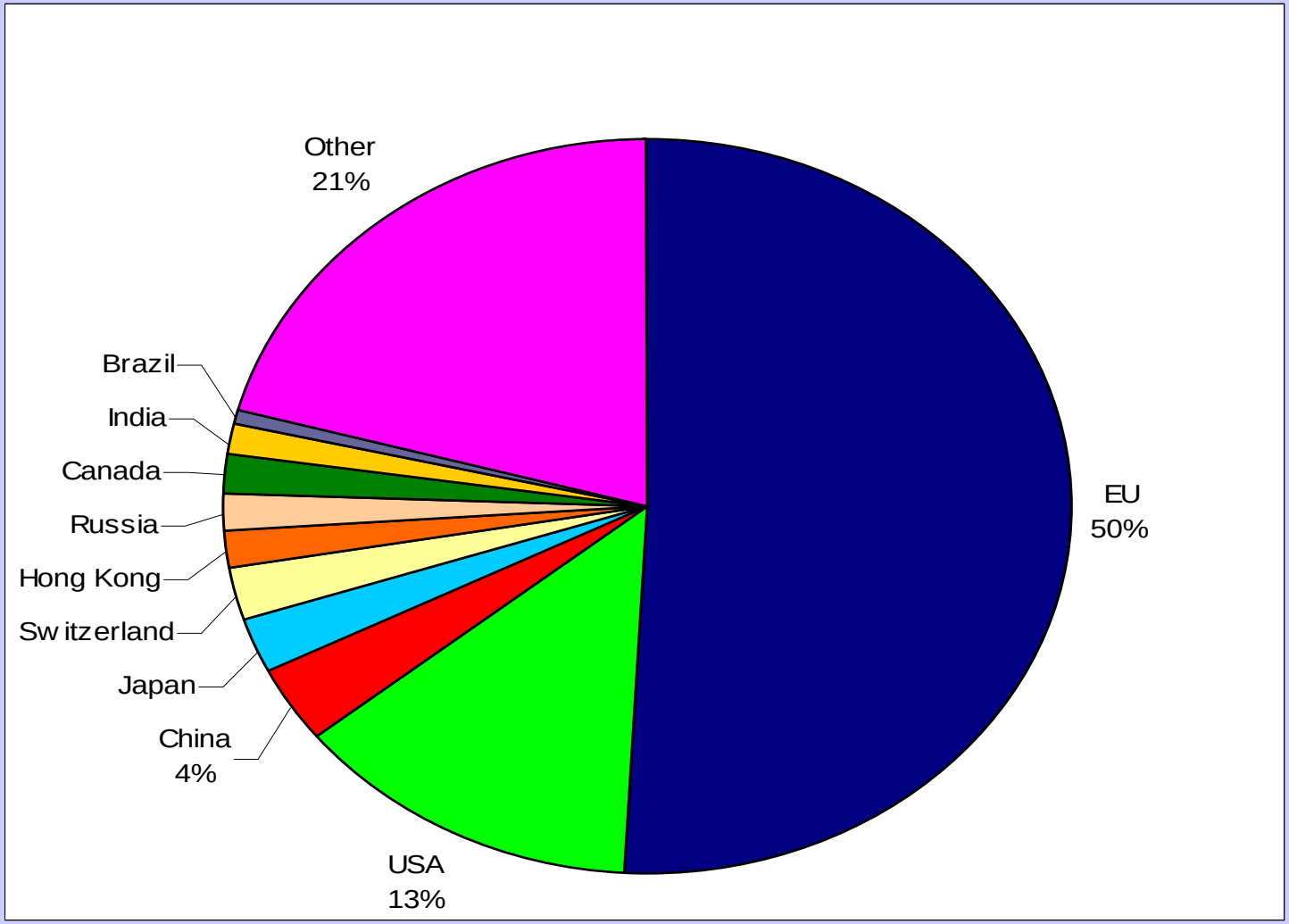
BERR | Department for Business Enterprise & Regulatory Reform

