

# EXPORTING IS

# GREAT

BRITAIN & NORTHERN IRELAND

**International trade Club - Iran – 14<sup>th</sup> July 2016**

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# OUR MISSION

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**UKEF helps companies, be they service providers or manufacturers by assuming financial risks the financial markets will not cover or support.**

**We do not compete with the private sector; we compliment it.**



# Iran - The Good News

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- It is the 2<sup>nd</sup> largest Middle Eastern economy
- Iran is reliant on the Oil & Gas sector
- Infrastructure, Airports and Rail are key development sectors
- Emerging Sectors – Healthcare, Education & Renewables
- Iran has 7% of the World's total mineral reserves
- Currently undertakes USD 8BN of trade with the EU.  
Expected to QUADRUPLE in 2 years

## UKEF's Good News

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- UKEF is looking to work with the Iranian Ministry of Economic Affairs & Finance to identify opportunities and has signed MOU.
- UKEF aims to support short term transactions on a case by case basis.
- Large amounts of UKEF funds are available
- But, only GBP and EUR deals can be undertaken
- Pricing will be per OECD guidelines

## The Difficulties & Challenges

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- Significant risk of Bribery & Corruption - FATF
- UKEF must be able to demonstrate its anti-bribery & corruption rules have been complied with.
- The UK banks have little appetite for the country.

WHY?

## The Bank's Predicament

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- No existing correspondent banking relationships. Which bank(s) to work with?
- Fear of multi-million dollar fines and revocation of US licenses. Care: US Sanctions can be re-imposed with little or no warning.
- Complexity of management. Which sectors are sanction free?
- Banks use Compliance Software management. Liability for non-compliance falls on them. **Do they trust themselves to get it right?**



UK Export  
Finance

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