseas**

### Government support in the UK

**UK-based international trade advisers** provide tailored support including:

- introduction to DIT support in overseas markets;
- access to events such as 'meet the buyer' or tradeshows; and
- advice on what exporters need to do to get ready to export.

Smaller businesses are directed to the great.gov.uk website for advice including:

- **online guidance** and information;
- **webinars; and**
- market and sector specific information including **export opportunities**.

**UK Export Finance (UKEF) client managers** in the UK will work with businesses that need export finance. UKEF has partnering arrangements with banks that offer access to UKEF products.

### Government support in overseas markets

DIT staff in overseas posts:

- work with the Foreign & Commonwealth Office and overseas governments to tackle market access barriers. Market barriers are identified, logged and prioritised;
- work with businesses to help them understand and identify opportunities in markets and make introductions;
- advise businesses on the rules, regulations and processes for exporting; and
- handle businesses in priority sectors in-house, while other businesses may be handled by a contracted service provider.

**In May 2020, UKEF had eight country heads overseas.** In markets without a UKEF presence, UKEF relies on DIT officials to identify businesses who need export finance and refer them to UKEF.

### Sector teams

DIT has established six overarching sector clusters which:

- work with UK-based international trade advisers, DIT staff at overseas posts, and UKEF managers to provide specialist knowledge and information about UK industry sector capability and market opportunities in specific sectors;
- also work closely with other government departments including the Department for Business, Energy & Industrial Strategy; and
- cover the following sectors: Creative, lifestyle and learning; Defence and security; Energy and infrastructure; Financial and professional services; Healthcare, life sciences and bio-economy; and Technology, entrepreneurship and advanced manufacturing.

Source: National Audit Office summary of Department for International Trade and UK Export Finance documents

## Figure 8
How a business can access export support from government

**The Department for International Trade (DIT) and UK Export Finance (UKEF) offer online and face-to-face support to businesses, both in the UK and overseas**

A business decides to begin exporting but wants to know more about what it will need to do to export its products and about potential markets.

DIT offers support to businesses via its website, through international trade advisers based in the UK and through its overseas network.

A business can access DIT's 'Exporting is GREAT' website.

It can access:

- general advice about doing business abroad including creating an export plan and selling services overseas;
- information on accessing export finance;
- export market guides by sector and region;
- specific advice on duties and customs; and
- information on how to get more bespoke advice.

For more bespoke advice, a business may contact an international trade adviser (ITA) based in the UK.

Tailored support from ITAs include:

- bespoke advice on what exporters need to do to get ready to export;
- access to events such as 'meet the buyer' or tradeshows;
- introductions to DIT support in overseas markets; and
- introductions to UK Export Finance client managers for export finance support.

DIT's overseas network of staff provides direct support to help UK businesses enter overseas markets.

Support can include:

- bespoke market advice;
- introductions to overseas buyer;
- access to events such as tradeshows; and
- action to resolve market access barriers.

UKEF also has eight country heads based overseas to provide export finance support and help UK exporters secure deals.

**Note**

1 This schematic shows some of the main ways that a business could access support from DIT and UKEF. Further routes to advice, include through DIT's delivery partners in the UK and overseas, events and tradeshows and through DIT's sector clusters.

Source: National Audit Office summary of Department for International Trade and UK Export Finance documents

## Data on which UK companies are exporters

**2.4** To make well-informed decisions on where to prioritise its resources, DIT requires data on businesses who currently export and on those who do not export but could. Better data on existing and potential exporters would help DIT focus its interventions on the businesses who have the characteristics of a successful exporter.

**2.5** To estimate the number of UK exporters, DIT currently uses the Office for National Statistics Annual Business Survey[11] which is based on a sample of 62,000 businesses. The survey does not fully cover some key sectors including finance and agriculture or small businesses and sole traders, and only provides an annual snapshot.

**2.6** DIT does not have complete data on exporters. Although it uses survey data to estimate the number of exporters, it lacks data on how many of the 5.9 million businesses in the UK export at all, or could potentially become exporters. HM Revenue & Customs (HMRC) publishes statistics on VAT registered exporters of goods on its website.[12] However, DIT lacks data on businesses that are not registered to pay VAT and businesses that export services. Service exports represent 47% of all UK exports by value and include important sectors to the UK economy such as insurance, finance, credit, education and training.

**2.7** DIT has action under way to obtain better data on the UK business population. The Trade Bill currently going through Parliament has provision for HMRC to collect from businesses more data on goods and services exports. This would include through an additional question on the corporate tax and self-assessment partnership income tax returns on whether a business exports. Addressing this data gap will help DIT to identify UK exporters and will help DIT to understand the extent to which new potential exporters can be identified. However, even if these statutory provisions are enacted, it may take time to establish effective and appropriate processes for the transfer of large volumes of sensitive company data. DIT will also need to establish how it uses these new data. It is developing an analytical method for analysing data on successful exporters and identifying features they have in common with businesses that do not yet export. DIT plans to use this analysis to identify and target potential new exporters with support.

## Tracking interactions with UK exporters

**2.8** DIT and UKEF need to keep track of the businesses they support. They require an effective system for recording interactions to help them track businesses' progress in securing exports, to understand what government interventions are most effective, and to inform decisions on where to prioritise efforts.

11 The Office for National Statistics Annual Business Survey is available at www.ons.gov.uk
12 HM Government, Official Statistics, 2019 UK importer and exporter population, www.gov.uk/government/statistics/2019-uk-importer-and-exporter-population

**2.9** Both DIT and UKEF use customer relationship management systems to track their interactions with businesses. DIT's system, Data Hub, is based on data that DIT inherited from its predecessor, UK Trade & Investment. Since its formation, DIT has improved Data Hub's functionality and data quality. The original system was not fit for purpose because it was difficult to retrieve data, included duplicate entries and was often out of date. In 2017, DIT migrated its existing data onto the new Data Hub system and began cleansing these data by matching them with commercial databases. Nearly half of all records in Data Hub have been verified, and DIT aims to have closer to all records verified over the next six months.

**2.10** However, Data Hub will be of limited value until it is used consistently across the organisation. Our visits to UK regional offices and overseas posts indicated that staff still had concerns about the data quality and ease of using Data Hub. The staff we spoke to acknowledged recent improvements but considered these needed to go further before Data Hub would be an effective customer relationship management system.

## Expertise in UK industry sectors

**2.11** In addition to data on the overall population of UK exporters, DIT needs up-to-date sector expertise so that it can identify which UK businesses are ready to take advantage of emerging opportunities in overseas markets. Staff overseas need support from sector specialists to help them understand the UK offer to overseas markets, and to inform judgements on the priorities within and across regions.

**2.12** DIT set up six overarching sector clusters to provide specialist information and links with industry across the DIT network and with policy teams in other government departments. Sector clusters include civil servants on permanent contracts and specialists who may be on temporary contracts (**Figure 9**). UKEF has also developed expertise in sectors such as renewables.

