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SMEs CALL FOR MORE SUPPORT AS THEY EYE GROWTH BEYOND BRITAIN'S BORDERS

*****73% of would-be exporters feel held back by a lack of international business experience and knowledge*****

*****As a result, less than half of future exporters (45%) factor overseas trade into the growth of their business *****

*****Post-Brexit, government, businesses and banks need to step up to help SMEs thrive*****

Small businesses in Britain are calling out for more effective support to achieve their international trade ambitions, with nearly three quarters (73%) of would-be exporters held back by a lack of international business experience and knowledge.

This is according to a new report from HSBC, *Exporting for Growth: the SME Perspective*. Over 1000 UK SMEs, some already exporting and some planning to start, shared their experiences, views and concerns about Britain's exporting landscape following the referendum result.

Many of those considering exporting feel a limited understanding of local markets (68%) and a mire of complicated regulation in the destination market (63%) is stopping them from taking their products and services overseas. As a result, fewer than half (45%) of SMEs not exporting think overseas trade will be important to the growth of their business.

Mark Emmerson, HSBC Head of Global Trade and Receivables Finance UK, said:

“Britain is full of dynamic entrepreneurs who want to look beyond their own borders but amid Brexit uncertainty, they're struggling to see how it can be done. What's more, they often feel the resources they need can be hard to find. Encouraging exports is a win-win for the British economy and its small businesses, so we must work together to help support SMEs take their businesses global. In fact, there is a clear need for both government, banks and businesses to do more to give SMEs the bespoke support they need to flourish globally.”

Based on the findings of *Exporting for Growth: The SME Perspective*, HSBC has identified three areas for government, business and the financial sector to consider in order to encourage more SMEs to take their business global.

First, cut through the complexity for small businesses by offering a more tailored, user-friendly hub of services. 93% of would-be exporters surveyed know that help is available to them from government bodies such as the Department for International Trade, for example, but only just over half (54%) are actually engaging with those services, and find the range and volume of services available baffling. For example, more tailored, on-the-ground support from government and agencies would encourage 64% of SMEs who are thinking about exporting to get started.

Second, give exporters a voice in trade negotiations. As the lines for international trade are redrawn in the coming years, 58% of exporters are concerned about potential tariff increases amid worries the UK will struggle to negotiate trade deals. In addition, they are almost as concerned with non-tariff barriers such as legal and regulatory requirements (53%) and customs co-operation (48%). A lack of experience within the UK in trade negotiating free-trade agreements is a worry for 60% of exporting SMEs, and 55% fear delays in the UK reaching new trade deals. To allay these fears, policymakers would benefit from setting up and taking counsel from an advisory group of SME exporters. They can help advise on how to tailor trading arrangements to get the best for their businesses.

Finally, renew efforts by banks, business groups and support services to share best practice. Almost three quarters of future exporters (71%) surveyed said that having the opportunity to learn from businesses currently exporting would encourage them to do so.

By contrast among those businesses already exporting, 73% recognise how important international trade has been for business growth. Over a fifth (22%) say that more than half of their revenue is generated by exports. Their concerns lie not with their ability and skills to succeed, but focus instead on the business environment they are working in.

David Lockwood, Managing Director of Neal's Yard Dairy, said: "When we first started exporting, we would have been lost without the guidance of other businesses. While we learnt a lot of valuable lessons along the way, they gave us the confidence and knowledge we needed to get started. Now, exporting makes up 40% of our business. There's a huge amount of information and expertise available from a huge range of sources, so collaboration is essential – particularly among the exporting community."

Mr Emmerson, continued: "Perception is often worse than reality when it comes to exporting. In our experience, once they take that first step, many SMEs find that it isn't as difficult as they had feared. What's needed is reassurance and guidance through those early days. It is therefore vital that those already there offer a hand with crucial support, experience and advice.

"That said, collaboration is a necessity. It's important to make sure policy makers also have access to the insight and experience that SMEs have, so they're informed as can be when they begin trade negotiations. We are all already united by a shared goal - to ensure British exports flourish – so it's time to work together and step up our exporting game."

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