



UK Export  
Finance

 **EXPORTING  
IS  
GREAT**  
BRITAIN & NORTHERN IRELAND

# UK Export Finance

Competitive finance when you buy from the UK

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# About UK Export Finance

- **UK government department** working alongside the Department for International Trade, Her Majesty's Treasury and over 70 private lenders and credit insurers
- **World's first export credit agency** with over 100 years' experience
- Named **Best ECA** by Global Trade Review and Trade Finance Global





# Our mission

To ensure that no viable UK export fails for lack of finance or insurance from the private sector, while operating at no net cost to the taxpayer



# In 2019-2020, we:



**Provided £392m in support for renewable energy projects.**



**Ranked third in a global league table of ECA's supporting sustainable finance deals.**

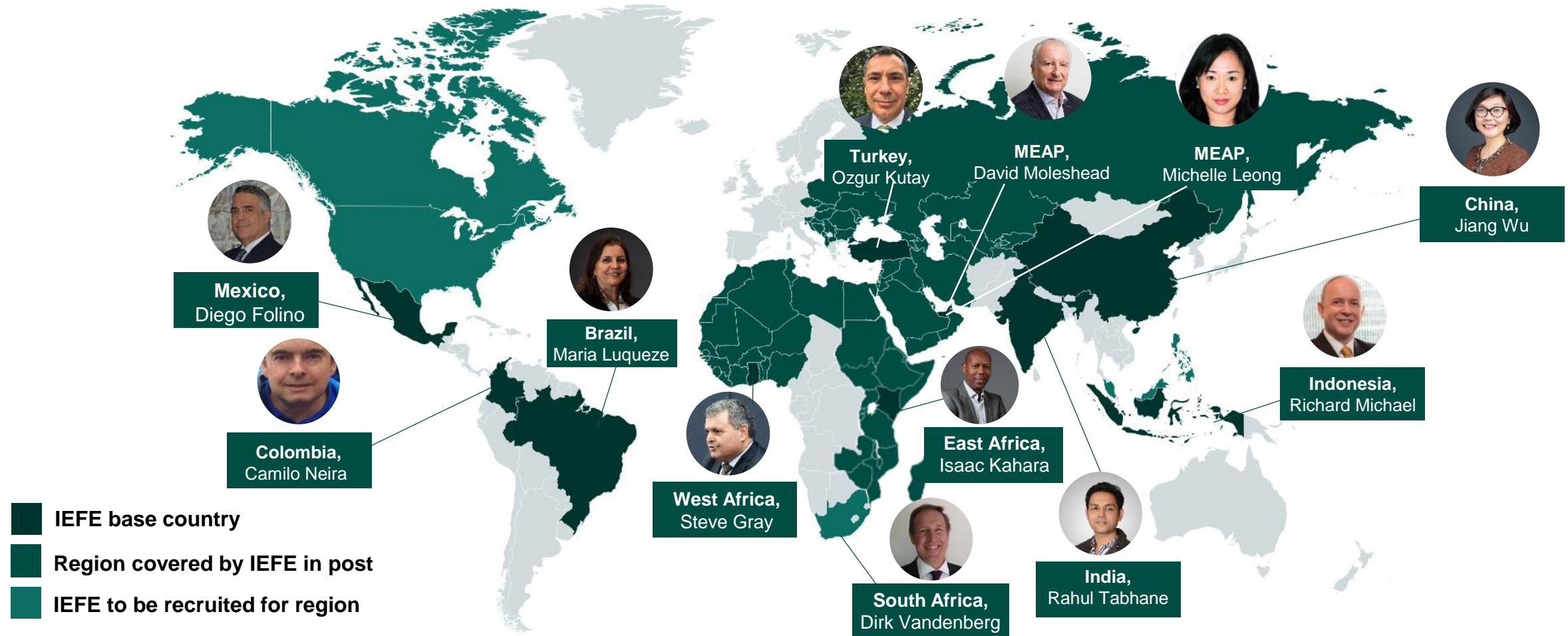


**Supported 339 companies exporting to 69 countries**





# International network





# Our products

## UKEF support falls broadly into two categories:

Export Finance Managers	Support for <b>UK exporters</b>	Protection against the <b>risk of non-payment</b> by an overseas buyer, help to raise <b>bonds</b> required under the export contract and assistance with <b>working capital requirements</b>	<ul style="list-style-type: none"><li>• Bond Insurance Policy</li><li>• Export Insurance Policy</li><li>• Overseas Investment Insurance</li><li>• Bond Support Scheme</li><li>• Export Working Capital Scheme</li><li>• Export Development Guarantee</li></ul>
Origination	Finance for <b>overseas buyers</b>	Attractive financing terms for overseas buyers of UK goods and services can help exporters <b>make their offering more competitive</b>	<ul style="list-style-type: none"><li>• Buyer Credit Facility</li><li>• Supplier Credit Financing Facilities</li><li>• Direct Lending</li></ul>