**2.13** There is scope to build the skills and capability of DIT's sector clusters. Sector clusters told us that better data and analytical support would help them build their understanding of their sector. In early 2020, an internal DIT review of the sector teams' capability, based on staff's own self-assessment, indicated varying levels of expertise in export knowledge across the sector clusters. DIT staff overseas told us that expertise varied across sectors. For example:

- in the Eastern Europe and Central Asia region (EECAN) staff could access UK supply chain knowledge from oil and gas, and mining sector teams. However, in healthcare, renewable energy and financial services, sector teams have not identified the EECAN region as a priority so provide limited specialist support. The EECAN team was concerned that UK exporters were missing emerging opportunities in the region; and

- in North America, DIT staff highlighted variation in sector clusters' knowledge of UK supply chains. For some well-established sectors, such as aerospace, DIT has good information on UK exporters. In emerging sectors such as renewable energy, it can be harder to identify UK businesses that are ready to export.

**2.14** There is scope for closer working between DIT and other government departments including the Department for Business, Energy & Industrial Strategy (BEIS). Although sector teams within BEIS and DIT work together, officials at both Departments consider there is scope for a better joint understanding of how to exploit emerging opportunities in overseas markets.

## Figure 9

Sector teams' funding and headcount

**The Department for International Trade (DIT) has six overarching sector clusters to provide advice and support**

| Sector | 2019-20 budget[1] (£m) | Headcount[2] (civil servants) | Headcount (specialists) |
|---|---|---|---|
| Creative, lifestyle and learning | 5.9 | 55 | 17 |
| Defence and security | 9.5 | 96 | 31 |
| Energy and infrastructure | 5.6 | 51 | 21 |
| Financial and professional services | 2.3 | 22 | 7 |
| Healthcare, life sciences and bio-economy | 5.4 | 60 | 25 |
| Technology, entrepreneurship and advanced manufacturing | 7.0 | 53 | 31 |

**Notes**

1 Final 2019-20 budget allocations following DIT's Supplementary Estimate as well as agreed internal budget movements. All budgets are total Departmental Expenditure Limits (DEL).

2 Headcount data as at March 2020 includes civil servants working in the UK and on DIT payroll, staff on loan to DIT from other government departments but who remain on their home departments payroll, contractors, people on secondment from other organisations, UK-based civil servants paid via Foreign & Commonwealth Office payroll and locally employed staff working overseas and who are currently engaged in delivering DIT objectives.

Source: National Audit Office summary of Department for International Trade data

## UK support network

**2.15** DIT has around 275 international trade advisers (ITAs) who provide bespoke support to exporters. This service is currently provided by seven regional delivery partners across nine English regions. In 2018-19, the ITA service cost £24.4 million. DIT's survey of clients it supported between April 2018 and March 2019 indicated these services are well-received with 67% of clients reporting the ITA service was good at meeting their needs (compared with 24% who rated it as neutral and 9% as poor).

**2.16** DIT has plans to redesign the ITA service to be more efficient. The new service, which is expected to launch in 2021-22, will be aligned to five regions and targeted at businesses with a viable product or service to export and a turnover of more than £500,000 a year. DIT expects these businesses to have the greatest capacity to drive export growth. DIT's client survey indicates that around 41% of businesses currently supported by ITAs have a turnover below this threshold, so this change represents a significant shift in focus. DIT has designed an impact evaluation to assess the effectiveness of these changes in driving export growth.

**2.17** UKEF has developed a supplier fair programme, which aims to match overseas buyers with UK suppliers. Supplier fairs enable UK suppliers to pursue opportunities backed by UKEF's export finance products. In 2019-20, UKEF held six supplier fairs in support of its projects.

## Support for smaller businesses

**2.18** Given its plans to focus bespoke support on businesses with a turnover of more than £500,000 a year, DIT requires a cost-effective way of supporting large numbers of smaller businesses to ensure that it continues to support all potential exporters.

**2.19** Smaller businesses will be able to use the Tradeshow Access Programme, which provides grants for attending overseas exhibitions. In addition, DIT intends to direct smaller businesses to its digital platform 'great.gov.uk'. This website is part of the cross-government GREAT campaign to promote the UK brand overseas. We reported on this programme in 2015 and concluded that it had provided strategic coherence to support effective management of the UK brand. DIT provides a range of advice and support on the website including specific market guides, a database of 'export opportunities', guidance on export-related topics and details of events. Businesses can also report barriers to trade and connect with international buyers.

**2.20** However, DIT's digital services are not yet meeting the needs of some exporters. While 62% of clients DIT surveyed between July 2018 and June 2019 reported that its webinars programme was good at meeting their needs, under half of clients reported that the Export Opportunities and Business Profile services were good at meeting their needs (38% and 35% respectively).[13] There is also evidence that businesses are using these services less:

- In 2018 the number of new users registering for an account on DIT's digital platform was on average 816 per month, while the equivalent figure for 2019 was 450 per month. DIT considers that usage will fluctuate in response to marketing activity and that, in 2018, new content on EU Exit may have been of particular interest to users. Users can access some services without registering.
- The number of businesses responding to export opportunities that DIT has advertised online has declined, from an average of three responses per published opportunity in December 2018 to 2.4 in December 2019.

**2.21** Since June 2019, DIT has delivered new digital services and is continuing to develop sector- and market-specific guidance and a service to help businesses create an export plan, aiming to have a pilot service in place by April 2021. It is also developing an evaluation strategy to help it understand the costs of its digital services, which will complement ongoing research on user needs, the development of more robust performance metrics and the use of data science to inform decision-making.

## Capacity and capability of the overseas network

**2.22** To identify export opportunities in overseas markets, government needs experienced staff on the ground who have good contacts with potential buyers including overseas governments and businesses, and a good understanding of the challenges of doing business in the region. DIT also needs to work effectively with UKEF in overseas markets to identify opportunities to promote export finance products.

### Resourcing the overseas network

**2.23** DIT has put in place a new structure for its overseas network, which reflects a move away from a centrally organised approach to one that is structured around nine geographical regions. Each region is led by a regional trade commissioner who is responsible for developing a regional trade plan setting out budgets, plans and priorities to support exports (**Figure 10** overleaf).

13 The Export Opportunities service enables businesses to search a database of export opportunities and express their interest to overseas buyers. The Business Profile service enables businesses to create a business profile on the website, to help them connect with international buyers.

## Figure 10

Department for International Trade overseas regional budgets (2019-20)

**The Department for International Trade (DIT) has set annual budgets for each overseas region with a total budget of £77.4 million between them**

| Region | 2019-20 Budget[1] (£m) |
|---|---|
| Eastern Europe and Central Asia | 3.6 |
| South Asia | 4.4 |
| Africa | 4.6 |
| Middle East, Afghanistan and Pakistan | 5.4 |
| Latin America and the Caribbean | 8.0 |
| China and Hong Kong | 10.1 |
| Asia Pacific | 10.8 |
| North America | 11.5 |
| Europe | 19.0 |

**Note**

1 Final 2019-20 budget allocations following DIT's Supplementary Estimate as well as agreed internal budget movements. All budgets are total Departmental Expenditure Limits (DEL). They do not include the contribution DIT makes to the One HMG overseas platform provided by the Foreign & Commonwealth Office.

