



## Doing Business in the United Kingdom

### Country Commercial Guide for U.S. Companies - 2008

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# Chapter 1: Doing Business In the United Kingdom

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## Market Overview

The United States and the United Kingdom are often described as having a special relationship. This relationship is the natural outcome of our common history and culture, our shared support of the rule of law, our mutual belief in democracy, freedom and tolerance, and our commitment to free trade and open markets.

Our commercial ties represent one of the most important facets of this relationship. The level of bilateral trade and investment between our countries is strong and growing. Both our governments work to institute policies that will foster economic growth, encourage innovation and entrepreneurship, and promote free trade and fair competition. In addition, record numbers of people from the United States and the United Kingdom travel back and forth to study, work, visit, and learn about one another's country.

The trade component of the U.S. – UK commercial relationship continues to be robust:

- The UK is our largest European export market and the fifth largest worldwide
- Over 40,000 U.S. firms export to the UK
- Total bilateral trade in goods and services increased 8% to \$184 billion in 2006
- U.S. exports to the UK in 2006 were \$92.5 billion and consisted of \$44.2 billion in goods and \$48.3 billion in services.
- Exports of U.S. goods grew by over 17% in 2006.
- Major exports to the UK include aircraft and aircraft engines; pharmaceuticals; IT equipment and parts; electronic components; automobiles and parts; and telecommunications equipment.

Investment data are equally impressive:

- The U.S. and the UK are the largest foreign investors in each other's country
- U.S. direct investment in the UK grew 12.5% to reach \$ 364 billion in 2006. In fact, 40% of overseas direct investment in the UK is from the United States.
- UK direct investment in the U.S. totaled \$303 billion in 2006, a 2% increase over the previous year.
- Over one million citizens in each country worked for a company headquartered in the other nation

The size and strength of the UK economy make it particularly attractive to U.S. exporters and investors:

- The UK is the world's fifth largest economy with a 2007 GDP of \$2.7 trillion (\$39,000 per capita)
- GDP growth was 3.1% in 2007.
- The inflation consumer price index (CPI) remained steady at 2.1.
- The key Bank of England interest rate is currently 5.5%
- Unemployment is 5.3%, one of the lowest rates in the EU; employment totals 29.36 million, an all time high.

Once in the market, U.S. firms find it easy to use the United Kingdom as a gateway to the rest of the EU. The British Government supports the rights of any company registered in the United Kingdom, irrespective of the nationality of its ultimate parent. All of these factors combine to make the United Kingdom an excellent market for U.S. exporters and investors.

### Market Challenges

The size, maturity and openness of the UK market are also its greatest challenges.

- The UK is the world's third largest importer of services and the fourth largest importer of merchandise. The size of this market, as well as its commitment to openness and fair trade, has created a robust yet intensely competitive business environment. The challenge comes from both UK and third country competitors. However, successful U.S. entrants can still find substantial sales and profits opportunities.
- As a member of the European Union, the UK is subject to EU directives in addition to its own regulations. It has had the reputation of implementing EU regulations very strictly when transposing EU directives into UK law, relative to other EU member countries. In response to private sector concerns about this trend, the UK created the Better Regulation Executive (BRE), to reduce the regulatory burden. The goal is to minimize bureaucracy for businesses and front-line staff, thus reducing the cost of doing business. The UK believes the BRE can be a model of "burden reduction and transparency" for the EU.

### Market Opportunities

The following are just a few of the many business opportunities for U.S. firms to consider in the UK:

- *2012 Olympics*: London will host its third Olympic Games and Paralympics, in 2012. The UK will spend billions to regenerate London's East End and transform it into an environmentally friendly site for the various Olympic events. Hosting the games will generate enormous demand for a multitude of goods and services. Near term opportunities will consist mainly of infrastructure development, site preparation and venue construction. As 2012 draws closer, there will be significant procurement of goods and services such as sports equipment, merchandising, catering, etc.

- *Energy*: The UK Government aims to produce 10% of its energy requirements through renewable sources by 2010 and 20% by 2020. Prospects are particularly strong in offshore wind power and microgeneration (zero or low-carbon heat/power generation).
- *Nuclear Decommissioning*: The government has mandated that by 2008 all of the UK's nuclear sites are to be decommissioned, presenting opportunities for waste clean-up and storage, site management, research and development and long-term decommissioning planning.

For 2008, the UK's best prospect sectors include:

- Aerospace
- Apparel
- Automotive Parts & Equipment
- Computers & Peripherals
- Drugs & Pharmaceuticals
- Environmental Technologies
- Medical Equipment
- Oilfield & Drilling Equipment
- Telecommunications Equipment
- Travel & Tourism
- Agricultural Products

## Market Entry Strategy

The above challenges illustrate that successfully entering the UK market is not as effortless as many exporters often imagine:

- New entrants need a clear and sustainable competitive advantage, such as cost or product differentiation (quality, superior design, branding), to be successful.
- Market research is essential and well worth the investment. It should seek to determine market size and growth, key segments and trends, distribution and margin structure, major competitors and their product positioning, pricing and promotion, and market access or regulatory issues.
- While the U.S. and UK share many values and characteristics, U.S. exporters and investors need to be aware that there can still be significant cultural differences. Market strategies that may have been very successful in the United States may require adaptation or localization for the UK market.