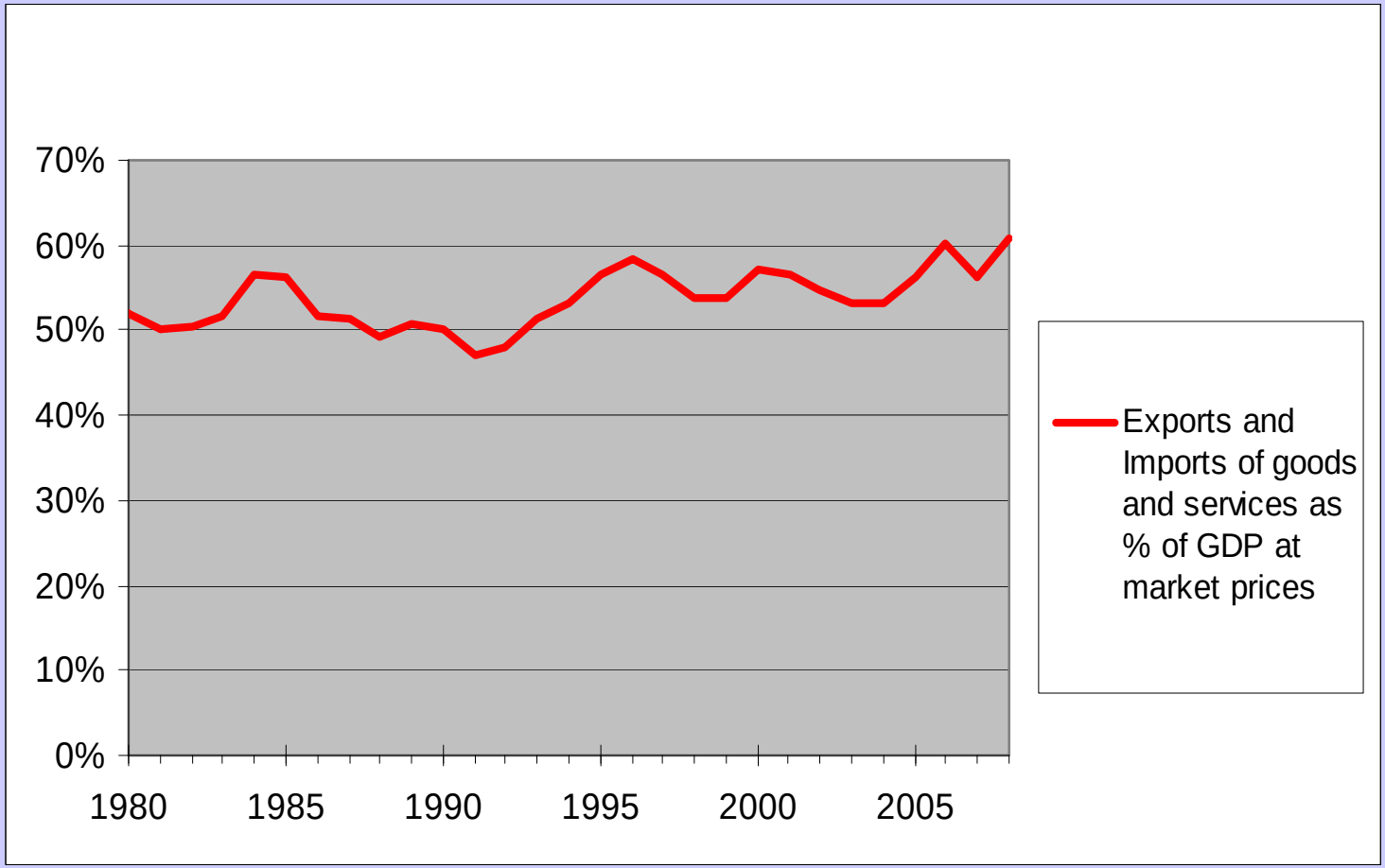
BCC Annual Convention 27 April 2009

TRADE IN THE U.K.

