



Driving UK Exports

**The Sponsors' Alliance
Export Briefing**

House of Lords
25 October 2017

SPONSORS'  ALLIANCE

Developing UK Trade – The Voice of Industry Sponsors

About Sponsors' Alliance

Sponsors' Alliance is an independent, national, multi-sectorial alliance of member-based, not-for-profit industry trade associations and chambers of commerce, who engage in export promotion activity. These associations provide export-related services, support and benefits to their members and non-members, and engage in activities such as organising overseas exhibition groups and overseas market visits (trade missions) in conjunction with the Department for International Trade (DIT, formerly UK Trade & Investment). Many members also work with DIT and regional organisations on sector- or regionally-based export promotion activities.

Sponsors' Alliance members work closely with the DIT on its Tradeshow Access Programme (TAP), which supports UK companies exhibiting at overseas exhibitions. Sponsors' Alliance members make up nearly half of the active Trade Challenge Partners (TCP) working with the DIT, but organised around 70% of the events in the 2016/17 TAP programme and account for around two thirds of the TAP programme budget. This programme provides huge benefit to industry and delivers vital trade promotion support, as the scheme leverages existing activities by trade organisations in order to deliver a popular and cost effective scheme at very low expense to the taxpayer.



What is TAP?

The Tradeshow Access Programme (TAP) provides grant support, given post event, to encourage SMEs to exhibit in a UK pavilion at an overseas tradeshow. The grant is between £1,500 and £2,500 and goes towards the cost of exhibiting (without staff time costs, flights, hotel accommodation and subsistence) at an overseas tradeshow.

Typically a 9sqm stand (space and construction) at an overseas show will cost between £5,000 and £8,000.



Sponsors' Alliance represents over 50 trade associations and chambers of commerce



Sponsors' Alliance has 13,000 member companies and 7000 affiliate companies



Sponsors' Alliance member companies employ one million people

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The imperative for the UK to boost exports and rebalance our significant trade deficit is well known. Government schemes that support export growth are more important now, than at any time in recent history, particularly for Small and Medium sized Enterprises (SMEs) who need help, encouragement and guidance to make the first meaningful steps towards establishing themselves in overseas markets.

For many years successive UK governments have provided financial support to industry to help in this effort. The Tradeshow Access Programme (TAP) has been the foundation of many UK companies export

drive, providing much needed financial support for those companies attending trade fairs overseas.

The UK is in a global race to drive growth, improve productivity and to put the UK back on the road to prosperity. To achieve this goal we must recognise the importance of exports and provide an environment that supports industry to take advantage of the huge opportunity presented in foreign markets for the benefit of the UK economy.

To make this happen, we need government to champion industry and look for action in three distinct areas.



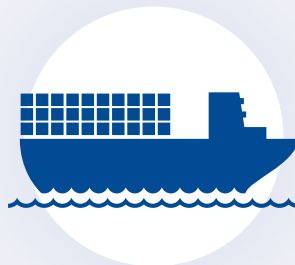
1 A commitment to keep the Tradeshow Access Programme

2 An increase in funding for the Tradeshow Access Programme, and the introduction of three year rolling budgets

3 Effective management of the Tradeshow Access Programme, and more flexible terms and conditions to allow trade associations to respond to market opportunities



Sponsors' Alliance member companies generate £70 billion turnover



Sponsors' Alliance member companies export over £37 billion a year



Sponsors' Alliance sectors export over £110 billion a year and have 26,000 active exporters

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1 A commitment to keep the Tradeshow Access Programme

Trade fairs are the prime vehicle for UK exporters to gain access to foreign markets. Recent industry surveys indicate that SMEs first meaningful steps to internationalisation happen via overseas exhibitions and that they see significant growth in their exports through their participation.

TAP funding is vital in enabling UK companies to

attend these trade shows many of whom are reliant on this financial support to allow them to exhibit, especially in emerging markets that are geographically distant, more complex to engage with and therefore more costly. Recognising the importance and value to industry that grant funding provides is essential in delivering an export friendly environment for UK industry.

Sponsors' Alliance recommends:

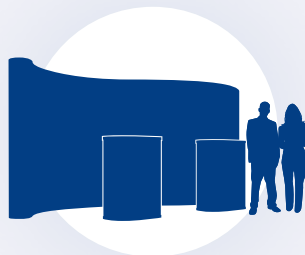
A firm commitment to keep the Tradeshow Access Programme for the duration of parliament

Continued use of accredited Trade Challenge Partners as the mechanism of delivery for TAP

Prioritisation of TAP budgets above new and existing government services that support trade promotion by establishing a three year TAP budget and to ensure that there are no in-year cuts

Increased flexibility for Trade Challenge Partners to decide on how to deliver TAP funding and associated services for industry

The Department for International Trade scheme to support exporters at overseas exhibitions (TAP)...