In general, partnering with an experienced and established local distributor is the best entry strategy. Visiting the country to meet potential partners and to understand the market firsthand is highly recommended.

## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the United Kingdom, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3846.htm>

## Chapter 3: Selling U.S. Products and Services

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### Using an Agent or Distributor

In the UK, the most common sales channel for U.S. exporters is via distributors, who purchase goods directly from the manufacturer with the intent of reselling them. Consequently, distributors assume the risk of sales to third parties. In appointing a distributor, U.S. exporters generally benefit from greater access to a larger market, or territories beyond the UK. Additionally, a good distributor can provide strategic support for positioning products and brands in the market through advertising and promotion, as well as understanding the local culture and being able to assist with after-sales service. This value-added service is increasingly important for customers, and contributes to a positive image of U.S. firms doing business in the UK. In many sectors, one distributor can cover the entire UK market, although in certain cases U.S. companies may wish to appoint separate distributors to selected regions or to Scotland, Wales and Northern Ireland.

Sales agents are not commonly used in the UK. They tend to be smaller one-person operations, and are not subject to the same accountability that distributors must comply with. Additionally given the smaller size of operations, sales agents tend to be more difficult to locate, while others may offer only limited geographic sales coverage.

When deciding upon the optimal form of representation to use, U.S. companies should consider their control over price, channel distribution network, policy, operational expenses, after-sales service, and potential liability under UK and EU labor law.

**Agreement Termination:** In the UK, national laws governing the relationships between agent and principal, and distributor and supplier are broadly harmonized to comply with EU legislation. Companies wishing to use distribution, franchising and agency

arrangements need to ensure that the agreements they put into place are in accordance with EU and Member State national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, the Directive establishes the rights and obligations of the principal and its agents; the agent's remuneration; and the conclusion and termination of an agency contract, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

**Rules Governing Competition:** The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of such "vertical agreements." Small- and medium-sized companies (SMEs) are generally exempt from the regulations, as their agreements usually qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level. Generally, companies with fewer than 250 employees and an annual turnover of less than €50m (\$74.1m / GBP 37.7m) are considered small- and medium-sized undertakings. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:

[http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c\\_368/c\\_36820011222en00130015.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf)

**Rules Governing Payments:** The EU also looks to combat payment delays with Directive 2000/35/EC. This covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. In sum, the Directive entitles a seller who does not receive payment for goods/services within 30-60 days of the payment deadline to collect interest (at a rate of 7 percent above the European Central Bank rate) as compensation. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link: [http://ec.europa.eu/comm/enterprise/regulation/late\\_payments/](http://ec.europa.eu/comm/enterprise/regulation/late_payments/)

**European Ombudsman:** The European Ombudsman investigates complaints about misadministration in the institutions and bodies of the European Union. *Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU.* The Ombudsman usually conducts inquiries on the basis of complaints but can also launch inquiries on his own initiative. The Ombudsman cannot investigate complaints against national, regional or local authorities in the Member States, such as in the UK, even when the complaints are about EU matters. Examples of such authorities are government departments, state agencies and local councils; the activities of national courts or ombudsmen. The European Ombudsman is not an appeals body for decisions taken by these entities; complaints against businesses or private individuals.

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Key Link: <http://www.ombudsman.europa.eu>

**Dispute Resolution:** Although there are few instances that specifically require the use of a local lawyer, contracts and agreements should be vetted by a competent attorney or firm conversant with UK and EU Law. While contract coverage is often similar, specific clauses and language can be considerably different from that in the United States. Standard American contracts should not be used, as they are mostly unenforceable under UK law. Many U.S. law firms have either established their own UK offices or have links with local practices, and are often the most convenient and practical sources of legal advice for American companies. The Commercial Service in London can provide lists of local law firms, including those with U.S. links.

## Data Privacy

The EU's General Data Protection Directive (95/46/EC) establishes strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. *Data subjects* must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter. This general legislation is supplemented by specific rules set out in the "Directive on the Processing of Personal Data and the Protection of Privacy in the Electronic Communications Sector" (2002/58/EC). This requires companies to secure the prior consent of consumers before sending them marketing emails. The only exception to this opt-in provision is if the marketer has already obtained the intended recipient's contact details in the context of a previous sale and wishes to send them information on similar products and services.

Key Link: [http://ec.europa.eu/justice\\_home/fsj/privacy/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm)

**Transferring Customer Data to Countries Outside the EU:** The EU's General Data Protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if adequate protection is provided for it, or if explicit consent of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is not one of these.

The U.S. Department of Commerce and the European Commission negotiated a "Safe Harbor" agreement to provide U.S. companies with a simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the Directive), and who publicly state that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Sign up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent U.S. Department of Transportation (DOT) statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, companies that join up for the Safe Harbor scheme will. Companies whose activities are not regulated by the FTC or DOT (e.g. banks, credit unions, savings and loan

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institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign for Safe Harbor.