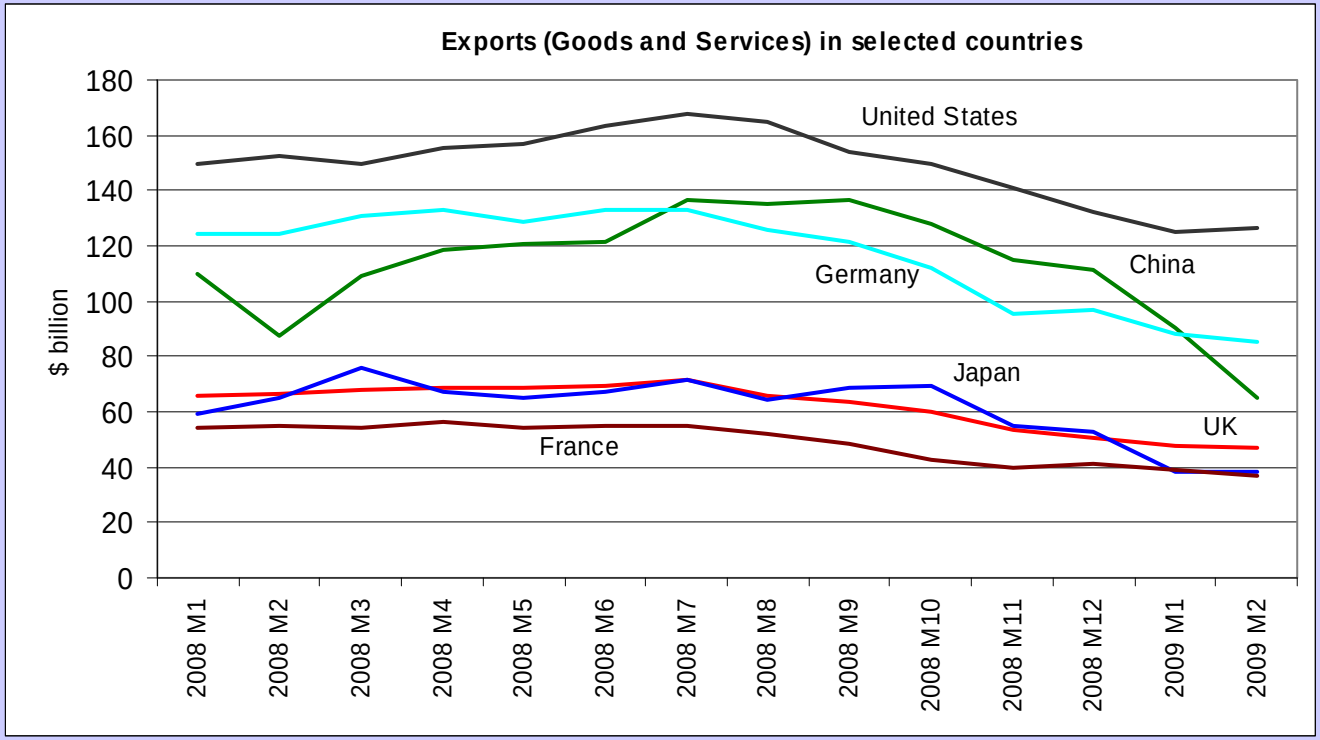
UK Trading Partners 2008
Exports, Imports, Goods and Services



UK Trade As % of GDP



Global slowdown in exports



OPENING MARKETS IN EUROPE

Why open markets matter - realised benefits of the Single Market

- **EU GDP in 2006 was 2.2% higher than it would have been without the Single Market – an average increase in benefits to consumers of €518 per person**
- **EU employment has grown by 1.4% (1992 – 2006) due to the Single Market – an extra 2.75 million jobs across Europe**
- **Average cost for setting up a business in the EU15 has fallen by over 30%**
- **If EU trade barriers are reduced by 5%, estimated productivity increase of 2%**
- **If all Lisbon targets are met, UK wealth estimated to increase by around 7% by 2025. This would benefit every UK person by over £1,500**