Source: National Audit Office summary of Department for International Trade data

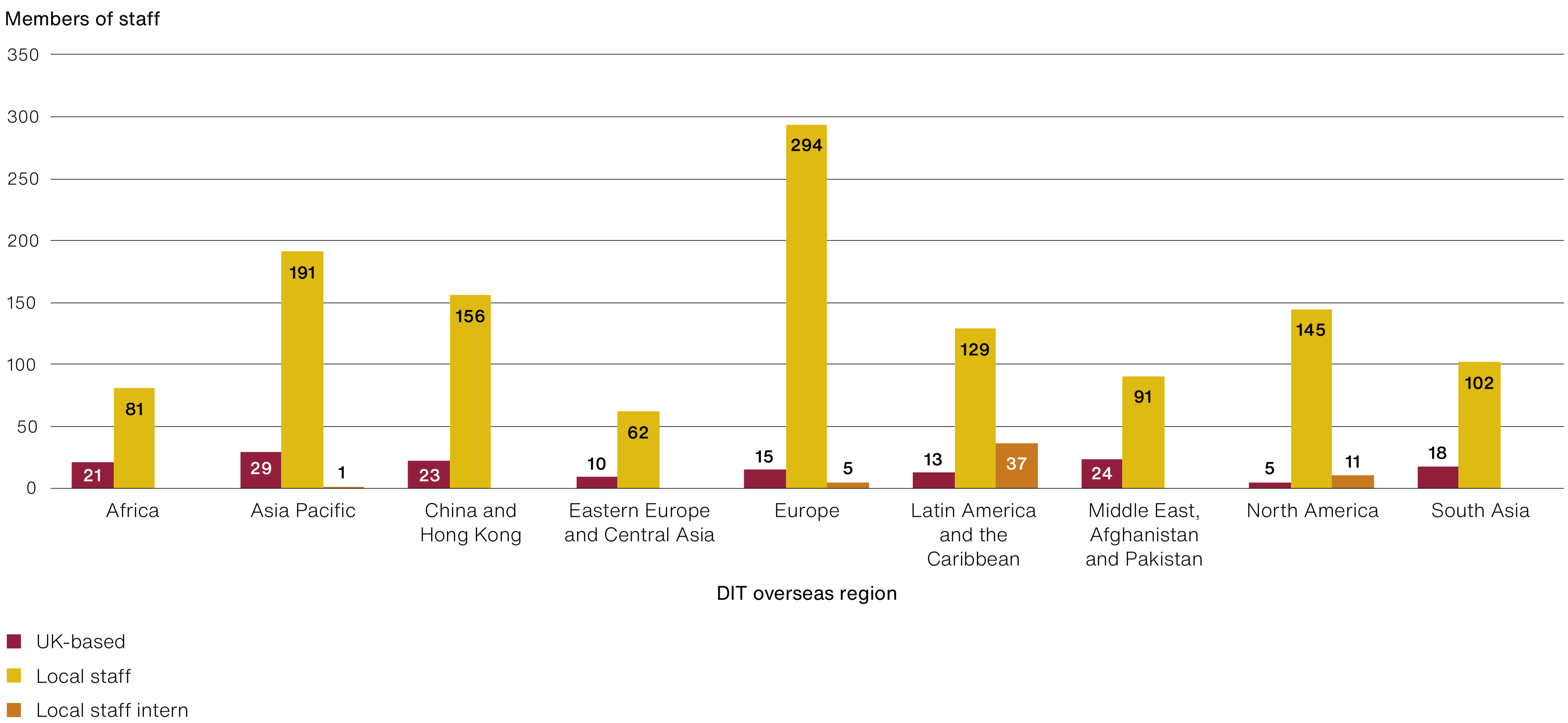
**2.24** DIT has more than 1,400 staff based overseas (**Figure 11**). In countries where there are fewer locally based DIT staff, the Foreign & Commonwealth Office (FCO) plays a role in supporting exports. The FCO also provides corporate services to DIT including setting salary frameworks and terms and conditions for overseas DIT staff. DIT is charged for those corporate services provided by the FCO through the One HMG overseas platform, which is calculated using a cost-sharing mechanism driven by headcount.

**2.25** DIT is building an evidence-based analysis of the opportunities for UK businesses in overseas markets to inform its staffing decisions overseas. DIT has made efforts to re-focus its resources, for example it has re-prioritised its activity in the Europe region, making changes to the roles of nearly 20% of staff. Since it was established in 2016, DIT has not been through a formal spending review process. DIT is reviewing the resources it requires to meet its priorities across the Department to inform the next spending review and the new export strategy. This work will cover resource allocation to each overseas region, based on an analysis of market opportunity and where there are opportunities for economic growth within UK regions.

## Figure 11

Department for International Trade staff working overseas (headcount) by region and employee type in 2019

**In 2019 the Department for International Trade (DIT) had more than 1,400 staff working in posts overseas**




**Notes**

1 Headcount data as at March 2020 include civil servants working in the UK and on DIT payroll, staff on loan to DIT from other government departments but who remain on their home department's payroll, contractors, people on secondment from other organisations, UK-based civil servants paid via Foreign & Commonwealth Office payroll and locally employed staff working overseas and who are currently engaged in delivering DIT objectives.

2 UK-based staff are civil servants working overseas employed by DIT.

3 Local staff are employed locally by the embassy.

4 Local interns are employed locally by the embassy on a short-term basis.

Source: National Audit Office analysis of Department for International Trade data

**2.26** DIT also faces some challenges in staffing overseas posts. For example, there are practical difficulties in moving locally engaged staff between markets and recruiting and retaining staff is difficult in regions where there is competition from other government agencies or the private sector. DIT considers that this makes implementing change more challenging, particularly in the absence of a multi-year funding settlement.

## Promoting export finance in the overseas network

**2.27** As at May 2020, UKEF had eight country heads based overseas. In most other overseas markets UKEF is reliant on DIT's overseas staff to help identify exporters or buyers that may need export finance and the support of UKEF.

**2.28** However, DIT staff who are not finance experts may not have the technical expertise to promote UKEF products. For example:

- the DIT team in China recognised that there were significant opportunities to use export finance to support UK exports, but considered that it had a low understanding of UKEF products and that it was reliant on visits to the country by UKEF staff to promote its products. DIT concluded that it needed a full-time UKEF adviser in China; and
- a UKEF country head has been in post in the Eastern Europe and Central Asia Network (EECAN) since 2018. The DIT EECAN team considers that the country head has contributed to a step-change in the promotion of potential deals supported by UKEF.

**2.29** UKEF informed us that in markets where it does not have a presence, it might have missed opportunities to provide export finance to support UK exports:

- UKEF's portfolio has some geographic concentrations in a small number of markets. This is consistent with its mandate to complement rather than compete with the private sector. While UKEF's support in 2018-19 was granted to exports in 72 countries, 80% of the support by value was for large projects in five countries. UKEF has highlighted Africa as a region where there is potential to support more deals with export finance, but it has not yet supported any export deals in most African countries.
- UKEF has identified gaps in its coverage. The majority of UKEF's customers are in the manufacturing sector (**Figure 12**). There are fewer UKEF customers in other important sectors including transportation, finance and education.