EU based exporters or U.S. based importers of personal data can also satisfy the adequacy requirement by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005. Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies are also developing a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country approval of "binding corporate rules" (BCRs). Companies that set up BCRs that satisfy European DPAs will be able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Key Links:

<http://www.export.gov/safeharbor/>

[http://ec.europa.eu/justice\\_home/fsj/privacy/modelcontracts/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/modelcontracts/index_en.htm)

[http://ec.europa.eu/justice\\_home/fsj/privacy/workinggroup/wpdocs/2007\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/workinggroup/wpdocs/2007_en.htm)

## Franchising

The UK franchise sector accounted for over £10.8 (\$21.5) billion in 2007 annual turnover, a £500 million (\$1b) increase over the previous year. While the franchising business model extends across all sectors, it is especially prevalent in retailing, food, and business-to-business (B2B) services. According to a 2007 British Franchise Association (BFA) survey, this sector has grown by 44% over the past ten years, taking the total number of franchised outlets up to nearly 34,000 and the number of systems up to 780.

The UK franchising sector is performing well, with reports stating that 93% of franchisees in the UK show profitability. More than 370,000 jobs are sustained via the franchise sector, and industry experts have stated that 2008 holds strong potential for the franchise industry in the UK. Initial investments vary, and in general range from \$20,000 to over \$500,000 for more expensive franchise licenses. The average age of new franchisees is 35 to 50. The BFA is seeking to encourage the participation of more women and ethnic minorities in the sector.

While there is no franchising-specific legislation in the UK, there is EU legislation of which prospective franchisors and franchisees should be aware. Articles 81 and 82 of

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the EC Treaty prohibit, in certain circumstances, agreements, which prevent, restrict or distort competition. In the UK, anti-competitive behavior is prohibited under Chapters I and II of the Competition Act (1998). These statutes highlight the effect of competition law on franchising, including the importance of avoiding restrictive and collusive pricing practices.

## **Direct Marketing**

Affordable transatlantic telecommunications and the use of electronic payment methods for international transactions have made direct marketing from the United States popular. Public confidence in the accuracy of remote billing, data security, and delivery is growing at a time when the Internet is an increasingly accepted marketing tool. The rapid increase in the number of broadband connections has had a large part to play in this, making the online experience more interactive and offering much more scope for creative people working in this area.

More importantly, as audiences continue to fragment, marketers are finding ways of engaging with the audiences lost from one media channel who are more frequently likely to use the Internet. These factors combine to make direct marketing of many types of goods and services worth considering, and the enactment of UK digital signature and data protection regulations have accelerated the use of the Internet as a sales medium. Further, such Internet direct marketing is a reasonable way for exporters to test UK market segments, although results should not be the only basis for proceeding with more significant marketing efforts.

UK companies have begun to reexamine the trend to move call centers to overseas locations. The recent trend has been to not locate overseas, or to bring some parts of their call centers operations back to the UK. Coming back with them are overseas companies that have built up their own expertise: two major acquisitions of UK telemarketing outsourcing companies were made by India-based companies in 2007, with the intention of meeting the demand for UK-based call handling.

U.S. web-based marketers should be aware of the EU Value Added Tax Directive that requires service providers to collect Value Added Tax (VAT) on sales of services to consumers over the Internet. The VAT is currently 17.5%.

The EU Distance Selling Directive (97/7/EC) applies to most direct marketing activities. The legislation requires that consumers be given clear and comprehensive information about the vendor and the goods or services offered. The directive also gives the consumer the right of withdrawal within seven days without penalty and requires the vendor to refund any monies due within thirty days of an order's cancellation.

The Advertising Standards Authority (ASA) has established a code of practice for direct mail advertising and for list and database management. The Advertising Code can be found at <http://www.asa.org.uk/asa/codes/> The Direct Marketing Association has done the same regarding direct selling. The industry code of practice for direct marketing can be obtained from the Direct Marketing Association at: <http://www.dma.org.uk/content/Pro-Code.asp>.

See also the "Electronic Commerce" section later in this chapter.

## Joint Ventures/Licensing

Joint ventures may be formed as limited liability companies or as equal or unequal partnerships. Consortia of companies formed to bid or manage specific projects usually use a British-registered limited liability company as the vehicle, to more easily rent or purchase local premises and assets, and to hire and manage a local workforce and support staff. No ownership or control restrictions apply to joint ventures in the United Kingdom.

## Selling to the Government

### Government Procurement

Most UK government departments and public bodies are subject to a range of EU procurement directives and to the WTO Government Procurement Code, which give qualified foreign bidders from signatory countries equal access to each other's public sector contracts. Urgency or national security considerations can in certain circumstances be used to justify procurements outside EU and WTO rules. Intended procurements above the EU public procurement thresholds are published in the Official Journal of the European Union (OJEU), and in specialized industry-specific publications. Smaller procurements do not need to be published.