Business Diplomacy

- **Offering real help to business to ensure commercial opportunities in Europe remain open to British firms**
- **Supplement to SOLVIT**
- **Specialise in multi-million pound cases with complex policy and legal issues**
- **Close liaison with companies affected, working through the embassy network**

SOLVIT - Helping UK Businesses across Europe

SUCCESS STORIES

- **Assisted UK telecommunications company expand its business in Poland**
- **Assisted manufacturer of marine electronics equipment market its products in Germany without additional tests.**
- **Helped various UK companies recover VAT refunds from other member states.**

EU Services Directive

- **Will open up the internal market for services**
- **Points of Single Contact to enable users to find out what licences and authorisations they need and to apply electronically**
- **Remove restrictive legislative and administrative practices**
- **Regulators to co-operate with counterparts in other EU Countries**
- **Will come into force 27 December this year**

What it means for UK business

Point of Single Contact

- **Users must be able to:**
  - **find rules and formalities they need to comply with**
  - **complete applications electronically (submit application forms, supporting documents, fee payment)**

- **Simplify the administrative process for service providers by making all the information and support to business more readily available**

Screening

- **Identify unnecessary regulatory requirements**

- **Remove restrictions that cannot be justified**

OPENING WORLD MARKETS

Market Access

- **EU Market Access Strategy**
- **What types of Market Access Barriers can we help with?**
- **How do we tackle barriers?**
- **The needs of SMEs are of particular importance**

Cutting Border Costs for UK Business

- **Review jointly led by HMRC/BERR (SITPRO main delivery partner)**

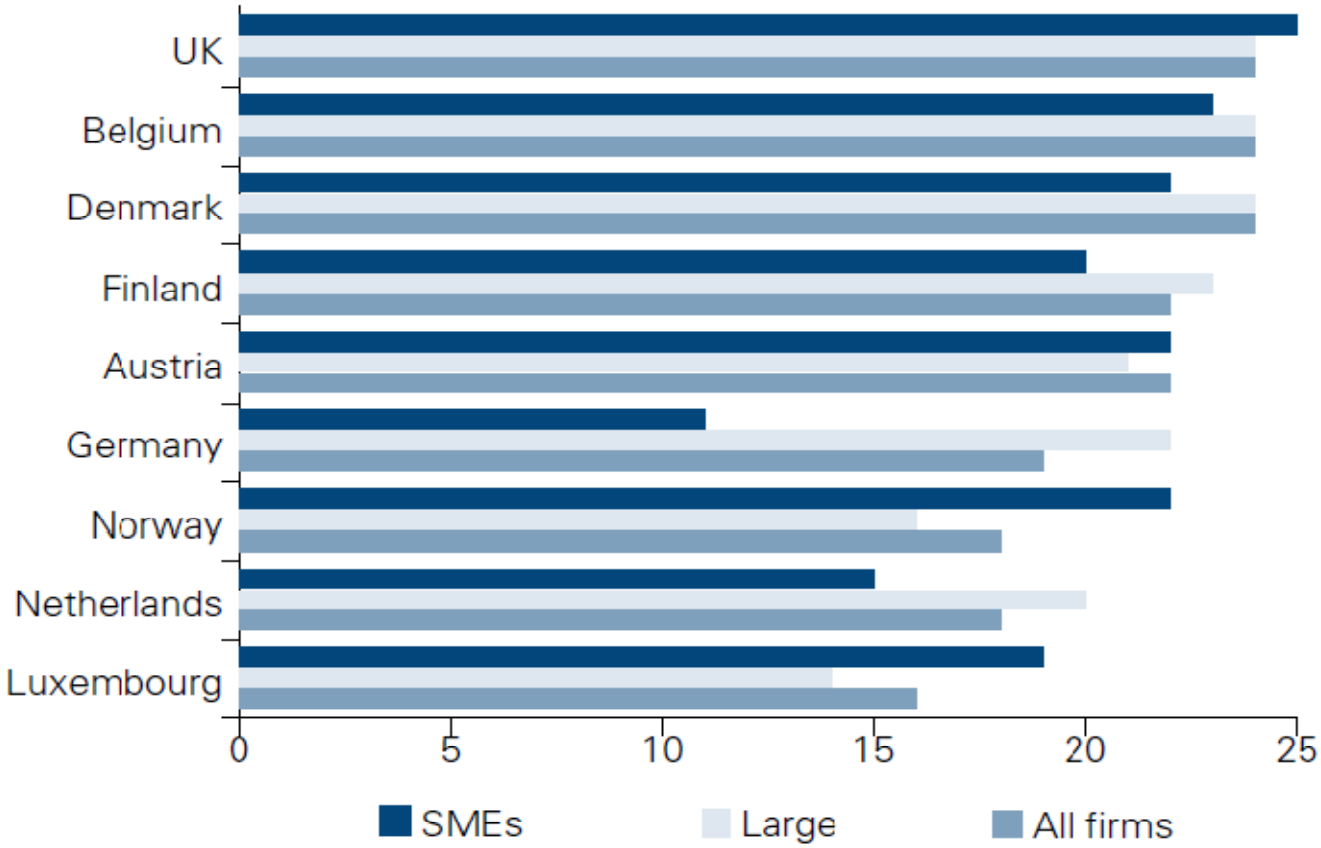
- **Objectives:**
  - **identify significant trade regulatory burdens that could be reduced or avoided altogether;**
  - **set out practical course of action to make trade with the UK easier and less costly for UK traders.**