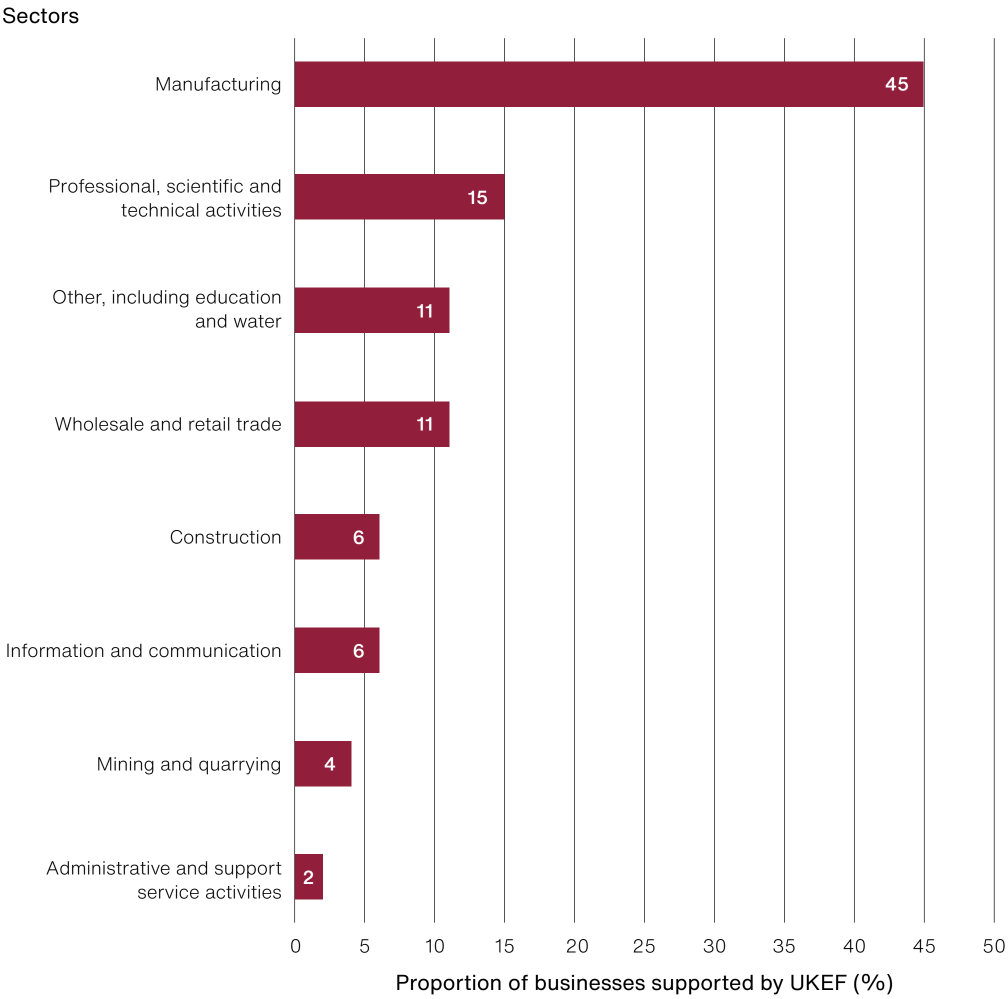
**2.30** UKEF and DIT are taking practical steps to address these issues:

- UKEF plans to expand the number of country heads based overseas from eight in May 2020 to 19 by July 2020. However, these plans may be delayed by the global COVID-19 outbreak.

- UKEF has developed online training on export finance to help DIT staff better understand its products. By March 2020, 503 DIT staff had enrolled, of which 149 (30%) had completed the training.
- DIT achieved its target to provide UKEF with 250 referrals for potential business in 2019-20, referring 296.
- UKEF achieved its target to refer 120 businesses to DIT's international trade advisers in 2019-20, referring 186.

## Figure 12
Businesses supported by UK Export Finance by sector in 2019-20

**In 2019-20 just under half of businesses UK Export Finance (UKEF) supported were in the manufacturing sector**




**Note**
1 Based on number of businesses UKEF directly supported with finance or insurance.

Source: National Audit Office summary of UK Export Finance data

**2.31** However, DIT and UKEF have not made as much progress as they planned to improve how they work together. They have discussed developing a Memorandum of Understanding to support closer working but as at April 2020, it had not been signed.

## Reducing barriers to export

**2.32** As set out in Part One of this report, government can play an important role in helping exporters overcome the barriers that may prevent them from selling their products and services overseas (Figure 4). In this section we examine how DIT and UKEF are addressing these issues.

### Tailoring support to address barriers to exporting

**2.33** Businesses face a range of barriers to exporting. However, the support that businesses require from government to overcome these barriers varies widely. DIT needs to understand the requirements of different types of businesses and develop ways to target its support effectively.

**2.34** DIT is developing a more targeted approach to supporting businesses. It has segmented UK businesses with a turnover of more than £500,000 a year into four groups based on their exporting behaviour (**Figure 13**). It has also developed further sub-groups within these segments based on the barriers they face to help it tailor what it offers and identify what activities would add the most value. DIT is embedding this tailored approach into the new International Trade Adviser service planned for 2021 and at overseas posts from 2020.

### Reducing market access barriers

**2.35** Market access barriers are trade barriers that may restrict businesses' ability to export. For example: businesses may need to comply with technical requirements (for example, packaging, ingredients, labelling); unfamiliar testing and certification procedures; and different intellectual property rules. DIT intends to work with businesses to identify and tackle market access barriers through formal free trade agreements, through other forms of government-to-government negotiation and through promoting internationally agreed standards. To do this effectively, DIT needs to know what market access barriers businesses face, which have the biggest impact on UK exports and which will be addressed most effectively by government intervention.

## Figure 13
Department for International Trade business segmentation

**The Department for International Trade (DIT) has segmented businesses with a turnover of more than £500,000 a year into four groups based on their exporting behaviour**

| Group | Definition | Estimated proportion of UK businesses with more than £500,000 turnover per annum (%) |
|---|---|---|
| **Sustain** | Businesses that have exported goods or services in the past 12 months. | 33 |
| **Reassure** | Businesses that are lapsed or intermittent exporters which have previously exported but not in the past 12 months. | 7 |
| **Promote** | Businesses that have never exported but believe they have goods or services that could be exported in the future. | 13 |
| **Challenge** | Non-exporters who have never exported and do not currently see their goods or services as suitable for export. | 38 |

**Notes**

1 A further 8% of businesses' segmentation was defined as 'not specified'.

2 Due to rounding, figures do not sum to 100%.

3 The sample frame was the Inter-Departmental Business Register (IDBR) which covers 2.6 million registered businesses in all sectors. Survey results are based on responses from 2,448 businesses with a turnover of more than £500,000. Results were weighted to match the profile of businesses in this group in the IDBR.

Source: Department for International Trade, *Department for International Trade National Survey of UK Registered Businesses' Exporting Behaviour, Attitudes, and Needs 2018: Wave 4 Report*, July 2019

**2.36** DIT has developed a systematic approach for identifying and recording market access barriers. In February 2019, it created an online database, the Digital Market Access Service (DMAS), so that DIT staff in the UK and overseas can report market access barriers. Other government departments and businesses can also now report barriers on the service. By the end of 2020, DIT plans to make information from DMAS available for public use. DMAS will also replace the European Commission's Market Access Database system, which the UK can no longer use since leaving the EU in January 2020.

**2.37** However, DIT has identified more market access barriers than it currently can resolve. DIT uses economic assessments to prioritise market access barriers. In 2019-20, 1,238 market access barriers were recorded on DMAS. DIT completed economic impact assessments on 465 barriers to help it prioritise which to tackle and had fully or partially resolved 175.

