



UK Export
Finance

UK Export Finance

Support for UK exports into international water markets

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About UK Export Finance



- ▶ We are the UK's export credit agency, and a Government department, with nearly 100 years' experience in helping UK companies to export their goods and services overseas.
- ▶ We play a central role in the Government's ambition to ensure that no viable UK export fails for lack of finance or insurance, working with our colleagues in the Department for International Trade.
- ▶ **We can help you and your buyers acquire the funding required to enable you to win, fulfil and get paid for export contracts.**
- ▶ We can support exports for any size of company and across all aspects of the water sector, from capital goods to services and intangibles such as intellectual property.
- ▶ We have a range of flexible support on offer and are actively looking for ways to help – our International Business Development team and Export Finance Managers across the UK are available to discuss projects early on and provide feedback at no cost.



Support for exporters

WIN CONTRACTS:

- ▶ We can offer **long-term financing** to overseas buyers that makes UK companies' offerings more competitive, allowing buyers to spread their capital costs whilst exporters receive **payment on delivery**.

FULFIL CONTRACTS:

- ▶ We can help you **access working capital** needed to fulfil export contracts, or reduce cash deposits required for contract bonds, giving you the ability to take on more contracts and **increase turnover**.

GET PAID:

- ▶ We can help you **manage risks in challenging markets** with our insurance products, where the private market is not able to offer insurance.



Support for buyers

- ▶ **Our long-term financing solutions, in the form of direct loans or unconditional guarantees to banks, allow buyers to spread costs of purchases of capital goods and services from the UK**
 - ▶ Repayment terms of **2-10 years** (extending to 14 for project finance and 18 for renewable energy)
 - ▶ Support for **up to 85%** of total contract value, provided there is a minimum of **20% UK content**
 - ▶ Financing in a range of **40 currencies**
 - ▶ **Flexibility** to meet your requirements, including innovative products such as Islamic financing
- ▶ **UKEF charges a premium for its support based on OECD rates and calculated on a case by case basis, taking into account factors such as credit risk and loan tenor**
 - ▶ Premium is paid upfront, and can be funded from the loan to spread the cost
 - ▶ Premium is a one-off charge, and is separate from the interest charged on the loan





Our products

Win contracts

Buyer Credit Guarantees

Provision of guarantees against bank loans to overseas buyers of UK exports for up to 85% of the contract value, enabling the buyer to pay on extended credit terms, normally of between 2-10 years in over 40 international and local currencies

Direct Lending Facility

Provision of loans directly (working with a bank as arranger and agent) to overseas buyers of UK exports for up to 85% of the contract value, enabling the buyer to pay on extended credit terms, normally of between 2-10 years, in EUR, GBP, USD and YEN

Fulfil contracts

Export Working Capital Scheme

A guarantee of up to 80% of the value of a working capital facility, to allow a bank to increase its capacity to lend to a UK exporter

Bond Support Scheme

A guarantee of up to 80% of the value of a contract bond (eg. advance payment guarantees, performance or warranty bonds) to enable a bank to issue a bond without requiring as much of the exporter's cash as collateral, or to issue more bonds on behalf of the exporter

Get paid

Export Insurance Policy

Up to 95% insurance against the risk of not being paid, either due to default by the buyer, or due to specified political, economic or administrative events

Bond Insurance Policy

Up to 100% insurance against a demand for payment under a bond, which is either unfair or caused by political events

Letter of Credit Guarantee Scheme

A guarantee of up to 90% of the value of a letter of credit to enable UK exporters to get their letters of credit confirmed by their bank



Case study: Biwater Kurdistan



- ▶ UKEF recently supported UK company Biwater, providing a \$34.8 million loan to the Kurdistan Regional Government in Iraq.
- ▶ The loan will help the buyer finance the contract for the delivery of water and wastewater treatment solutions to two cities in the region.
- ▶ The project is designed to alleviate the strain on existing infrastructure and reduce the region's reliance on dwindling groundwater reserves to deliver long-lasting environmental benefits.

“ Biwater is very grateful for the support of UKEF and other teams within the Department for International Trade (DIT) and Her Majesty’s Government teams in Erbil and Baghdad, who have been instrumental in bringing the project to fruition.”

- Alastair White, Deputy Chairman, Biwater



Selected examples

UKEF's Bond Support and Working Capital Scheme have helped JDR Cable Systems to double their growth in the European renewable energy sector.



UKEF's part-guarantee of a £1m working capital facility enabled Esprit Digital to fulfil a contract to supply 1,204 digital display units to Australia.



UKEF provided a £14.1m buyer credit guarantee for provision of subsea equipment to the oil and gas sector in Nigeria



Direct Lending support helped Carillion win a US\$110m construction contract on the Dubai World Trade Centre global conference hub

A US\$870m loan for the US\$19bn Sadara petrochemical project, helped exporters including Foster Wheeler, Jacobs, and Fluor



Provision of an Export Insurance Policy from UKEF gave BuroHappold Engineering the confidence to accept a services contract worth over \$100,000 in Lesotho, a new market for the firm.





Next steps

- ▶ We are happy to take enquiries early on – the information below is helpful where possible:

Initial Information Required by UKEF

Company Information	Company name, trading address, registration number
	Export needs, experience and ambitions – including approximate timescales
	Financial information – turnover, export turnover (if applicable), past 3 years' accounts
Transaction Information	Target market, value of export, UK content, approx. timelines for securing the contract
	Details of contract structure, including terms of trade, project cash-flow forecast
	Previous experience in supply of the product/service, and relevant market experience, if applicable

▶ Additional sources of information:

- ▶ To get in touch with a regional Export Finance Manager, please visit our guide available at: <https://www.gov.uk/government/publications/find-an-export-finance-manager>
- ▶ To understand which markets we offer cover for, please view our country cover policies, available at: <https://www.gov.uk/guidance/country-cover-policy-and-indicators>
- ▶ To find export opportunities for your business, please visit the Exporting is Great website at: <https://www.exportingisgreat.gov.uk/>



Thank you

www.gov.uk/uk-export-finance

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