Information on specific tenders may be found using the Tenders Electronic Daily service, accessible via the U.S. Mission to the EU ([www.buyusa.gov/europeanunion/](http://www.buyusa.gov/europeanunion/)) or from <http://ted.publications.eu.int>.

The UK Ministry of Defence (MoD) publishes information on its future projects and procurements in a biweekly Defence Contracts Bulletin, which is available to U.S. subscribers online at ([www.contracts.mod.uk](http://www.contracts.mod.uk)). The European Defence Agency (EDA) also maintains an online database of defense procurement opportunities with governments and leading manufacturers throughout Europe. The EDA Electronic Bulletin Board is available free and without subscription at [www.eda.europa.eu/ebbweb](http://www.eda.europa.eu/ebbweb).

However, many U.S. defense companies require more lead-time than these sources provide and detailed guidance is often needed to understand the procedures and bid evaluation criteria used in this sector. The Embassy's Office of Defense Cooperation (ODC) has prepared a handbook of unique insights and case studies in UK defense marketing for U.S. companies. The handbook is routinely updated to incorporate changes in UK defense procurement policy, procedures and organization.

The handbook is a briefing tool that supplements the practical advice that can be obtained directly from the ODC at the American Embassy in London. The ODC provides insight, guidance, and advocacy in support of U.S. defense contractors competing for sales and cooperative development programs for military equipment and services, including missiles and defense systems, munitions, sensors, ships, aircraft and helicopters. ODC may be contacted at: Tel 011 44 20 7894 0737; Fax 011 44 20 7514 4634; or Email [odclondon@state.gov](mailto:odclondon@state.gov).

Larger defense contracts awarded to non-EU contractors require the negotiation of industrial participation (IP) i.e., offset arrangements. IP arrangements are separate from the procurement contracts, and are administered by the Ministry of Defence Export Services Organization (DESO: [www.deso.mod.uk/ip.htm](http://www.deso.mod.uk/ip.htm)). Please note that DESO is undergoing a major restructuring in 2008, and key responsibilities are due to be transferred from DESO to a new organization within UK Trade & Investment, an agency of BERR.

## **London 2012 Olympics**

London will host its third Olympic Games and Paralympics, in 2012. Organizers estimate that billions of dollars will be spent to regenerate London's East End and to transform it into an environmentally friendly and sustainable site for the various Olympic events.

The Olympic Delivery Authority (ODA), which is responsible for delivering the permanent venues and infrastructure necessary for the games, began awarding contracts in 2007. This includes securing work on transportation and construction projects. The London Organizing Committee of the Olympic and Paralympic Games (LOCOG) will begin the process of awarding contracts following the 2008 Beijing Olympic Games. It is responsible for managing and staging the games, focusing on goods, services and other necessities.

Contract Procurement will be performed in accordance with European Union legislation, which is guided by the principles of transparency, proportionality and non-discrimination. The three principles are:

- Contracts to be advertised throughout the EU
- All enquiries receive equal treatment to avoid discrimination
- All tenders and award procedures must involve the application of objective criteria.

The ODA procurement policy lays out the standards by which the ODA will abide when awarding contracts. The official procurement policy is available on the London 2012 web site <http://www.london2012.com>.

Companies are requested to express their interest to tender for contract opportunities via the official London 2012 eTendering and CompeteFor web sites <https://etenders.london2012.com> and <https://www.competefor.com>, which advertise direct contract tenders by the ODA, LOCOG and supply chain opportunities from London 2012 contractors.

## **Distribution and Sales Channels**

Dedicated sales and distribution channels, ranging from wholly owned subsidiaries of foreign manufacturers to independent trading companies that buy and sell on their own account, have evolved for most imported products and services. Between these two

extremes are independent resellers, sales agents, and stocking distributors, who have contractual relationships with their suppliers. The selection of an appropriate marketing organization depends largely on the nature of the goods and services involved. Also, increasing international e-commerce has contributed the growth of local fulfillment and delivery/return services.

## **Selling Factors/Techniques**

Typically, U.S. companies enter the UK market through distribution, franchising or licensing agreements, or through direct foreign investment. EU law, implemented by national legislation, governs exclusivity in agency and supply agreements, purchasing contracts, and contract terms. U.S. manufacturers and exporters are generally able to appoint exclusive representatives and to determine the methods used to promote the sale of their products. Such exclusive territories are usually national in size. See other relevant sections of Chapter 3 "Selling U.S. Products and Services", as well as Chapter 6 "Investment Climate."

Most of the same sales and advertising techniques used in the United States are used in the United Kingdom, although companies are advised to work closely with their UK partners, to account for any local differences. Sales practices that give regulatory concern are those that could give an unfair advantage to the supplier at the expense of competitors or end users. Recent legislation exempts some vertical agreements between manufacturers and their resellers, but requires the disclosure of certain types of inter-company commercial arrangements, and also gives powers of investigation and enforcement to the regulatory authorities.