**2.38** DIT has improved how it prioritises market access barriers but recognises it has more to do. DIT received additional funding of £5 million in the 2018 Autumn Budget specifically for market access in the overseas network, a further £5 million for Europe, some of which was for market access, and additional EU Exit settlements of £0.7 million to build market access capability as the UK develops its trade policy outside the EU. It received a further £3.6 million in the 2020 Spring Budget. DIT is developing economic assessments to evaluate the impact of addressing market access barriers.

## Expanding export finance products

**2.39** UK export deals could fail if exporters lack the capital they need or there is a risk of a buyer default. UKEF's role is to ensure that no viable UK export fails for lack of finance or insurance. In the 2018 export strategy, DIT and UKEF identified that access to export finance can be a barrier to trade.

**2.40** UKEF is expanding the finance and insurance products it offers to meet a wider range of exporters' needs. UKEF performed well in the 2019 British Exporters Association's annual benchmarking report, achieving a score of nine out of 10 on the range of products it offers. Product developments include:

- a General Export Facility being introduced in 2020 to support exporters' overall working capital requirements, rather than linking this support (as it does now) to specific contracts. This is intended to help smaller businesses and those with shorter manufacturing cycles; and
- a direct lending facility which is aimed more at large infrastructure projects. This allows UKEF to provide loans directly to overseas buyers (including governments). Initially UKEF had £3 billion of direct lending capacity but in 2018 HM Treasury announced an additional £2 billion of capacity for 2020-21 and 2021-22. In the 2020 budget, the government made this additional capacity permanent. UKEF can also lend a further £2 billion to support projects supporting clean growth and a further £1 billion to support overseas buyers of UK defence and security goods and services.

**2.41** However, stakeholders have raised concerns that UKEF's application processes can be slow and smaller businesses would benefit from shorter turnaround times and simpler requirements. To address these concerns, UKEF has introduced greater delegated authority to five banks, who can apply for some of UKEF's products via an online portal and obtain immediate cover. This digital process is quicker but when applications do not meet the eligibility criteria UKEF reverts to a manual process, which takes on average 49 days. In 2019-20, 389 applications were made through the portal, of which 62% were eligible for immediate cover using the online process. In February 2020 UKEF streamlined the eligibility criteria with the aim of reducing the number of applications requiring manual review.

# Part Three

## Measuring performance and knowing what works

**3.1** Performance measurement is important in helping any organisation to make sure that it is achieving its objectives, to make the best use of its resources and to drive improvement.[14] Robust performance data also help Parliament, funders and other stakeholders hold organisations to account. This part of the report examines:

- Department for International Trade (DIT) and UK Export Finance (UKEF) performance against targets; and
- whether there is a sound performance measurement framework to assess progress against policy objectives.

### Performance against targets

#### DIT performance

**3.2** DIT tracks its export performance using macro-economic outcomes (for example, exports as a proportion of GDP and the UK's share of global exports) and interim indicators such as numbers of trade events DIT organises and the number of export opportunities advertised on its website. DIT's main metric for measuring its impact in supporting exports is 'export wins'. An export win is defined as the value of an export which has resulted from support provided by the DIT network. UK companies who have received support to export from DIT are asked to forecast the value of these exports for the next five years.

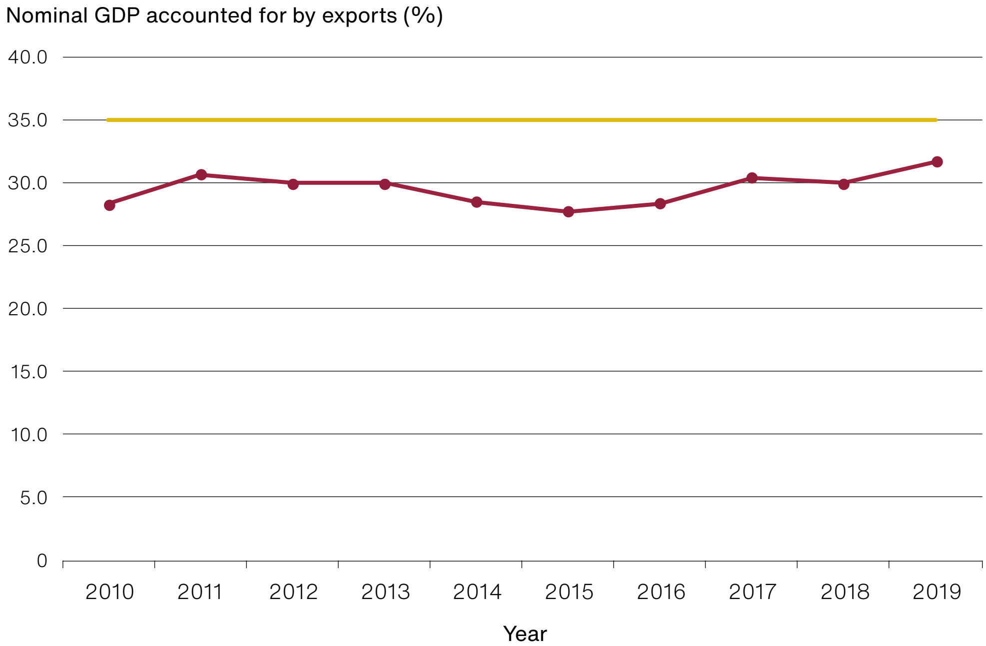
14 National Audit Office, *Performance measurement by regulators: Good practice guide*, November 2016.

**3.3** In 2019, the UK exported goods and services worth 31.7% of GDP, compared with 30% in 2018 and an ambition to increase exports to 35% of GDP (**Figure 14**). As set out in Part One, the ambition to increase the value of exports to 35% has limited use as a measure of DIT's export performance because wider factors can influence achievement of the goal and because no timetable has been set.

## Figure 14

UK exports as a percentage of UK Gross Domestic Product from 2010 to 2019

**In 2019, UK exports accounted for 31.7% of nominal Gross Domestic Product (GDP).[2] This remains under the 35% ambition set by government in 2018**




| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| ● Total UK exports as a percentage of nominal GDP | 28.3 | 30.7 | 30.0 | 30.0 | 28.5 | 27.7 | 28.4 | 30.4 | 30.0 | 31.7 |

— 35% GDP ambition

**Notes**

1 The ambition to increase exports to 35% of GDP was set in 2018.

2 Gross Domestic Product (GDP) is a measure of total domestic economic activity.

3 Data for 2019 were sourced from DIT's *Trade and Investment Core Statistics Book* as at June 2020. At the time of publication, data for 2019 was not available in the Office for National Statistics *UK Balance of Payments: The Pink Book*.

