

# UK Export Finance unlocks trade to Egypt and supports UK jobs with £1.7bn guarantee

- First export of UK-built trains for over 12 years allows Bombardier to expand manufacturing capacity in Derby
- UK Export Finance provides £1.7bn backing for deal with Egypt
- Government-backing part of commitment to help exporters across the UK build back better and take advantage of new trade deals

A consortium led by Bombardier Transportation has confirmed a deal with the Egyptian Government to build two new monorails thanks to £1.7 billion backing from UK Export Finance (UKEF), the largest amount of financing it has ever provided for an overseas infrastructure project.

International Trade Secretary Liz Truss today announced the government guarantee, which will support highly skilled jobs in Derbyshire as the UK builds back better in the aftermath of coronavirus.

Bombardier's consortium was named preferred bidder for the project at the 2020 UK-Africa Investment Summit and, with UKEF's guarantee, has secured the financing needed to fulfil the contract and start production. Bombardier can now invest in its manufacturing centre in Derby where the trains for the Egyptian monorails will be designed and built.

This will be the UK's only monorail car production line and will directly support 100 UK jobs at the company and many more in its UK supply chain.

This news comes as the UK hosts the [Africa Investment Conference](#) today (January 20 2021), its first major international investment conference as an independent trading nation. The UK-Africa trade relationship was valued at £35 billion in 2019, with around £54 billion of bilateral investment stock on top of that. The UK is by far the biggest foreign direct investor in Egypt and continues to aspire to be its trade and investment partner of choice, and UKEF will play a key role in this shared vision for growth.

## **International Trade Secretary Liz Truss said:**

Trade is an incredibly powerful way to propel growth and create jobs as we recover from the pandemic. This deal shows why we are so determined to get businesses to grasp these opportunities and take advantage of the support available from Government.

One third of our economy is exports. That's why support from our export credit agency is vital. It can help the UK get a bigger slice of the global economic pie, secure jobs across the country and make the most of our newfound independence as a trading nation.

**Matt Byrne, president of Bombardier Transportation (UK and Ireland), said:**

The Cairo Monorail export win, against international competition, shows that the UK rail sector can fight and win in key growth markets such as sustainable transport.

This is the first UK export since our Derby-built trains were exported to South Africa for the Gautrain project in 2008.

Thanks to UKEF's support and those working in Embassies across North Africa, this new deal will bring sustainable benefits to Egypt and create job opportunities in the UK.

The financing came together at the height of the pandemic, which would not have been possible without the commitment of all parties involved, including strong support from the lawyers. The project is of significant national importance to Egypt, and we are honoured to have been selected by NAT and the Government of Egypt to deliver this UKEF-backed financing, which will enable this major project to become a reality.

**Ashurst partner Tom Longmuir, said:**

This is a transformational infrastructure project, which will generate huge social benefits for Cairo residents and for Egypt. We are delighted to have assisted JPMorgan and UK Export Finance in bringing a complex financing to a successful close in testing market conditions.

Bombardier employs 4,000 people in the UK, with around 2,000 in Derby including over 400 specialised engineers, who develop and build trains for rail franchises across Britain. This expertise will be used to build and maintain two electrified monorails that together will transport millions of people every year in the Cairo metropolitan area. The new lines will connect the New Administrative City with East Cairo and 6th October City with Giza.

The monorails are a part of Egypt's plans to build a sustainable transportation infrastructure that can cope with its growing population while reducing climate change impacts.

Bombardier also sees additional opportunities to increase its exports of UK built trains using its new production line as global demand for fast, sustainable public transportation solutions increases.

The UKEF supported Buyer Credit facility will be administered by JP Morgan acting as the Initial Mandated Lead Arranger and the Facility Agent.

Reinsurance support has also been secured with the help of Italian ECA SACE and Spanish ECA CESCE.

## **About UK Export Finance**

[UK Export Finance](#) is the UK's export credit agency. It exists to ensure that no viable UK export lacks for finance or insurance from the private market, providing finance and insurance to help exporters win, fulfil and get paid for export contracts.

## **About Bombardier Transportation**

Bombardier Transportation is a global mobility solution provider leading the way with the rail industry's broadest portfolio. It covers the full spectrum of solutions, ranging from trains to sub-systems and signalling to complete turnkey transport systems, e-mobility technology and data-driven maintenance services. Combining technology and performance with empathy, Bombardier Transportation continuously breaks new ground in sustainable mobility by providing integrated solutions that create substantial benefits for operators, passengers and the environment. Headquartered in Berlin, Germany, Bombardier Transportation employs around 36,000 people and its products and services operate in over 60 countries.