

ECGD SUPPORT FOR HYDROPOWER EXPORTS

This note explains how ECGD (the Export Credits Guarantee Department) may be able to assist hydropower companies looking to export capital goods and/or services overseas or wishing to invest abroad. Exporting is a risky business and you may be faced with the following:

- buyers requiring extended credit terms of payment
- uncertainty as to whether they will be paid
- the commercial market being unable to meet their needs

ECGD can help address these problems. We are a Government Department whose aim is to help UK exporters of capital equipment and project-related goods and services win business. We provide:

- **Insurance** to UK exporters against non-payment by their overseas buyers
- **Guarantees** to banks for loans that facilitate the provision of finance to buyers of goods and services from UK companies
- **Political risk insurance** to UK investors in overseas markets

In providing its services, ECGD seeks to complement and not compete with the private market. Its objectives are set by our Ministers which include the requirements that the operations are run on a break-even basis and that ECGD charges a risk-based premium (minimum risk standards are applied; transactions that falls below this standard cannot normally be supported).

Some companies may have dealt with ECGD in the past and may not be aware of recent changes that have improved our support for renewables:

- a **minimum** tranche of cover of £50m per year has been set aside to support renewable exports
- the foreign content rules have been relaxed so that cover is available for up to 80% of goods and services that are sourced outside the UK but form part of the UK exporter's contract
- within the foreign content element of the contract, support for local costs of up to 30% can be supported
- depending on the rating and size of the contract, buyers could benefit from up to 15 years credit; and
- support can be considered for contract values as low as £25,000 to hundreds of million pounds

If your members are interested then they should call or email:

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More details on ECGD and its products can be found on our website: www.ecgd.gov.uk

