

Below are the questions, followed by the answers in bold italics

A Manifesto for Exporters.

The recent report by the Parliamentary B.I.S. Select Committee, entitled "Exporting out of a Recession", published on January 28th 2010 stated that UK Trade & Investment (UKTI) was "on the whole, highly adept, whose services are valued by business". There were, however some very worrying comments which are detailed below. The Sponsors' Alliance has always maintained that the current level of direct support for exporters is wholly inadequate. In the run up to the General Election, the members of the Sponsors' Alliance, which comprise around 13,000 exporting UK companies, employing 2.7 million people, would like to know what a future Liberal Democrat administration would do to address these shortcomings.

1. The report states that UKTI has "not always been successful in listening to and communicating with its customers". We believe that this is institutional within the hierarchy of UKTI – They may consult or inform but they do not listen, how would you address this issue?

We believe that UKTI needs to be more commercially focussed. Commercialisation will drive innovation as businesses will only be prepared to pay for services provided by UKTI where they add real value. We will also encourage greater use of existing industry intermediaries, such as trade associations and chambers of commerce; many already operate export-related services and undertake overseas exhibition and mission activities in conjunction with UKTI.

2. Will a future Liberal Democrat government restore and protect UKTI's budgets for its leading business schemes, and ensure that the organisation focuses more of its resources onto those core programmes which are valued and demanded by exporters?

UKTI has benefited from an extra £10m from the government's strategic investment fund, to be spread over two years, 2009-10 and 2010-11. The Select Committee reported that it felt that this money had been spent hurriedly in 2009-10, with little consultation, and this had led to inappropriate spending decisions. The committee also suggested that this money should be spent on improving the level of support within existing successful UKTI schemes, rather than inventing new ones.

In recent years many of UKTI's most successful and popular schemes, such as the Tradeshow Access Program (TAP) and Passport to Export have undergone drastic budget reductions. For example the TAP scheme has seen funding fall from around £20m to just over £8m within the past 6 years. The Sponsors' Alliance has frequently advocated that budgets for customer-facing schemes like these should be restored and protected. Evidence indicates that these schemes generate a return on investment for UK companies of between 17–28 to one.

We believe that focus is essential to ensure that the maximum benefit is obtained from UKTI's resources. UKTI is currently spread too thinly.

Concentrating on 17 high growth markets and 11 priority sectors has diluted its impact. There is also a lack of transparency over UKTI's charging structure and its cost base – this limits the ability of UKTI to determine the value for money arising from its services.

We will require UKTI to put in place a clear charging policy and will expect UKTI to become more commercial, generating income equal to 50% of its total annual expenditure on export activity. This will reduce the public funding requirement and also ensure that UKTI is properly focussed on delivering the services and support that exporters value and want.

No changes are proposed to the inward investment activities which are recognised as a valuable use of public money in attracting investment to the UK.

3. What will be a future Liberal Democrat government's strategy in relation to RDAs and UKTI's regional infrastructure?

The report also highlighted issues surrounding Regional Development Agencies (RDAs) and UKTI's regional network in the UK. Although the report indicates that there has been some improvement, RDAs and UKTI regional groups still create confusion by organising regional, rather than national groups in overseas markets and exhibitions. Another issue is the duplication in staff and resources within UKTI's regional infrastructure in England and the devolved regions. A reduction in this duplication would allow a greater investment into schemes that directly benefit UK exporters such as TAP and Passport to Export.

We will reform Regional Development Agencies (RDAs) to focus solely on economic development, removing duplication with other parts of government. We will give responsibility for economic development to Local Authorities. Where existing RDAs have strong local support, they may continue with refocused economic development objectives. Where they do not, they will be scrapped and their functions taken over by local authorities.

As part of our plans to reform RDAs, all activity to attract overseas investment and promote UK exports will be led by UK Trade & Investment. The overseas offices of RDAs will be closed. The current system is confused as UKTI competes with RDAs to attract investment, wasting taxpayers money and causing investor confusion.

RDAs (and their successor organisations) do have a role to play in promoting international trade but we do not believe that this requires a network of overseas offices. UKTI would be required to liaise with the relevant RDA where local input is needed

We do not have any plans to change the current UKTI network although clearly, as UKTI becomes more commercial, it may reassess its future needs.

The members of the Sponsors' Alliance would like to hear your party's views on the above issues; if you would like to discuss these subjects further we would be only too pleased to arrange a meeting or telephone conversation.

You can view our website at www.sponsorsalliance.net