## **Electronic Commerce**

### **Overview**

UK industry reports state that 2007 online retail sales in the UK grew 54% over the previous year to \$93.2 billion. An estimated 15% of all British retail sales were made online last year. In 2007, 53% of adults purchased goods or services over the internet. Of those in who had bought goods or services online, the most popular purchases were films, music and DVDs (51%), followed by travel, accommodation or holidays (46%). The highest growth occurred in consumer electronics and in apparel and accessories. According to the UK Office of National Statistics, in 2007, 15.2 million UK households had internet access. This figure represents 61% of households and an increase of nearly one million households (7%) over 2006.

*Value Added Tax (VAT):* In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules are currently set to expire at the end of 2008.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S.-based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each Member State. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are based but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

Key Link: [http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/e-services/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm)

## **Search Engines**

The top 5 search destinations in the UK are:

Google UK	<a href="http://www.google.co.uk">http://www.google.co.uk</a>
Yahoo!	<a href="http://www.yahoo.co.uk">http://www.yahoo.co.uk</a>
MSN	<a href="http://www.msn.co.uk">http://www.msn.co.uk</a>
Google	<a href="http://www.google.com">http://www.google.com</a>
Windows Live	<a href="http://www.live.com">http://www.live.com</a>

Submitting a site is exactly the same process as for submitting it to a search engine in the United States. Generally, search engine websites have an "About us" section on their websites that will include details about how to submit a site or add a URL.

## **Website Indexing**

The official language for the United Kingdom is English.

## **Domain Names**

A local domain is not essential. Indeed, many UK firms use the .com domain. If a U.S. company wishes to localize its site, the domain suffixes ".co.uk", ".uk.com" and ".org.uk" are easily obtained. In order to qualify for a ".ltd.uk" or ".plc.uk" domain name, a company must be either a UK private (Ltd) or public (plc) limited company.

## **Online marketplaces and auctions**

There are many UK auction sites. A selection of the most visited includes:

Ebay	<a href="http://www.ebay.co.uk">http://www.ebay.co.uk</a>
CQout	<a href="http://www.cqout.com">http://www.cqout.com</a>
eBid	<a href="http://www.ebid.co.uk">http://www.ebid.co.uk</a>
Amazon UK	<a href="http://www.amazon.co.uk">http://www.amazon.co.uk</a>
QXL	<a href="http://www.qxl.com">http://www.qxl.com</a>
Bid Outlet	<a href="http://www.bidoutlet.co.uk">http://www.bidoutlet.co.uk</a>

## **Pop up ads and Spam**

As a general rule, the Internet in the UK looks and feels identical to the U.S. Pop-up ads are not prohibited, and indeed are quite common. As a result, many users turn on the anti-pop up features in their browsers.

Spam is covered by the Privacy and Electronic Communications Regulations (EC Directive). In summary, the regulations require UK or EU-based businesses to gain prior consent before sending unsolicited advertising e-mails to individuals. This consent must be explicitly given by individuals, on an opt-in basis, except where there is an existing customer relationship. The regulations also require that the use of cookies or other tracking devices are clearly indicated and that people be given the opportunity to reject them.

Spam is, however, a worldwide problem and there is little that regulators can do to prevent Spam originating from outside the EU. Many email systems have increasingly effective Spam filters.

## **E-commerce specific laws**

*Consumer Protection (Distance Selling) Regulations:* The main rules covering sales on the Internet are the Consumer Protection (Distance Selling) Regulations 2000 and the Consumer Protection (Distance Selling) (Amendment) Regulations 2005. These set out the rights consumers have when making purchases over the Internet. An overview can be found here:

<http://www.tradingstandards.gov.uk/cgi-bin/calitem.cgi?file=ADV0051-1111.txt>

*Electronically Delivered Services:* There is a special scheme for non-EU companies selling 'downloadable software' via the Internet to clients within the EU. This type of transaction is classified by the EU as an "electronically delivered service". Non-EU companies selling downloadable software to EU customers must be registered for VAT in at least one member state within the EU. There are different requirements for accounting for VAT depending on whether the customer is a corporation or an individual, and depending on where the customer is physically located. This is a complex subject and companies should either engage an accountant to advise them, or ensure that they are familiar with the regulations. For more information about the UK's "Electronically supplied services: Special Scheme for non-EU businesses", companies should visit HM Revenue and Customs' website at:

[http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?\\_nfpb=true&\\_pageLabel=pageVAT\\_InfoGuides&propertyType=document&id=HMCE\\_CL\\_001460](http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageVAT_InfoGuides&propertyType=document&id=HMCE_CL_001460)

## **Advertising and lotteries**

There are some restrictions on general advertising. In the UK, the 'watchdog' for advertising is the Advertising Standards Authority (ASA). The ASA is an independent body set up by the advertising industry to police the rules laid down in the industry's advertising codes. The advertising codes are drawn up by the Committee of Advertising



Practice (CAP), and are in place to protect consumers and create a level playing field for advertisers. For more information see:

Advertising Standards Authority: <http://www.asa.org.uk/asa/>

Committee of Advertising Practice: [http://www.cap.org.uk/cap/codes/cap\\_code/](http://www.cap.org.uk/cap/codes/cap_code/)

Comparative ads are allowed, but they must not be disparaging.