- **Key deliverable - Action Plan to sit alongside 2009 Pre-Budget Report.**

- **Get Involved! Visit SITPRO website (www.sitpro.org.uk) for more details and to fill in consultation questionnaire.**

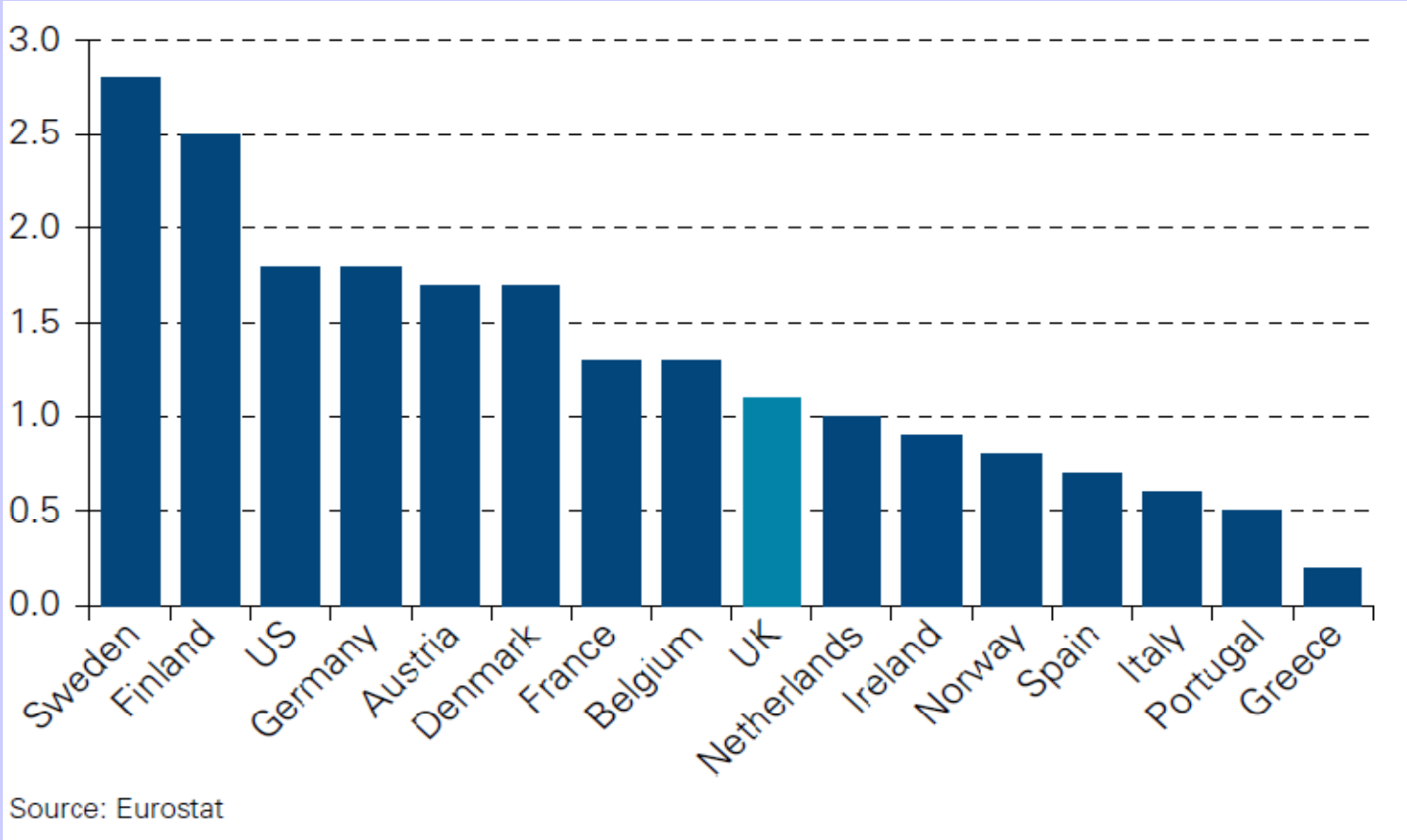
NEW ACTION FOR BUSINESS BY GOVERNMENT

Share of turnover from product innovations 2004-2006, % of total turnover



Source: Eurostat

Business expenditure on R&D as % of GDP, 2006



Budget 2009 announcements

- **Strategic Investment Fund**
  - £50m to research develop and exploit new science projects and technologies for business
  - £10m for UKTI to help UK businesses better showcase their strengths to overseas customers and markets
- **Trade Credit Insurance Top-up Scheme**
  - Provides up to £5bn of support to businesses who have suffered reductions in their level of credit insurance cover
- **Working Capital Scheme**
- **Short-term Export Finance**
- **Changes to Insolvency laws**
- **Tax Measures**

Industrial activism – what it means

Core principles

1. **Complementing the role of markets**
2. **Aligning all government policies**
3. **Horizontal policy across all sectors**
4. **Engaging in Europe and globally**
5. **Role of competition**

Support measures for the car industry (Jan 2009)

- **Guarantees to unlock loans of up to £1.3bn European Investment Bank guarantees for investment in lower carbon initiatives**
- **Loans or loan guarantees to support of up to £1bn of lending for lower carbon initiatives for non-EIB backed projects**
- **Increased funding for training of employees under 'Train to Gain'**

Industrial activism – building the future

- **Adapt and strengthen Britain's general competitiveness policies in areas like innovation, skills, finance, infrastructure and access to global markets**

- **Use its role and influence in the market in a new and more strategic way**

- **Use a new approach to targeted interventions to ensure that Britain continues to retain and develop strengths in high-value areas of global growth or rapid and fundamental technological change**

World Trade Week: 8 – 12 June 2009

- **First of its kind in the UK – Be Part of It**
  - **Showcase the UK as a champion of open markets for growth and poverty reduction**
  - **Promote the benefits of open markets and trade (jobs, economic growth)**
  - **Highlight action being taken to support open markets and trade (support for UK businesses, support to developing countries)**
  - **Encourage businesses, policy makers and local communities to make choices that facilitate world trade.**
- **Events and activities taking place across the UK and the world**
- **BCC a key partner**
- **www.berr.gov.uk/worldtradeweekuk**

WORLD TRADE WEEK UK

for jobs and growth