

NEWS RELEASE

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EXPORTERS REMAIN CONFIDENT DESPITE FALLING EXPECTATIONS AFTER EU REFERENDUM

The number of small to medium-sized exporters that expect to continue growing their overseas sales has fallen following the EU Referendum, according to the latest Business in Britain report from Lloyds Bank.

However, the report shows that overall prospects are still positive and export experiences over the last six months have improved, with the US and Canada the areas that businesses believe will be most attractive to trade with going forward.

The results showed:

- A net balance of plus 20 per cent of exporters (33 per cent in January 2016) now expect their total overseas sales to increase in the next six months
- A net balance of 11 per cent (19 per cent in January 2016) of businesses expect exports to Europe to improve during the next six months
- Whilst, 18 per cent (35 per cent in January 2016) expect their competitiveness overseas to improve

The Business in Britain report, now in its 24th year, gathers the views of 1,500 UK companies, predominantly small to medium sized businesses, tracking opinion on a range of important performance and confidence measures.

However, the report also found that businesses' falling expectations are in contrast with their experiences in the first six months of the year, when the number of UK businesses that did export rose to 44 per cent – up from 37 per cent.

Those that were already exporting also sold more goods overseas, with 43 per cent of sales coming from exports in the first six months of the year, compared with 37 per cent in the last six months of 2015.

Adrian Walker, managing director, head of global transaction banking at Lloyds Bank, said: “Although overall expectations for the next six months are less optimistic than they were at the start of the year, overall businesses remain positive about the months ahead.

“There has been a decline in the number of firms that expect exports to grow over the next six months, compared to January, but more businesses still expect exports to grow than to contract.

“Considering the uncertainty that has been caused by the outcome of the EU Referendum, the fact that so many businesses have not been put off by the economic and political uncertainty over the summer is encouraging.

“However, when you consider their performance in the early half of this year, it's not entirely surprising.

“More businesses are now choosing to export, and those that do are selling more of their goods and services overseas, showing that there are opportunities out there for those who choose to pursue them.”

Trade opportunities

The report found that four in 10 exporters (41 per cent) said that their overseas sales had improved in the past six months, compared with just 17 per cent whose foreign sales had decreased.

Looking forward, businesses now expect exports to the US and Canada to improve most during the next six months, with a net balance of 17 per cent of firms expecting sales to north America to increase, compared with a balance of 11 per cent that expect sales to Europe to improve.

In contrast, more than two thirds (68 per cent) of businesses that would like to start exporting want to begin selling to Western Europe, with 42 per cent wanting to target the US or Canada.

Walker added: “Although there is uncertainty ahead, the fall in the price of the pound since July has made a lot of British exports more attractive overseas. Starting to export may still be daunting, but with the right support and with the right partners alongside them, businesses can continue to prosper on an international stage.

“The fact that almost half of businesses are now exporting is hugely positive, and businesses should continue to think about their future trading plans as negotiations to leave the EU develop.

“That is where working with experienced partners can be invaluable and at Lloyds Bank, we are committed to supporting even more companies to take that first step.

“That’s why we were the first British bank to form a strategic partnership with the Department for International Trade to provide support and intelligence to our customers, and it’s why we have committed to help 5,000 businesses export for the first time, each and every year from now until 2020, as part of our SME Charter.”

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Notes to editors

- You can download the full report from Lloydsbank.com/businessinbritain
- Search on Twitter for #Bizinbritain
- The Business in Britain report, now in its 24th year, gathers the views of 1,500 UK companies, predominantly small to medium sized businesses, and tracks the overall “balance” of opinion on a range of important performance and confidence measures,

weighing up the percentage of firms that are positive in outlook against those that are negative.

- Responses from 1500 firms were collated in July 2016 by BDRG Continental.
 - 58 per cent of the responses came from businesses with an annual turnover below £10 million
 - 8 per cent of the responses came from businesses with an annual turnover between £10m and under £15million
 - 36 per cent of the responses came from businesses with an annual turnover of over £15 million
- Lloyds Banking Group wants to help people in Britain tackle some of the issues they're facing – such as getting on the housing ladder, finding a job or growing a business. That is why we have launched the [Helping Britain Prosper Plan](#) which demonstrates our commitment to our communities. For business that means helping UK business to start-up, scale-up and trade internationally to support the long-term strength of the economy.

Lloyds Bank Commercial Banking provides comprehensive expert financial services to businesses of all sizes, from start-ups and small businesses to mid-sized businesses and multinational corporations. Maintaining a network of relationship teams across the UK, as well as internationally, Lloyds Bank Commercial Banking delivers the mix of local understanding and global expertise necessary to provide long-term support to its clients.

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