



HOUSE OF LORDS

SELECT COMMITTEE ON SME EXPORTS

Call for Evidence

Deadline: Friday 14 September 2012

Small and Medium-Sized Enterprises are central to the UK economy, providing nearly 60% of private sector employment. Exports provide important opportunities for SMEs to grow. A new ad hoc Committee, chaired by Lord Cope of Berkeley, has been established by the House of Lords to examine what the Government is doing to assist and promote SME exports.

In May 2011, UK Trade and Investment, the Government export promotion body, unveiled their strategy.¹ They stated that “succeeding in international markets” is essential to “rebuilding the economy at home in a balanced and sustainable way”. One year on, it is timely to assess the progress of UKTI and other Government bodies in promoting SME exports.

We are seeking answers, particularly from SMEs, to the questions below and any related matters. The submissions we receive will guide the Committee’s deliberations in oral evidence sessions which will take place later in the year and also inform the Committee’s final conclusions and recommendations when it reports in February 2013.

Are you an SME export success story?

The Committee want to understand why some SMEs have succeeded in exporting, why others have been less successful and why some have chosen not to sell overseas at all. We are, therefore, very interested to hear from individual SMEs which are able to provide an example of any of these situations.

The Committee

The Committee members bring years of business and political experience to the inquiry. A brief biography of each member of the Committee is set out at the end of this Call for Evidence.

¹ UKTI (2011) *Britain Open for Business: growth through international trade and investment*

Questions

The Committee invites submissions on the following points and related issues (please provide practical examples and evidence to support the points that you make where possible and please also specify whether you are talking about SMEs in general, or micro, small or medium sized enterprises in particular). **Submissions need not cover all the points listed below.**

Current export market

1. What contribution do SMEs currently make to the export market (in products and services) and in which countries and sectors (both directly and through the supply chain to larger companies)?
2. What contribution could SMEs potentially make both now and in the future, and within which markets and countries?
3. How does the UK's SME export performance compare to those in competitor countries? What can the UK learn from their successes?

Internationalisation of SMEs

4. What are the characteristics of successfully exporting SMEs? How do they differ from SMEs that are not exporting?
5. What are the perceived and real risks and opportunities to SMEs of exporting?
6. What steps should SMEs that want to export take to prepare themselves to do so? What role should Government play in supporting them?

Barriers and market failures

7. What are the key barriers and market failures (including regulatory, financial, operational, and other barriers) that inhibit SMEs from beginning to export or to increase their export efforts? How does this compare to the barriers experienced by larger companies? For example, how significant are foreign languages and customs as barriers to SMEs exporting? How can Government help SMEs overcome the barriers and market failures?

Incentives

8. What are the key factors to encouraging SMEs:
 - a) which already export, to sell more overseas; or
 - b) which do not currently export, to start doing so?

For example, how have developments in information technology influenced the performance of SMEs and their capacity to compete internationally for trade and investment?

Government Actions

9. How effective are the Government's current policy mechanisms in supporting SMEs to export at the UK and EU level? What are the most effective, what are the least effective mechanisms and when might they act as a barrier to exporting?
10. What more should Government be doing to assist or promote the export of products and services by SMEs through different departments and agencies? Are the Government able to provide adequate local intelligence to assist SMEs in understanding foreign markets?
11. How should Government act and behave with regard to SME exports?
11. Should the Government target specific sectors, markets or types of companies where the potential is thought to be greatest? What are the costs and benefits of such an approach?
12. Is there sufficient co-ordination of actions and awareness across Government and other bodies? How should other bodies be acting?

Written submissions should be provided to the Committee as a Microsoft Word document and sent by e-mail to hlsmeexcom@parliament.uk. Please do not submit PDFs (if you do not have access to Microsoft Word you may submit in another editable electronic form). If you do not have access to a computer you may submit a paper copy to Christine Salmon Percival, Clerk, Select Committee on SME Exports, Committee Office, House of Lords, London SW1A 0PW, fax 020 7219 4931. The deadline for written evidence is **14 September 2012**.

Short, concise submissions, of no more than six pages, are preferred. A longer submission should include a one-page summary. Paragraphs should be numbered. Submissions should be dated, with a note of the author's name, and of whether the author is acting on an individual or corporate basis. All submissions will be acknowledged promptly.

Personal contact details supplied to the Committee will be removed from submissions before publication but will be retained by the Committee staff for specific purposes relating to the Committee's work, such as seeking additional information.