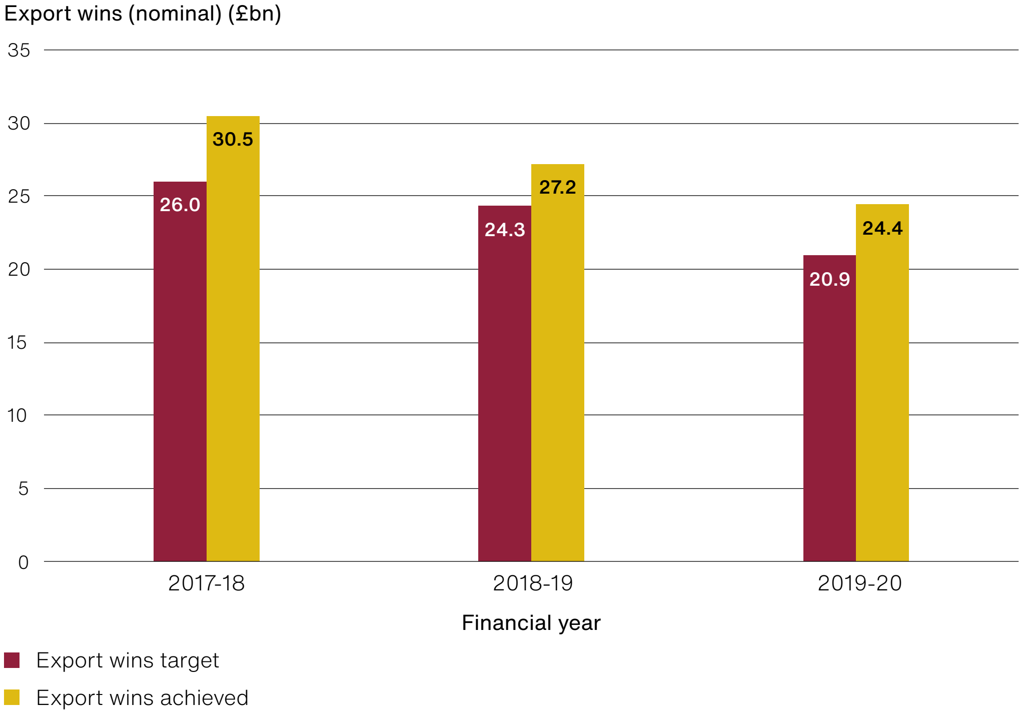
Source: National Audit Office summary of data from the Office for National Statistics, *UK Balance of Payments, The Pink Book: 2019* (for data from 2010–2018); and Department for International Trade, *Trade and Investment Core Statistics Book*, June 2020 (for 2019 data)

**3.4** In 2019-20, DIT achieved £24.4 billion export wins against an internal target of £20.91 billion (**Figure 15**). This performance is lower than the value of export wins achieved in 2018-19 and 2017-18, which were £27.2 billion and £30.5 billion respectively. DIT told us that it reduced its export wins target for 2019-20 to reflect a move away from focusing mainly on export wins, to allow more scope for addressing longer-term priorities that are not captured in annual export wins metrics, including identifying and reducing barriers to trade (see also paragraphs 3.12 to 3.14).

## Figure 15

Department for International Trade export wins performance from 2017-18 to 2019-20

**The Department for International Trade (DIT) met its internal export wins target for 2019-20**




**Note**

1 The 2018-19 internal export wins target was £24.27 billion for high-value campaigns only, while the 2019-20 target was for total export wins.

Source: National Audit Office summary of Department for International Trade data

## UKEF performance

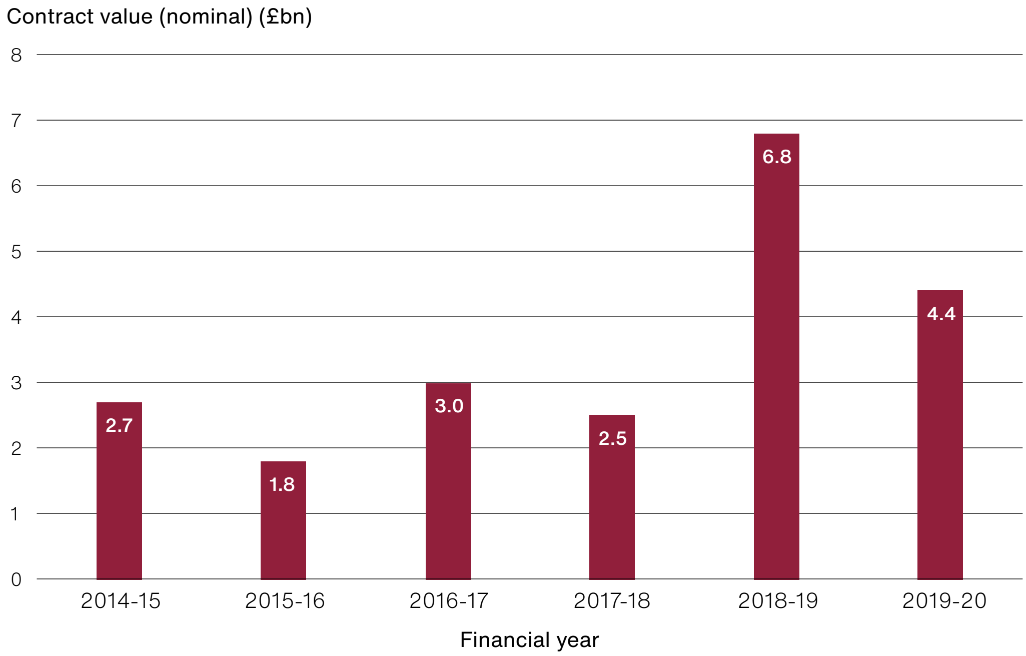
**3.5** UKEF primarily monitors its impact through financial limits and controls it agrees with HM Treasury and by tracking the value of the business it supports and the number of customers it supports.

**3.6** HM Treasury sets UKEF limits and controls to provide assurance that it does not expose the taxpayer to excessive risk. In 2019-20, UKEF operated within all its financial limits and controls. Its total premium income between 2017 and 2020 exceeded its costs by £274 million.

**3.7** UKEF narrowly missed its 2019-20 target for the value of exports it supported. It supported £4.4 billion of export contracts in 2019-20 against an ambition to support £5 billion (**Figure 16**).

### Figure 16
Value of export contracts supported by UK Export Finance between 2014-15 and 2019-20

**In 2019-20 UK Export Finance (UKEF) supported £4.4 billion of export contracts**




**Notes**
1 Contract value refers to the value of guarantees, direct loans and insurance policies issued and effective.
2 The £6.8 billion of export contracts supported in 2018-19 includes £3 billion of financing and insurance to support contracts to provide military aircraft and related equipment and services to the State of Qatar.

Source: National Audit Office summary of UK Export Finance data

**3.8** UKEF aims to support more customers but has found this challenging. UKEF set a target of directly supporting 500 customers in 2019-20, with the expectation that its short-term trade finance products typically accessed by small- and medium-sized enterprises (SMEs) would drive this growth. UKEF did not meet this target, supporting 199 customers in 2019-20. A further 140 customers benefited as suppliers to UKEF-supported projects, bringing the total number of customers supported to 339.

**3.9** UKEF attributes lower than expected growth in the number of customers it supports to:

- **lack of awareness among SMEs of what UKEF offers.** Raising awareness of what it offers is a key objective for UKEF, but awareness remains low among UK businesses. UKEF's 2019 survey of SMEs found 26% of businesses surveyed had heard of UKEF (up from 20% in 2016) but, of these, 61% reported they did not know what it did.[15] UKEF has invested in a marketing campaign, but recognises it needs to do more;
- **a lack of appetite from banks to support SME exporters.** State Aid rules require UKEF to have 20% bank participation in its SME support. However, UKEF has identified a lack of commercial appetite in the banks and other financial services providers it works with to support exporters. UKEF and stakeholders informed us that banks can be reluctant to lend to smaller businesses due to the regulatory and compliance costs involved, which make these transactions commercially less viable;
- **declining demand from exporters.** Identifying the level of unmet demand for export finance in the market is challenging. UKEF's market analysis suggests that the use of external finance to support exports is declining. However, in some areas (for example export credit insurance, which protects an exporter from the risk of non-payment by a foreign buyer) UKEF considers there is an opportunity for growth, estimating demand significantly higher than what it currently provides, particularly if market conditions worsen and/or attitudes towards payment risk shift; and
- **UKEF product execution.** As set out in paragraph 2.41 the application process for UKEF products can be a barrier for SMEs. UKEF has reviewed its eligibility criteria for its online portal and in January 2020 streamlined the process. It also aims to improve the functionality of the portal.