Advertising to children is more closely regulated. The general rule is that special care should be taken when promotions are targeted at children (people under 16) or when children may see ads intended for adults.

It is possible to use prize giveaways, etc., as incentives. Promotions with prizes including competitions, prize draws and instant win offers are subject to legal restrictions. Promoters usually seek to avoid running illegal lotteries by running skill-based prize competitions (often using tiebreakers to identify the winners) or by offering free entry if the chance-based prize promotion might encourage purchase.

### **Online payments**

Almost all UK-based online businesses allow customers to use credit or debit cards. Visa and MasterCard are almost universally accepted, while American Express, Diners Club and JCB less so. Discover is not accepted by UK clearing houses. Many websites use Pay Pal or other similar services. UK consumers are becoming much more aware of the issue of online identity theft and will generally only conduct financial transactions on secure (https) websites.

### **Online sales and digital signatures**

Internet transactions are recognized as legal sales contracts. The Consumer Protection (Distance Selling) Regulations, and amendments, cover consumer rights, especially post purchase. For more information, see:

<http://www.tradingstandards.gov.uk/cgi-bin/calitem.cgi?file=ADV0051-1111.txt>

The EC's 1999 Electronic Signatures Directive was transposed into UK national law as the *Electronic Communications Act 2000*, the *Electronic Signatures Regulations 2002*, and the *Electronic Commerce (EC Directive) Regulations 2002*.

(UK) Electronic Communications Act 2000: Section 7 of this Act makes clear that electronic signatures, supporting certificates and the processes under which such signatures and certificates are created, issued and used can be admitted as evidence in court. The court will decide whether an electronic signature has been correctly used and what weight it should be given. In disputes where, for example, electronic signatures are fraudulently created, or where people deny having signed payments, the electronic signature and supporting certificates can be supplied as evidence to the court.

Section 7 does not affect any contracts that businesses already have in place regarding electronic communications. Nor does the Act mandate the use of electronic signatures, or specify particular formats or methods. The legislation aims to be technology-neutral and covers all types of electronic signature, from those based on e-mail exchanges to



those using public key cryptography or biometric techniques. For more information, please visit: <http://www.dti.gov.uk/files/file9980.pdf>

(UK) Electronic Signatures Regulations 2002: These regulations provide a framework for the definition and issue of electronic signatures, including the supervision of certification-service-providers and outlines their duties and liability. The main point is that an electronic signature (or advanced electronic signature) would be uniquely linked to the person signing via a certificate (or qualified certificate) issued by a certification-service-provider, and tied to the data that is signed, such that any subsequent change in the data is detectable. Electronic signatures can come in many forms, ranging from a typewritten name to a signature created by cryptographic means. For more information, please visit: <http://www.dti.gov.uk/files/file34340.pdf>

Electronic Commerce (EC Directive) Regulations 2002: These regulations cover a broad range of online activities, including the sale of goods and services. The key features of the Electronic Commerce (EC Directive) Regulations 2002 are:

Online selling and advertising are subject to the laws of the UK if the trader is established in the UK. Online services provided from other Member States may not be restricted. There are exceptions, particularly for contracts with consumers and the freedom of parties to choose the applicable law;

Recipients of online services must be given clearly defined information about the trader, the nature of commercial communications (i.e. e-mails) and how to complete an online transaction;

Online service providers are exempt from liability for the content that they convey or store in specified circumstances; and

Changes to the powers of enforcement authorities, such as Trading Standards Departments and the Office of Fair Trading.

For more information on these regulations, companies should visit:

<http://www.dti.gov.uk/sectors/ictpolicy/ecommsdirective/page10133.html>

### **UK Customs matters**

UK consumers may buy goods freely over the Internet from overseas suppliers (with the exception of certain prohibited goods such as firearms, illegal drugs and the like). As long as the correct paperwork accompanies the goods, there should not be any undue delay in the purchase clearing customs. The shipping company will often contact the purchaser to arrange any payments due for import duty and VAT prior to the goods clearing customs.

When goods are imported into the United Kingdom from a non EU territory, duty (at a variable rate) and VAT (currently 17.5% for most goods) is payable by the importer. However, due to an EU regulation designed to reduce the cost of tax collection on small consignments, an exception is made on shipments where the total value is less than £18. This is an administrative relief known as Low Value Consignment Relief or LVCR. It can be set between 10 and 22 Euros by individual member states of the EU. The UK

set the limit at its maximum level. Special rules apply to excise goods i.e. cigarettes, tobacco, alcohol, etc, where the duty payable is much higher.

### **Consumer Confidence**

The Confident Consumers section of the Department for Business, Enterprise & Regulatory Reform (BERR) website provides information on consumer policy and explains safeguards for consumers, including online sales.

