



Department for International Trade

Lord Johnson of Lainston CBE
Minister for Investment
Department for International Trade
Old Admiralty Building
London
SW1A 2DY

Lord Hannay, Lord Newby
House of Lords
London
SW1A 0PW

T +44 (0) 20 7215 5000
E minister.investment@trade.gov.uk
W www.gov.uk/dit

5 January 2023

Dear Lord Hannay, Lord Newby,

I am writing in response to your questions raised in the House of Lords on 20 December, where you asked for a list of measures through which the Government has eased trade to the European Union (EU). As you know, trade with the EU is of critical importance to the UK's future economic growth and prosperity. Total trade between the UK and the EU was £733.4 billion in the year to the end of Q3 2022 (an increase of 26.2% in current prices compared to the previous year) whilst total UK exports to the EU amounted to £330.2 billion in the year to the end of Q3 2022 (an increase of 24.8% in current prices compared to the previous year).

While commending these increases, we must not be complacent and look to do more to further ease trade with the EU and to secure the many opportunities for future growth. Our measures to ease trade have centred around a refreshed Export Strategy launched last November to help businesses at every stage of their export journey, with a particular focus on adapting to changes following the UK's departure from the EU. DIT's work in supporting companies has been delivered on a daily basis by an extensive workforce across the UK, coupled with approximately 300 trade experts in Europe led by our Trade Commissioner, Chris Barton, mainly located in EU markets. Our strategy is structured around three themes: access, advocacy, and assistance.

In terms of access, we have sought to enhance market access to the EU for UK exporters by reducing barriers and unlocking export opportunities. We are also pursuing regular meetings with EU Member States' trade ministers to promote trade and investment opportunities and deepen co-operation on policies affecting trade. Since assuming office Ministers Hands and Bowie have already met counterparts from nine Member States to support this programme of activity.

In terms of advocacy, there is a range of activity we already conduct to encourage UK companies to export to the EU. Ministers have been actively engaging with organisations such as the CBI and International Chambers of Commerce to encourage businesses to export to Europe and to align our objectives with SMEs. Such advocacy has been bolstered by our campaigns for both UK exporters ("Made in the UK, sold to the world") and European buyers and investors, and through events across Europe – such as the Green Trade and

Investment Expo in Gateshead and the Tech Rocketship Awards - that advocate the opportunities of buying from and investing in the UK.

On assistance, DIT runs an extensive programme of activity to help UK businesses export to the EU, through provision of several one-to-many and one-to-one advice services. This plan includes initiatives to assist businesses in trading, such as the single point of access digital enquiry Export Support Service (ESS), the UK Export Academy and the Internationalisation Fund.

As part of the ESS service, the ESS Market Access Centre (ESS-MAC) helps UK companies navigate barriers while the ESS International Markets (ESS-IM) service identifies key opportunities for British business exploring trade across the EU. The ESS Policy Hub is also working hand-in-hand with policy-owning Departments across Government on a range of issues affecting UK exporters. Examples include collaboration with HMRC on Rules of Origin culminating in improved guidance and support to exporters through DIT services.

In terms of financial support, UK Export Finance (UKEF) funding has been helping UK exporters and their supply chains grow their business in the region. UK companies looking to seize new clean growth export opportunities can access increased lending capacity through the Export Development Guarantee (EDG), where eligibility has been expanded to UK companies with credible plans to export and overseas firms to enable international investment into UK export capabilities. The average value of EDG transactions is between £100m and £500m. The General Export Facility (GEF) will also support SMEs looking for smaller amounts of money to finance exports.

DIT has also contributed to wider government initiatives, such as the Border 2025 Strategy. We have been working with other departments to ensure that plans for a Single Trade Window and new post-Brexit import controls will deliver significant structural improvements to our exporting system by reducing administrative burdens and the costs of compliance for exporting SMEs.

As DIT's Minister for Investment, it would be remiss of me not to also recognise the importance of inward investment in driving the trade agenda with the EU. Europe as a region remains the largest investor to the UK, with FDI projects supported by DIT reaching 441 projects and creating more than 22,000 new jobs in 2021/22. To assist and encourage EU companies to invest in the UK we will continue to:

- (1) Enhance relationships with existing high value EU investors through our account management and Strategic Relationship Management (SRM) work covering approximately 900 company accounts across Europe;
- (2) Provide bespoke support for high value investors through investment propositions via overseas post, the Investment Services Team (IST) and the Office for Investment (OfI). We are prioritising investment in low-carbon, and science and tech and this work will also include a series of R&D incentives and investment campaigns that position the UK as a Tech and Science Superpower. Similarly, we have prioritised our staff footprint in our top 10 FDI countries including the key EU markets of Germany, France, Italy, and Ireland; and
- (3) Expand our reach with new investors through marketing and communication that will seek to promote and secure investment from high-growth start-ups, scale-ups, and unicorns into the UK, building on the successful Tech Rocketship Awards programme.

In my capacity as Investment Minister, I also recognise the importance of building strong personal relationships with our investor base in the EU and to that end I am in the process of building an agenda of engagements in and around the EU to further our ambitions in this area.

Finally, the DIT Europe network will also drive trade with the EU through the development of an enhanced digital service offer for foundational investors, the Investor Digital Support Service (IDSS) digital platform, which will provide credible, essential information to investors on expanding to the UK.

In summary, the EU remains a critically important trading partner for the UK and DIT's strategy to drive UK exports and trade with the EU very much reflects this importance. This strategy to encourage trade and investment with the EU is based around enhancing market access and facilitating maximum use of this through export and investment promotion activities in the UK and overseas. We will also work very closely with HMG colleagues across the Cabinet Office, FCDO and other government departments to deliver on this critical agenda for the UK as we continue to drive its future economic growth and prosperity.

I am placing a copy of this letter in the library of the House and copying this letter to Lord Londesborough.

With very best wishes,

A handwritten signature in blue ink, appearing to read 'D. Johnson', with a horizontal line underneath.

Lord Johnson of Lainston CBE
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