15 The survey used stratification, and quota sampling within each strata, to ensure the final profile of completed interviews was representative of UKEF's target market. As UKEF notes, the survey findings should not be interpreted as being representative of the broader UK SME exporter population (which includes exporters that may be less likely to use services provided by UKEF).

**3.10** UKEF has set an aspiration to support 270 customers in 2020-21 (eitherdirectly or by referring them to other support) and aims to reach a further 81 customers as suppliers to UKEF-supported projects. UKEF acknowledges that growing its support is dependent, in part, on factors within its control, including successfully launching its General Export Facility (paragraph 2.40) and improving take-up of its short-term trade finance products.

## Approaches to measuring whether performance is contributing to long-term growth in exports

**3.11** As covered in Part One, government has set a strategic direction and overarching ambition to grow UK exports. Robust performance measures are important in assessing DIT and UKEF's contributions to supporting UK exports and promoting growth.

### Department for International Trade

**3.12** The export wins measure tracks the value of exports that DIT supports. It enables DIT to set performance targets on a sector and regional basis, to align activities across its UK and overseas network, and to track performance over time. Overseas posts find setting export wins targets a helpful part of their performance management processes because it encourages teams to focus efforts on activities that add most value.

**3.13** However, the export wins measure has some limitations:

- The relationship between export growth and export wins is not clear, limiting the measure's value for assessing DIT's contribution and progress towards achieving government's ambition to grow exports to 35% of GDP.
- Setting export wins targets annually incentivises a short-term focus. Activities that require a longer timeframe (for example, building capacity in domestic supply chains and understanding the impacts of addressing market access barriers) are not currently captured in DITs performance metrics.

**3.14** DIT recognises these issues and is developing how it measures export support performance. For example, it is introducing a 'balanced scorecard' to measure the performance of its suppliers under the new International Trade Adviser service, which will monitor a range of measures and place less emphasis on export wins.

## UK Export Finance

**3.15** In addition to measuring the value of the exports and number of customers it supports, UKEF uses a survey to gain insights into business awareness of UKEF and its products, and to track the impact of its Exporters Edge promotion campaign. However, UKEF currently has no customer satisfaction measures (for example, a customer satisfaction survey), which limit its ability to track its progress against its objective to be a customer-centric organisation. In its business planning for 2020 to 2024, UKEF has made plans to address this by introducing further data analysis including customer satisfaction measures.

## Evaluation of the impact of DIT's export promotion activities

**3.16** Alongside long-term performance targets, it is good practice to evaluate specific activities to get insight into what interventions add the most value and inform decisions on allocating resources. Evaluation also supports continuous improvement as government learns what works.[16]

**3.17** Since 2017, DIT has been developing a monitoring and evaluation framework for its export promotion activities. This framework includes annual client surveys to track user experience and satisfaction, bespoke evaluations and a value-for-money model that enables DIT to examine the cost-effectiveness and cost–benefit of its services. DIT intends the model to play an important role in future spending decisions. It has put in place a quality assurance framework including peer review by an independent external reviewer.

**3.18** DIT told us that interim value-for-money estimates produced by the model in March 2019 suggested a positive return on DIT's investment in export support. However, DIT recognises the limitations of the model's early estimates and plans to refine the model and improve the quality of the data it is based on. For example:

- the model relies on some data from 2015-16 because DIT has quality concerns around more recent data;
- the model uses data on export revenue from trade in goods to assess outcomes but has no measure of revenue from trade in services; and
- the model is not region or sector-specific, limiting the insights it can offer.

**3.19** DIT is updating its cost data and econometric analysis to improve the model estimates. In the longer term it also hopes to enhance the model to cover how impacts vary by business type, market and sector, and how impacts change over time.

16 Comptroller and Auditor General, *Evaluation in government*, National Audit Office, December 2013.

# Appendix One

## Our audit approach

**1** This study examined Department for International Trade (DIT) and UK Export Finance (UKEF) progress and performance in supporting UK exports.

**2** We examined:

- whether DIT and UKEF have set a strategic direction and are clear about what they want to achieve;
- whether DIT and UKEF have resourced and prioritised the activities that will have the greatest impact on export growth, supported by a good understanding of the export capability of UK industry, an effective overseas network that can identify and support export opportunities and a tailored approach to reducing barriers to exporting; and
- whether there is good performance information to demonstrate that DIT and UKEF are achieving desired outcomes and making a difference.

### Scope of the report

**3** The report examined DIT's and UKEF's progress and performance in supporting UK exports. It covered a broad range of DIT's and UKEF's activities to support exports, including export promotion in the UK and overseas, activity to tackle market access barriers and export finance.

**4** The report covered the UK government's work with overseas governments to resolve specific market access barriers but has not examined the government's preparations to negotiate free trade agreements, which we reported on in May 2019.[17] We have not examined government's activities to promote inward investment as part of this report although we recognise that there is a strong relationship between supporting exports and supporting inward investment and that many of DIT's staff are involved in both activities. We recognise that government's support for exports interplays with other areas of policy such as national security and climate change. This report does not directly cover these areas.

## Our approach

**5** Our audit approach is summarised in **Figure 17** overleaf. Our evidence base is described in Appendix Two.

17 Comptroller and Auditor General, *Preparing for trade negotiations*, Session 2017–2019, HC 2143, National Audit Office, May 2019.

## Figure 17
Our audit approach

**The objective of government**

The Department for International Trade (DIT) has primary responsibility for delivering the UK's trade policy. It has a specific policy objective to support UK businesses to grow internationally in a sustainable way. DIT works closely with UK Export Finance (UKEF) and also works with other parts of government that play a role in supporting exports. In 2018, the government announced a new export strategy which set a national ambition to raise exports as a proportion of GDP from 30% to 35%.

**How this will be achieved**

Government aims to achieve this by encouraging businesses to export; providing information and advice to help exporters; connecting UK businesses with overseas buyers; and putting export finance at the heart of the government's offer.

**Our study**

Examines DIT's and UKEF's progress to date and performance against their overall export support objectives.

**Our evaluative criteria**

| | | |
|---|---|---|
| DIT and UKEF have set a strategic direction and are clear about what they want to achieve. | DIT and UKEF have prioritised the activities that have greatest impact on export growth, supported by a good understanding of the capability of UK industry, an effective overseas network and a tailored approach to reducing barriers to export. | DIT and UKEF have good performance information to demonstrate that they are achieving desired outcomes and making a difference. |

**Our evidence**

(see Appendix Two for details)

| | | |
|---|---|---|
| • Reviewed DIT and UKEF strategies, reports and published data.<br>• Interviewed officials from DIT and UKEF.<br>• Interviewed officials in other government departments and stakeholders including business groups, trade associations, banks and exporters. | • Interviewed officials from DIT and UKEF in the UK and overseas, and DIT delivery partners in UK regions and overseas posts.<br>• Interviewed officials in other government departments and stakeholders including business groups, trade associations, banks and exporters.<br>• Reviewed DIT and UKEF planning and evaluation documents. | • Interviewed officials from DIT and UKEF.<br>• Reviewed DIT and UKEF performance data and evaluation documents.<br>• Reviewed DIT and UKEF surveys of businesses.<br>• Interviewed stakeholders including business groups, trade associations, banks and exporters. |

**Our conclusions**

DIT and UKEF will play a key role in taking forward the UK's international trade policy as the UK leaves the EU. Since its formation, DIT has taken over trade functions from predecessor departments as well as from the EU. It has made a good start in developing a strategy and the operating arrangements it needs to support export growth, and UKEF has expanded its offer of export finance to support UK businesses while remaining within the financial limits and controls it is set by HM Treasury.

