



## Federation of Small Businesses

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26<sup>th</sup> February 2007

Dear Nick,

**Response from the Federation of Small Businesses to the Consultation in ECGD Support for Foreign Content**

The Federation of Small Businesses (FSB) welcomes the opportunity of responding to the above named consultation on behalf of its Members.

The FSB is the UK's leading non-party political lobbying group for UK small businesses existing to promote and protect the interests of all who own and/or manage their own businesses.

The FSB regrets that it is unable to answer the consultation following the format of the questionnaire. Rather than being technical experts, most of our members are interested in commercially viable regulation that will not hinder but help their business and its development

The issue of Foreign Content is not greatly relevant for our members as the vast majority does not export goods and services. However, if the policy on foreign content was less complicated smaller businesses would probably be involved in exporting activities.

In more detail; according to our records, in total, 21% of businesses report serving EU markets; 11% serve non-EU European markets and 17% serve markets across the rest of the world. Relatively few businesses specialise in serving overseas markets; the majority of business that export reported that overseas sales comprise less than a quarter of their annual sales turnover. Of those businesses that serve EU markets (21% of total respondents), 17% reported that this comprises under a quarter of their annual sales. Of the remainder, 2% of businesses derive between 26 and 50%, 1% derive between 51-75% and 2% derive between 75-100% of their annual sales in EU markets. Of the businesses that serve non-EU European markets (11% of total respondents), 10% reported that these sales account for less than a quarter of their annual sales turnover. Of the businesses that export beyond Europe (17% of total respondents), 14% reported that these sales contribute less than a quarter of their annual sales.

I hope this is useful.

Yours sincerely,

Ulrika Almen  
Policy Development Officer