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# Direct Lending Facility

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Provides **loans to overseas buyers**, allowing them to finance the purchase of capital goods and/or services from UK exporters

- Exporter is paid as though it has a cash contract
- Buyer or borrower has time to pay over a number of years and can borrow at a **competitive fixed rate of interest**

In 2020 Budget, extra £2 billion capacity announced for **clean growth** projects (aligned with the **Green Bond Principles**)





# Clean growth: eligible projects



**Sustainable water  
and wastewater  
management**



**Clean  
transportation**



**Climate change  
adaption**

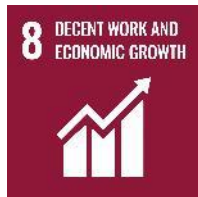


**Renewable  
energy**



**Green buildings**

**Terrestrial and aquatic  
biodiversity  
conservation**



**Eco-efficient and/or  
circular economy  
adaption**

**Energy efficiency**

**Environmentally  
sustainable  
management**

**Pollution  
prevention and  
control**



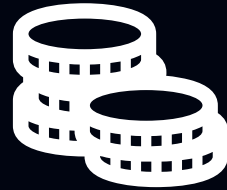
# UKEF value proposition



All sectors



Support exports  
to over 200  
countries



60+ local  
currencies



Up to 18 years  
repayment



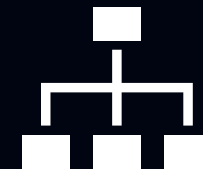
Global banking  
relationships



100%  
unconditional  
guarantee



Min. 20% UK  
content  
goods, services &  
intangibles



Flexible  
transaction  
structures





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# Flexible finance

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Public and  
private sector  
transactions

Public-private  
partnerships

Debt capital  
markets

Project finance

Structured finance

Islamic financing

Project line of  
credit

General purpose  
line of credit





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# Other considerations

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- Support for up to 85% of contract value
- **local costs** are limited to up to 30% of the value of the exported element
- **Environmental, social and human rights** due diligence
- Bank must be acceptable to us
- **Sustainable lending rules** apply in some markets, including Myanmar
- UKEF premium based on credit risk, length of contract, performance and repayment terms







# UK content



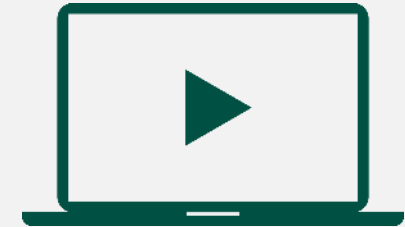
## Goods

Produced or processed and modified within the UK and eligible for a UK country of origin certificate



## Services

Cost of any direct employees of UK applicants and of any personnel employed through sub-contracting arrangements with UK sub-contractors



## Intangibles

Intangible assets originating in the UK where no Certificate of Origin is available



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# Supplier fair model



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We organize one day  
matchmaking events to  
help **increase UK  
content** in overseas  
projects

DIT, trade  
associations and  
other key partners  
help **identify and  
invite** potential  
suppliers

ON THE DAY

Buyer/EPC  
contractor provides  
**project overview** and  
hosts **1-2-1 meetings**  
with suppliers





# UKEF support for Myanmar

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- Market appetite £1-2bn
- Local currency financing not currently available
- Sustainable lending rules apply
- Short term cover is available on ILC or equivalent terms
- Support for all sectors







# Information required

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- Project scope
- Value & currency of contract
- Potential major stakeholders (sponsors, equity providers, would be lenders/other sources of funds and any host government involvement)
- Duration of borrowing (+ construction period)
- Name of borrower/guarantor (if corporate entity, 3 years of audited accounts in English)
- Indicative financing plan showing possible proportions of equity, commercial debt, ECA supported debt, and other funding
- Planned UK content as portion of contract
- The status of negotiations/indicative timeline.



