

Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

1st March 2023

Dear Chancellor,

I am writing to you on behalf of the members of the Institute of Export & International Trade (IOE&IT), the leading professional membership body for international trade, founded in 1935.

We represent and support the interests of those involved in importing, exporting and international trade, and know that businesses which trade internationally are more resilient, sustainable, innovative, employ more people and are more profitable.

We welcome the opportunity to submit our thoughts in advance of your Spring Budget on 15th March 2023 and would encourage you to give consideration to three core issues.

UK exports

Exports are essential to UK economic growth and IOE&IT recognises the importance of equipping business with the practical tools necessary to begin and continue their exporting journeys. During these difficult economic times, it is important that the UK invests in sectors where we have the greatest chance to be competitive.

As reflected in recent ONS statistics, UK services exports reached a record high of almost £400bn in 2022 and the UK is the second largest services exporter in the world. It is vital that the UK government capitalises on this competitive advantage and ensures that the UK remains an environment where creative services and R&D are actively encouraged. These are key sectors which must continue to develop if the UK's lead in services is to be maintained and we would urge you to continue to make this a priority.

Fiscal incentives are also vital in order to help more businesses acquire the skills, tools and services to trade internationally and we ask that short-term fiscal incentives are considered for small businesses in order to stimulate growth which will then provide a return on investment in the medium-term.

Smaller businesses

Micro, small and medium sized businesses (MSMEs) present a vast source of untapped economic potential and more active government support is needed. MSMEs are often inhibited from starting their exporting journey due to insufficient skills and funding. IOE&IT has repeatedly called for a cross-department MSME taskforce to clearly identify and address these challenges.

The IOE&IT welcomes the recent merger of BEIS and DIT to form the Department for Business and Trade and believe this is an opportune moment to create a taskforce to consider how MSME exporters can be better supported to ensure their role in UK growth is fully realised.

Levelling Up through trade

We recognise the importance of the government's Levelling Up agenda, particularly at a time when our data illustrates the disparities in exporter numbers between the nations and regions of the UK, and when the number of businesses involved in exporting is falling nationally.

For example, the North East of England has the lowest number of exporters with only 1,640 (Q3, 2022) compared with London which has 13,345 for the same period. This is made starker when considering the next lowest-performing region, Yorkshire and The Humber, had 5,760 exporters during this time.

We therefore ask that specific consideration be given to policy which might enable trade agreements and broader trade policy mechanisms to be tailored to support Levelling Up in those nations and regions most struggling to export. This ties into the wider need for trade deals to fully integrate government and regulatory systems, predicated on data sharing agreements.

I would be delighted to discuss these issues with you further at your convenience.

Yours sincerely,



Marco Forgione
Director General
Institute of Export & International Trade