

Radical shake up to government export finance support for small businesses

- New scheme to give exporting SMEs access to working capital they need to recover from COVID-19
- Government can provide an 80% guarantee on financial support from lenders to support general exporting costs, up to the value of £25 million
- GEF will transform UKEF's offer to smaller businesses, encouraging them to export and take advantage of new free trade agreements

UK Export Finance (UKEF) today launches a new guarantee scheme that will free up funds for UK businesses to cover the costs of international trade, supporting thousands of jobs and livelihoods across the country.

Exporters will be able to apply for finance from the UK's five largest banks backed by a UKEF guarantee to free up working capital that can be used for everyday costs linked to exports and to scale up their business operations. This will help thousands of businesses, particularly SMEs, to fulfil multiple export contracts, pay for labour costs, build their inventory and ease cash flow constraints.

Minister for Exports, Graham Stuart, will launch the General Export Facility (GEF) in a speech at UKEF's 'Trade and Export Finance Forum'. He will announce that the government is shaking up the support it provides for internationally focused companies to help bring new trading opportunities to businesses in every part of the country.

Minister for Exports, Graham Stuart, will say:

UKEF's support for smaller businesses is shifting up a gear. The new General Export Facility will make a huge difference for entrepreneurs who need the financial backing to go global and benefit from our free trade agreements. It will help us bring genuine optimism back to exporters.

We were the only top ten exporting nation to grow exports last year. I'm determined for that success to continue as we recover from Covid-19. By transforming access to the world's best export credit agency, we can unlock the entrepreneurial energy needed to make that a reality.

Financial support can be directly accessed from HSBC, Lloyds Bank, Natwest, Santander and Barclays, the major providers of trade finance in the country, which can put in place UKEF's guarantee automatically.

Other lenders will be added to the facility in due course to ensure that it is available for as many businesses as possible.

Supporting British exporters at this time is vital, which is why UK Finance and five of the main export lenders have been working closely with UKEF on the development of this new guarantee scheme.

We expect business to apply from the new year as the General Export Facility enables lenders to support an even wider range of small and medium-sized firms, giving businesses the confidence to win new contracts by having an agreed revolving facility in place.

General Export Facility Features

GEF was developed in partnership with the banking and finance industry to support a range of trade finance products including trade loans, bonds, letter of credit lines, CapEx and invoice financing.

The facility enables UKEF to provide a partial guarantee to lenders of up to 80% of the credit risk on facilities typically worth up to £25 million, with UKEF's support no longer tied to individual export contracts. This follows the recent launch of the [Export Development Guarantee](#) in July, a guarantee scheme that supports high value investment by major UK exporters.

UKEF has more than doubled the amount that HSBC, Lloyds Bank, Natwest, Santander and Barclays can automatically administer to an exporter through its facilities from £2 million to £5 million.

Eligibility criteria

In order to qualify for GEF as a UK exporter, a business must:

- self-certify that in any one of its last three financial years, at least 20% of its annual turnover has been made up of UK export sales

Or:

- in each of its last three financial years, at least 5% of its annual turnover has come from UK export sales

Full details of eligibility criteria are outlined on the [GEF product page](#).

About UK Export Finance

[UK Export Finance](#) is the UK's export credit agency and a government department, working along-side the Department for International Trade as an integral part of its strategy and operations.

Established in 1919, it exists to ensure that no viable UK export should fail for a lack of finance from the private market. It provides finance and insurance to help exporters win, fulfil and get paid for export contracts.

About UK Finance

UK Finance is the collective voice for the banking and finance industry.

Representing more than 250 firms across the industry, it acts to enhance competitiveness, support customers and facilitate innovation.