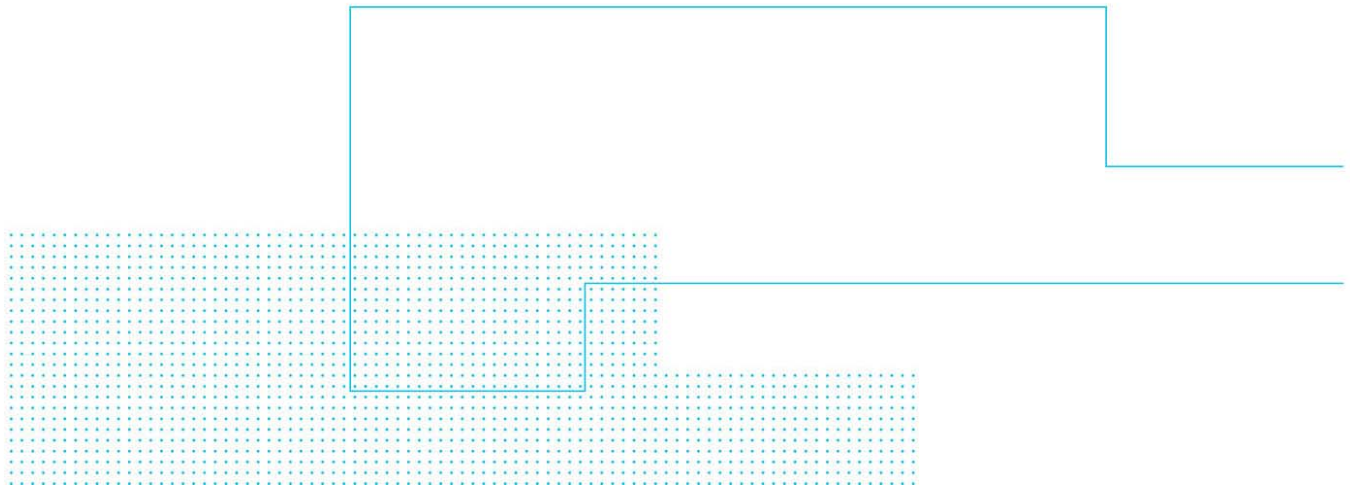


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Ben Llewellyn

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date

18/11/2005

your ref

our ref

SBAC-COM-DOC-05-
1407 (1.0)

Dear Mr Llewellyn

Re: SBAC response to ECGD's interim response on changes to anti-bribery and corruption procedures introduced in December 2004

SBAC is the national trade association representing over 2,500 companies throughout the UK, supplying the civil air transport, aerospace defence, homeland security and space markets operating in the UK economy. SBAC members make up many of ECGD's customers. The interdependency of the aerospace supply chain is such that factors which affect the ability of prime contractors to access export credits, impact the competitiveness of UK industry and the entire supply chain. This is demonstrated by the fact that 70 per cent of aerospace SMEs supply equipment to larger companies within the UK.

The ability of UK companies to access ECGD's services has a considerable bearing on the international competitiveness of the aerospace sector. It is therefore important to get the process on procedures to deter bribery and corruption right. SBAC welcomes the opportunity to comment on ECGD's interim response and has been working closely with the CBI to develop a detailed submission. SBAC fully endorses the detailed views set out in the CBI response.

SBAC would however, like to take this opportunity to emphasise the significance of the issues at stake. UK companies are world leaders in combating bribery and corruption and are totally committed to compliance with UK law which contains the most stringent anti-bribery and corruption legislation in the world. Compliance at this level is unmatched in competitor countries where export credits are provided. In addition to this SBAC members have stringent internal procedures designed to deter bribery and corruption.

SBAC supports ECGD's aims as stated in the Regulatory Impact Assessment, *'to ensure that, as far as practicable, ECGD's anti-bribery and corruption procedures remain robust while not placing an undue burden on industry'*. SBAC is convinced

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that the detailed proposals set out in the CBI's submission will assist ECGD in achieving this balance.

The interim statement by ECGD is a step forward in achieving this balance, but there remain detailed concerns and there is still some way to proceed before the right balance is struck. SBAC is convinced that the CBI submission contains solutions that are workable and compatible with all of ECGD's aims and would urge them to respond positively to the proposals put forward.

We look forward to reviewing ECGD's response to this consultation. Please do not hesitate to contact me if you have any questions or would like to discuss this further.

Yours sincerely



Dr Sally Howes
Director General