The Government has launched a review of the consumer protection regime in the UK, to report by spring 2008. This will examine the scope for simplification of existing legislation, explore avenues to simplify and rationalize enforcement, and investigate the options for improving consumer empowerment and redress

The government offers general advice for consumers at the following website:

[http://www.consumerdirect.gov.uk/before\\_you\\_buy/online-shopping/](http://www.consumerdirect.gov.uk/before_you_buy/online-shopping/)

### **Dispute resolution**

In the UK, Ebay, Amazon, and other similar online trading forums have predefined resolution procedures, just as in the U.S.

The British government encourages parties to a legal dispute or complaint to use alternative dispute resolution (ADR) schemes. These include processes such as: arbitration, mediation and ombudsmen. Where these fail, a company may decide to use the services of a debt collection agency. Where all else fails, it may be possible to use the special procedure for handling smaller claims in a county court or use the government's secure online money claim service. For more information see:

<https://www.moneyclaim.gov.uk/csmco2/index.jsp>

### **Government Procurement**

The tender process in the UK is open to U.S. companies and they are free to bid on UK contracts (except those with specific exclusions). Tendering can, however, be a complex process and companies with a UK presence or UK partner may find it easier to compete than a company operating solely from the U.S. One useful source of information regarding government online procurement is the Office of Government Commerce: [http://www.ogc.gov.uk/Where\\_are\\_you\\_from\\_suppliers\\_to\\_government.asp](http://www.ogc.gov.uk/Where_are_you_from_suppliers_to_government.asp)

The UK government complies with EU public procurement rules and all procurements exceeding the relevant thresholds are published in OJEC(S), which is available online from a variety of sources, including the U.S. Mission to the EU. For more information see: [http://www.buyusa.gov/europeanunion/tender\\_search.html](http://www.buyusa.gov/europeanunion/tender_search.html)

### **Trade Promotion and Advertising**

While trade promotion practices in the UK are similar to those in the U.S., printed materials prepared for use in the U.S. market may need to be modified for use in the UK to account for local, legal, cultural, spelling and other differences. In addition to advice

that the U.S. Commercial Service offers, local advertising agencies and marketing consultants can provide appropriate professional guidance. Also, the Advertising Standards Authority, an independent body set up by the advertising industry, oversees the practices of the advertising industry and enforces the provisions of the British Code of Advertising Practice (CAP). Advertisers should become familiar with CAP recommendations. For more information, refer to the *Electronic Commerce Section (advertising and lotteries)*, as well as: [http://www.asa.org.uk/asa/codes/cap\\_code/](http://www.asa.org.uk/asa/codes/cap_code/)

The leading British daily newspapers are:

The Times ([www.the-times.co.uk](http://www.the-times.co.uk))  
The Daily Telegraph ([www.telegraph.co.uk](http://www.telegraph.co.uk))  
The Guardian ([www.guardian.co.uk](http://www.guardian.co.uk))  
The Independent ([www.independent.co.uk](http://www.independent.co.uk))  
The Financial Times ([www.ft.com](http://www.ft.com))  
Daily Mail ([www.dailymail.co.uk](http://www.dailymail.co.uk))  
Daily Express ([www.express.co.uk](http://www.express.co.uk))  
Sun ([www.the-sun.co.uk](http://www.the-sun.co.uk))  
Mirror ([www.mirror.co.uk](http://www.mirror.co.uk))  
Metro (<http://www.metro.co.uk/>)

Sunday newspapers:

Sunday Times ([www.sunday-times.co.uk](http://www.sunday-times.co.uk))  
Sunday Telegraph ([www.telegraph.co.uk](http://www.telegraph.co.uk))  
Observer ([www.observer.co.uk](http://www.observer.co.uk))

The London Gazette, Edinburgh Gazette and Belfast Gazette ([www.gazettesonline.co.uk](http://www.gazettesonline.co.uk)) are the official journals of the UK, but these are less widely used for formal notices than the Official Journal of the European Community (OJEC): <http://europa.eu.int/eur-lex/lex/JOIndex.do>

Popular Business Journals:

The Economist ([www.economist.com](http://www.economist.com))  
Investors Chronicle ([www.investorchronicle.co.uk](http://www.investorchronicle.co.uk))

In addition, global publications such as The Wall Street Journal, Business Week and Industry Week are widely read.

## Pricing

Import prices for products entering the UK from non-EU states generally consist of: Cost, Insurance, Freight and Duty, with VAT of 17.5% levied on the aggregate value. This sum is the exporter's "*landed cost, duty paid.*" End-user pricing should include local storage, delivery, sales and support costs, as well as the profit for distributors, wholesalers and retailers.

The formerly practiced "Resale Price Maintenance", where manufacturers set a mandatory retail price and prevented retail discounting is now illegal. However, U.S.

exporters should examine competitors' end-user prices, to ensure that margins and the above-mentioned costs provide an adequate return. Traditional pricing methods have led to the acceptance of higher prices and profit margins than is customary in the U.S., as the UK market for any product is generally smaller, and the cost of sales usually need to be recovered from smaller sales volumes. Local vendors generally bear the expense of promotion and support.

