

## U.K.

Exporters in the U.K. are able to source credit-mixte financing through the Aid Trade Provision (ATP), a facility created in 1986 to make soft loans available to exporters. The ATP initially was set to run for five years, however it was reviewed in 1989 and the U.K. Government has decided to extend it beyond 1991. In addition to the ATP, the U.K. bilateral cooperation program, which is tied, offers a major source of support for capital and infrastructure projects.

Bilateral aid and the ATP are part of the Overseas Development Administration budget of £1.5 billion (1991) (U.S. \$2.79 billion). In 1991, £900 million (U.S. \$1.67 billion) were allocated for the bilateral aid program and £97 million (U.S. \$180.4 million) for the ATP, or some five percent of the ODA budget. Some £450 million to £500 million (U.S. \$837 million to U.S. \$930 million) of the bilateral program is essentially tied to British supply.

The main recipients of ATP support have been the Philippines, China, Kenya, Malaysia, Sri Lanka, Egypt, Thailand, Turkey, and Indonesia. The bulk of capital assistance has been focused in the energy sectors in power generation and supply.

The ATP budget is set for three years and reviewed annually. In the past the ATP was under-spent by 1/3 and lapsing funds were returned to the ODA budget (which is allowed to roll over £15 million or U.S. \$27.9 million per year). However, the current ATP allocation is now all committed, and the facility is frozen.

**British exporters contend that the current freeze on ATP funds amounts to a unilateral withdrawal from the market place at a time when the use of concessional financing goes on unabated. In spite of this it appears that the British Government will not replenish the ATP, and will wait for funds to become available before mixed credit support is reinstated.**