



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

02 November 2023

Dear Rt Hon Jeremy Hunt MP,

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 Autumn Statement on 22nd November. In order to ensure that more British businesses trade overseas, and subsequently to bring prosperity to communities across the UK, support and guidance is needed to navigate what is set to be a pivotal period in trade history. Our latest analysis at the Institute finds that over 20 major policy changes will impact British firms who trade internationally between now and the end of 2024. From the Border Target Operating Model (BTOM) to the Windsor Framework, there is need for clarity and certainty from government to help businesses plan effectively.

Business Growth Plan

At a time of global political and economic instability we believe now, more than ever, it is a crucial time for the government to have a clear import strategy linked to the export strategy in support of a comprehensive long-term plan for business growth. A clearly defined plan for business growth will give domestic and foreign businesses the confidence to make long-term investment decisions in the UK which will directly benefit the wider economy, driving innovation and creating jobs.

To ensure a steady and reliable supply chain, it is vital that we develop a coherent import strategy. This should encompass the diversification of sources for critical raw materials, components, and finished goods. By identifying key industries which are heavily reliant on imports, it is possible to work towards creating targeted policies and incentives to encourage domestic production or identify alternative sources.

E-Commerce Platforms

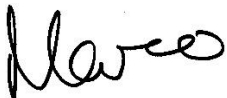
Secondly, we need to encourage more Micro-, Small and Medium Enterprises (MSMEs) to use e-commerce platforms to trade internationally. We are making progress here, with the launch of the E-Commerce Trade Commission, bringing together some of the world's largest e-commerce platforms and offering advice to the Department for Business and Trade. A report by the Social Market Foundation last year found that supporting 70,000 more small businesses to export could boost the UK economy by £9.3bn. With such potential benefits to the economy, more education and training is needed to guide small businesses to understand how to use these platforms in order to access new markets and government financial support for these education and training opportunities would be well placed to reap national economic benefit further down the line.

Skills Agenda

Finally, finding ways to plug the UK's skills gap is imperative in order to ensure the future flourishing of UK businesses and to enhance their export potential. Reforming the apprenticeship model, and the associated levy structure, is a key way in which to address the skills gap. Revising funding models in order to allow small businesses, in particular, easier access to take on apprentices is fundamental. Implementing funding streams by which sectoral advisers can be engaged, who can personally train apprentices within a business, will be particularly helpful for smaller businesses which may not have the time to perform the training themselves. The success of apprenticeships can only happen when they are prioritised as part of wider lifelong learning and up-skilling pathways.

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

Yours sincerely,



Marco Forgione
Director General