Submissions become the property of the Committee which will decide whether to accept them as evidence. Evidence may be published by the Committee at any stage. It will normally appear on the Committee's website and will be deposited in the Parliamentary Archives. Once you have received acknowledgement that your submission has been accepted as evidence, you may publicise or publish it yourself, but in doing so you must indicate that it was prepared for the Committee. If you publish your evidence separately, you should be aware that you will be legally responsible for its content.

You should be careful not to comment on individual cases currently before a court of law, or matters in respect of which court proceedings are imminent. If you anticipate such issues arising, you should discuss with the Clerk of the Committee how this might affect your submission.

Certain individuals and organisations may be invited to appear in person before the Committee to give oral evidence. Oral evidence is usually given in public at Westminster

and broadcast in audio and online. Persons invited to give oral evidence will be notified separately of the procedure to be followed and the topics likely to be discussed.

Substantive communications to the Committee about the inquiry should be addressed through the Clerk or the Chairman of the Committee, whether or not they are intended to constitute formal evidence to the Committee.

This is a public call for evidence. Please bring it to the attention of other groups and individuals who may not have received a copy direct.

You may follow the progress of the inquiry at:

<http://www.parliament.uk/business/committees/committees-a-z/lords-select/small-medium-enterprises-committee/>

Members' biographies

[Baroness Cohen of Pimlico](#)

Baroness Cohen spent 13 years working at the Department of Trade & Industry and was heavily involved in the reconstructing of the British steel industry. She spent 20 years as a Director of a small merchant bank and has been a Director of the London Stock Exchange since 2001 with a special interest in the Alternative Investment Market.

[Lord Cope of Berkeley](#) (Chairman)

Support for small businesses has been a recurring theme throughout Lord Cope's career as a Chartered Accountant and politician. As an MP he helped to set up the Small Business Bureau which originated the Government Loan Guarantee Scheme. He was Minister of State for Small Firms in Margaret Thatcher's Government. He later served under John Major as Paymaster General at the Treasury, where he helped introduce simpler VAT schemes for smaller enterprises.

[Baroness Drake](#)

Baroness Drake worked for 25 years in the ICT sector, giving her a good understanding of the importance to SMEs of access to and deployment of technology when competing in overseas markets. She campaigned vigorously to change government policy on the delivery of fast Broadband on a UK-wide basis, seeing this as vital to SMEs to enhance their capacity to compete internationally. As a board member for 6 years of the Sector Skills Development Agency, she addressed at both the national and sector level issues relating to skills shortages and productivity challenges, paying particular attention to SMEs and their position in supply chains.

[Lord Empey](#)

Lord Empey has served in the Northern Ireland Assembly as Minister for Enterprise, Trade and Investment and as Minister for Employment and Learning in Northern Ireland. He is currently Vice President of the Institute of Export, and has a strong business background having worked for Goodyear Industrial Rubber Products, House of Fraser and his own retailing business.

[Lord Grade of Yarmouth](#)

Media and business have dominated the working life of Lord Grade, who feels that salesmanship is an essential part of business growth, both in the UK and abroad. Exporting UK produced content has always been a part of his career in broadcasting, which includes time in charge of the BBC, ITV and Channel 4. Lord Grade has a wide range of business interests, including listed companies, private equity buy-outs and some smaller start up companies.

[Lord Haskel](#)

Lord Haskel spent 30 years working in the textile industry, building a business based on technical textiles and learning French and Spanish in order to sell products and technology to many countries. He was Chair of the Labour Party Finance and Industry Group and served as opposition spokesperson on trade and industry.

[Lord Haskins](#)

Lord Haskins is the Director of two large farms in Yorkshire, and spent 40 years developing Northern Foods, one of the largest food manufacturers in the UK, from a small north of England-based dairy into a giant food conglomerate.

[Baroness Kramer](#)

For most of Baroness Kramer's career she has worked in the banking sector, working with commercial companies in America where she was Vice-President of Citibank in Chicago. She later advised on infrastructure projects in Central and Eastern Europe. During time as an MP, Baroness Kramer served as Shadow Secretary of State for Trade and Industry for the Liberal Democrats.

[Lord Mawson](#)

Founder of the Bromley-by-Bow Centre in East London, Lord Mawson is a social entrepreneur whose work focuses on development and entrepreneurship. He is an advocate of enterprise, innovation and community.

[Lord Popat](#)

Lord Popat practiced accountancy before specialising in business and corporate finance. He diversified into the healthcare and hospitality sectors, securing a master franchise with Holiday Inn.

[Lord Storey](#)

Lord Storey is a working Headteacher of a large inner-city primary school renowned for its enterprise education. He has been Leader of Liverpool City Council and Lord Mayor, during which time he oversaw the regeneration of Liverpool, and he champions city regions to be the power-houses of economic growth and development.