...gives the best exposure to market for new and existing companies



...gives a return to the UK of between £30 and over £100 for every £1 of support given

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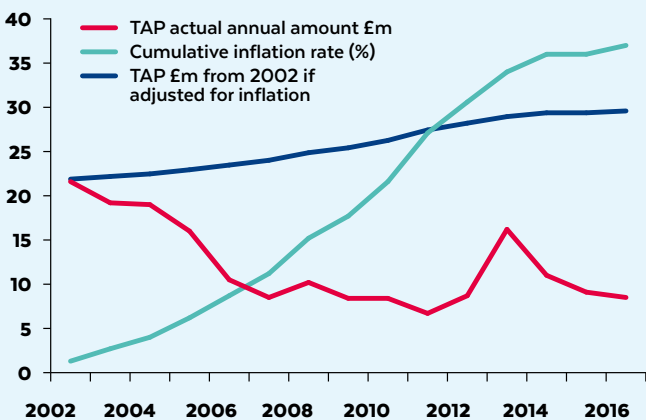
An increase in funding for the Tradeshow Access Programme

Grant funding aimed at supporting SMEs to attend trade fairs has been a central part of many UK governments' strategies for export support for years. However, this funding has seen huge variations over the years, as shown in the graph below.

In stark contrast many successful exporting nations have invested significantly in their equivalent schemes as

part of their national growth strategy with much success.

This erosion of TAP has had a significant detrimental impact on the ability of UK SMEs to access and grow in overseas markets and is not servicing industry's needs adequately. Current government funding levels and dithering are putting UK participation at trade shows at risk and limiting their effectiveness.



Sponsors' Alliance recommends:

Establishing the TAP budget at £30 million p.a.

A commitment to the TAP budget rising in line with inflation each year

A commitment that the TAP budget will not reduce within this parliament



...immerses the company in the market, giving them more market information than any other route



...is one of the poorest supported schemes compared to our international competitors

UK groups at overseas tradeshows are organised by not-for-profit third sector organisations (trade associations, chambers of commerce, etc.) and offer companies market and sector expertise to help them achieve the best outcomes

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3 Effective management of the Tradeshow Access Programme and increased flexibility for its uses

To ensure that funding is deployed effectively, efficiently and with maximum benefit to industry it is critical that there is earlier commitment by government to funding from year to year and to greater flexibility of its uses.

Sponsors' Alliance recommends:

Earlier planning for trade fairs and longer term commitment to funding levels from Government

Greater flexibility for the uses for TAP funding by recipients

More flexibility for TCPs to decide on activity to be supported by TAP

Involvement of TCPs to act as expert advisors, where appropriate, within industry sectors



Visitors to TCP organised pavilion at ANUGA



TCP-organised pavilion at SAIL



Former Sec of state, Rt Hon Andrea Leadsom, MP, visiting UK exhibitors at a TCP organised pavilion

Sponsors' Alliance is pleased to acknowledge:

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“TAP funding was incredibly important. It is the first time that Manuli Hydraulics has come to the Indian market. The tap fund has provided a great amount of support, allows us to be here, explore the opportunities and test what’s available for the future.”

Richard Billington
Manuli Hydraulics

“We come on the UK pavilion, (because) people find it very easy to find us, it also gives us creditability to be on the UK pavilion and we’re very grateful for the support that GAMBICA give to us in arranging it and making life quite easy whilst we’re here during the show.”

Ian John, MD
Lorne Laboratories
at Medlab 2017

“It’s been an absolutely fantastic couple of days for us, we’ve met some great dealerships and great businesses as well. We probably wouldn’t be here without that funding, it’s imperative to stimulate growth for us as business internationally, so thanks very much to UK TAG.”

Nathan Hughes Addfield
on exhibiting at the Ukraine
Agroshow with UK TAG

“We would certainly come back and do this again, our exports have grown as a result of this”.

Mark Reid
MD, Pro-Lab Diagnostics
on exhibiting at Medlab 2016

“This is our third time exhibiting at MEE (2017) we are starting to have some direct business with the region but without the TAP funding and certainly without the support from BEAMA it would be unlikely that a small independent UK company like ours would attend.”

Jill Fearon
Key Account Manager
at Mettex

“Much easier to do it with the EIC and they basically get everything organised for you, you turn up on the stand and see your customers, which is brilliant.”

Jan Ward, CFO Corrotherm

“They put things together, they give you a lot of information, they make you feel you are part of a family. You’re not standing alone here.”

Yaseen Jaffer, CEO
Proclad

“We have come to Plastivision 2017 this year with the BPF. A huge driver for that was the grant money that was available, I don’t think we would have come to show without it”.

Chris Wright, MD
Astropol and Colourpol

“I have so much very, very positive feedback from the show and I got so much attention as well. I think this is a great help for my brand and for my business. I believe there are many young entrepreneurs in England who want an International exporting business but they also need the help to start. This was a great help.”

Mr Pong Guo
Pongguo Brand
at the Micam trade show
with help from the British
Footwear Association and
the TAP grant funding

“It’s a big expense to come out to the Middle East and exhibit here, but the TAP funding from the UKTI (DIT) just gave us the momentum to get past those barriers that would be in place for a small company.”

Paul Turner
Engineering Director at
Imtex Controls Ltd.

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