However, both DIT and UKEF face significant challenges and will need to work together to strengthen their approach to ensure that they achieve value for money over time. It is not clear whether DIT is focusing its efforts and resources in the regions and sectors where there are the greatest opportunities to support UK businesses. DIT has developed a framework for measuring its performance, but it is not clear how direct the link is between DIT's performance and the government's 35% of GDP export growth ambition which can be influenced by a number of factors, some of which are outside of government's control.

# Appendix Two

## Our evidence base

**1** We reached our independent conclusions on the value for money of Department for International Trade (DIT) and UK Export Finance (UKEF) support for exports by analysing evidence collected between September 2019 and April 2020. We collected the majority of our evidence between November 2019 and February 2020, before the global 2020 Coronavirus (COVID-19) outbreak. We did not examine DIT's and UKEF's immediate response to support UK exporters in the wake of the outbreak.

**2** We applied an analytical framework to our analysis, which considered: whether DIT and UKEF have set a strategic direction and are clear about what they want to achieve; whether they have prioritised the activities that have the greatest impact on export growth supported by a good understanding of the export capability of UK industry, an effective overseas network and a tailored approach to reducing export barriers; and whether there is good performance information to demonstrate that DIT and UKEF are achieving desired outcomes and making a difference. Our approach is outlined in Appendix One.

**3** We used a range of study methods to reach our conclusion on value for money, described below.

**4 We conducted semi-structured interviews with officials from DIT and UKEF to understand their approach and to inform our audit.**

- **Headquarter functions:** These included staff involved in strategic, operational management and performance measurement functions.

- **DIT overseas regions:** We carried out visits to two overseas regions: North America and Eastern Europe and Central Asia, to understand how DIT and UKEF support UK exports overseas. During the visits we interviewed DIT and UKEF staff; DIT delivery partners; and staff from the Foreign & Commonwealth Office (FCO) working in trade-related roles. We also interviewed DIT staff from a further two regions – China and Africa. The regions were selected to include both mature and developing markets of different sizes and to capture different delivery models across the network.

- **DIT regions in England:** We also visited two regions: East of England and the Midlands, to understand how DIT and UKEF support exports across England. We interviewed DIT and UKEF staff and DIT delivery partners and held group discussions with exporters who had received support from these regional teams.
- **Other government departments and public bodies:** We conducted interviews with staff in government departments including the FCO, the Department for Business, Energy & Industrial Strategy and HM Treasury to understand how DIT and UKEF work with other parts of government to support exports.
- **Stakeholders:** We interviewed a range of other organisations to gather insights, experiences and evidence across all our study areas. These included representatives from business groups, trade bodies and banks. We also interviewed a small number of exporters and export finance professionals.
- Testimonial evidence from individual interviews has, where possible, been triangulated with other interview or documentary evidence to ensure a robust evidence base to support the report's findings.

**5 To examine whether DIT and UKEF have set a strategic direction and are clear about what they want to achieve, we:**

- reviewed published secondary evidence, including export statistics publications by DIT, the Office for National Statistics and the United Nations Conference on Trade and Development, to analyse trends in the UK's export performance, and how the UK's export performance compares with other major economies;[18,19,20]
- examined government strategies including the industrial strategy and the government's export strategy and related documents to understand the government's strategy and priorities, and its analysis of barriers to exporting;[21,22]
- reviewed DIT and UKEF annual reports to identify spend relating to support for exports;[23] and
- reviewed single departmental plans (2019) to identify the objectives of DIT and other departments that support exports.

18 Department for International Trade, *Trade and Investment Core Statistics Book*, June 2020. Note that this data is subject to periodic adjustments.
19 Office for National Statistics, *UK Balance of Payments, the Pink Book*, 2019.
20 United Nations Conference on Trade and Development, Data Center, International Trade in Goods and Services.
21 HM Government, *Industrial Strategy, Building a Britain fit for the future*, November 2017.
22 HM Government, *Export Strategy: Supporting and connecting businesses to grow on the world stage*, August 2018.
23 Department for International Trade, *Annual Report and Accounts, 2018 to 2019*; UK Export Finance, *Annual Report and Accounts, 2018 to 2019.*

**6 To examine whether DIT and UKEF have prioritised the activities that have the greatest impact on export growth supported by a good understanding of the export capability of UK industry, an effective overseas network and a tailored approach to reducing export barriers, we:**

- reviewed a range of DIT and UKEF published and internal documents including strategies, operational plans, planning documents, business cases and evaluation reports; and
- reviewed internal DIT Human Resources data on headcounts for overseas regions and sector clusters, and details of funding. DIT published these data in July 2020.[24]

**7 To examine whether there is good performance information to demonstrate that DIT and UKEF are achieving desired outcomes and making a difference, we:**

- reviewed DIT performance data and reporting. Specifically, we reviewed internal performance data including: data on the number of market access barriers recorded and resolved by DIT; data on the number of businesses responding to export opportunities that DIT publishes on its website; and data on the total value of export wins supported by DIT. DIT defines an export win as a deal, contract, sale, or other specific type of agreement for an eligible UK company which has resulted from support provided by the DIT network. The export wins metric is subject to DIT's internal validation process but has not been externally audited by the National Audit Office. DIT published statistics on its export support objectives in July 2020;[25]
- reviewed data on the value of export contracts supported by export finance provided by UKEF and the number of customers supported by UKEF. The value of export contracts supported metric is subject to UKEF's internal validation processes but has not been externally audited by the National Audit Office;
- reviewed data from DIT's 2018 National Survey of Registered Businesses.[26] We also reviewed DIT's survey of clients supported between April 2018 and March 2019. DIT has informed us that, in due course, it intends to publish these data in a forthcoming DIT (2020) DIT Export Client Quality Survey for businesses supported April 2018 to March 2019. We reviewed UKEF's 2019 survey of SMEs. Our use of survey data was subject to internal quality assurance checks to ensure that the evidence has been used and presented appropriately and fairly;

24 HM Government, Official Statistics, *Statistics on DIT export support objectives (2019 to 2020)*, 6 July 2020.
25 See footnote 24.
26 Department for International Trade, *National Survey of Registered Businesses' exporting behaviours, attitudes and needs*, 2018.

- assessed DIT and UKEF performance measurement and evaluation frameworks, and their plans to develop these in future against good practice guides;[27] and
- reviewed the British Exporters Association's 2019 benchmarking report.[28]

27 National Audit Office, *Performance measurement by regulators: Good practice guide*, November 2016.
28 British Exporters Association, *10th Annual Benchmarking Report*, October 2019.

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