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**WINNER**

**TXF Perfect 10 Deals of the Year**

# Formosa 2 – Offshore wind in Taiwan

**Project sponsor:** Macquarie's Green Investment Group and Swancor Renewable Energy

**Buyer:** Taiwan Power Co

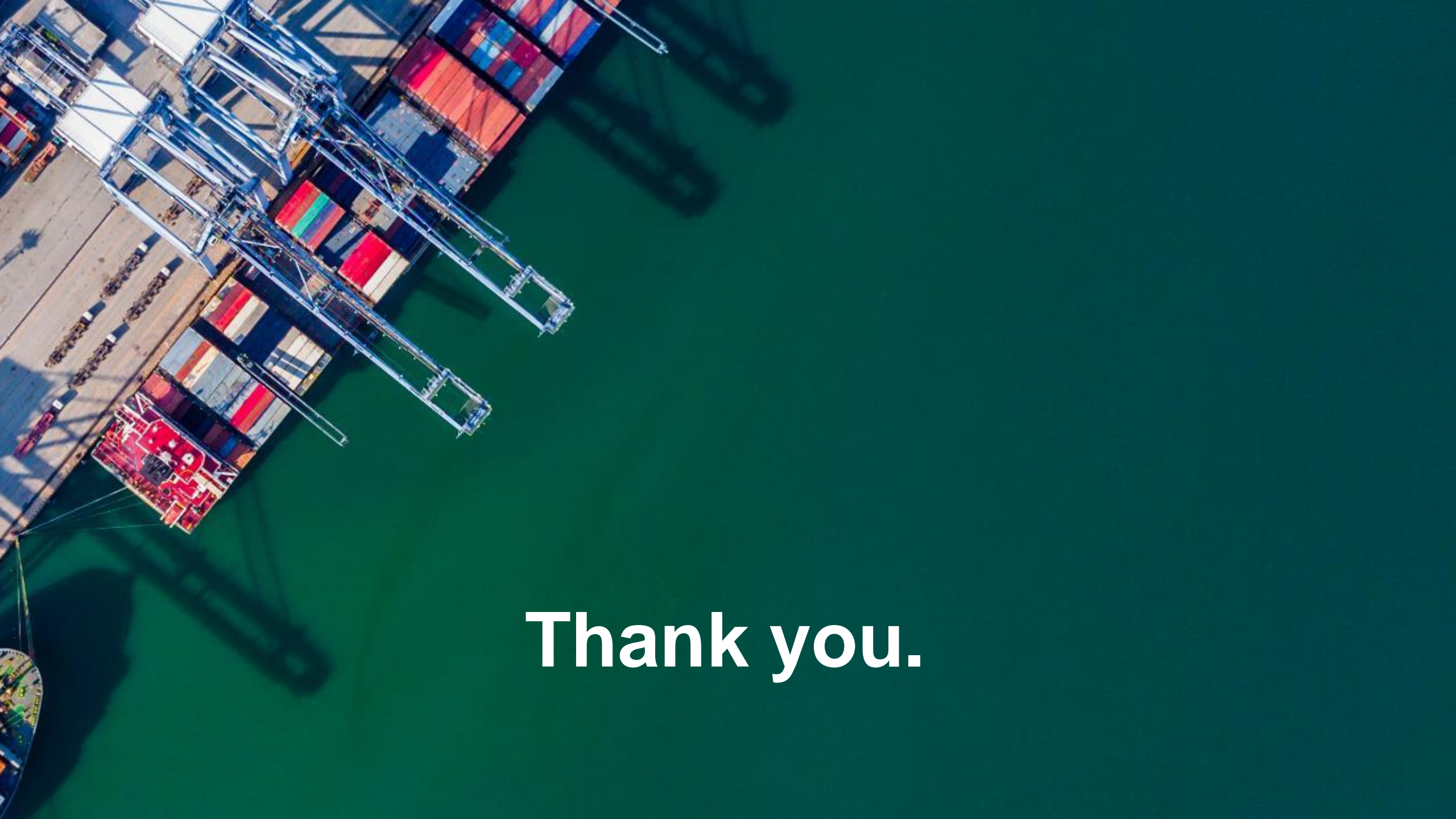
**Clean growth features:**

- Taiwan is developing 5.5GW of offshore wind up to 2025 and has an ambition of a further 5GW up to 2030
- Formosa project involves construction of 47 new turbines generating 376 megawatts of green energy
- UK content includes wind turbines, foundations and auxiliary facilities
- many international offshore wind companies, including 18 from the UK, have set up operations in Taiwan to help develop local industry in collaboration with Taiwanese partners



**PROJECT LOCATION:** Taiwan  
**PRODUCT:** Buyer Credit, NT\$9.2 billion (£230m)

**Financing provided over 18 years in local currency to protect buyer from currency fluctuations.**



**Thank you.**





# Regional contacts

Region	Lead	Support
Asia-Pacific	Julian Lynn <a href="mailto:Julian.Lynn@ukexportfinance.gov.uk">Julian.Lynn@ukexportfinance.gov.uk</a>	<a href="mailto:Leisha.Blackburn@ukexportfinance.gov.uk">Leisha.Blackburn@ukexportfinance.gov.uk</a>
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