### **Sales Service/Customer Support**

The provision of after-sales parts and service is essential, and should be taken into account when entering into an agreement with a UK partner. There are also a number of independent after-sales, warranty and product servicing organizations in the UK. Most specialize in a single business sector, but a few major firms operate nationwide, providing a comprehensive maintenance and facilities management service. The leaders in this sector are Serco, Jarvis, AMEC and Planned Maintenance Ltd. The smaller service companies that provide local coverage can be identified from business directories, the Internet, and from listings held by local trade associations.

Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

### **Product Liability**

Under the EU 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link: [http://ec.europa.eu/enterprise/regulation/goods/liability\\_en.htm](http://ec.europa.eu/enterprise/regulation/goods/liability_en.htm)

### **Product Safety**

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU.

Key link: [http://ec.europa.eu/consumers/safety/prod\\_legis/index\\_en.htm](http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm)

### **Legal Warranties and After-sales Service**

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their

trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- repair of the good(s);
- replacement of the good(s);
- a price reduction; or
- rescission of the sales contract.

Key link:

[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/guarantees/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm)

## Protecting Your Intellectual Property

The UK legal system provides a high level of intellectual property rights (IPR) protection. Enforcement mechanisms are comparable to those available in the United States. The UK is a member of the World Intellectual Property Organization (WIPO). The UK is also a member of the major intellectual property protection agreements: the Bern Convention for the Protection of Literary and Artistic Works; the Paris Convention for the Protection of Industrial Property; the Universal Copyright Convention; the Geneva Phonograms Convention; and the Patent Cooperation Treaty. The UK has signed and, through various EU Directives, implemented both the WIPO Copyright Treaty (WCT) and WIPO Performance and Phonograms Treaty (WPPT), known as the Internet Treaties.

In August 2004, the UK published its first "intellectual property crime strategy." The national strategy, led by the Patent Office (PO), represents important advancements in intelligence sharing and coordination among UK government agencies to combat IP crime, along with a commitment to improve training for customs enforcement agents. On December 6, 2006, HM Treasury published the independent Gowers Review of Intellectual Property. The Gowers Review supports the national strategy and, in particular, the PO's development of a central IP crime database, TellIPat, that brings together information on IP crime and the criminals involved from industry and enforcement agencies. One of the Gowers Review recommendations is for the UK Home Office to recognize IP crime as a component of organized crime in order to better educate the public about the wider dangers of IP crime and to elevate it as a priority for police action. The Gowers Review made 53 additional recommendations in the 150-page report that the government plans to consider in 2007 and beyond.

### Patents, Copyrights, Trademarks and Trade Secrets

*Patents:* Many of the key features of the UK Patents Act 2004 entered into effect on January 1, 2005. The Act is designed to bring UK patent law into line with the updated European Patent Convention (2000). The Act lifts restrictions on filing patent applications from abroad, with exceptions made for military technology and applications whose contents could affect UK national security. The Act expands options for non-binding, written opinions on patent infringement to be issued by the UK Patent Office. The legislation also lays out significant changes to the process of approaching alleged infringers (sometimes known as "threats"). The changes are designed to aid genuine attempts to settle infringement disputes while providing protection -- particularly to small and medium enterprises -- against frivolous threats. A UK patent application requires that an invention must be new, involve an innovative step, and be capable of industrial

application. A patent cannot be granted in the UK for any invention used for offensive, immoral, or anti-social purpose, for any variety of animal or plant, or for a biological process used in its production.

*Copyright:* The Copyright, Designs and Patents Act of 1988 grants the originator the exclusive right to assign those rights or to exploit them through copying, dissemination, publication, or sale. Computer programs and semiconductor internal circuit designs are included as works that are protected by this act. Under the terms of an EU Directive, which took effect in January 1988, databases are also protected in each EU-member country by the national legislation that implements the Directive.

*Trademarks:* The UK submits to the WIPO system of international registration of marks, as governed by the Madrid Agreement and the Madrid Protocol. The UK Trade Marks Act of 1994 is the current law providing for the registration and protection of trade marks in the UK, and has been harmonized with EU Directive No 89/104/EEC. Trademarks are considered personal property in the UK, and are normally registered for a period of 10 years with an option to renew. However, trademarks may be removed from the register if a period of five years has elapsed, during which time there has been no bona fide use of the trademark in relation to the goods by the proprietor.

*Trade Secrets/Confidential Test Data:* Commercially sensitive information is not itself specifically subject to legal protection, but the misappropriation of such information from business premises may be subject to criminal law. Action under employment law may also be taken against an employee who, by disclosing information, breaches a contract with his or her employer. In addition, confidential test data, submitted in conjunction with a registered application for pharmaceuticals or veterinary products, enjoys 10 years of exclusive protection from the date of authorization, provided the product is marketed in the UK.

## **IPR Resources**

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit [www.StopFakes.gov](http://www.StopFakes.gov). This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.

## Due Diligence

Banks, accounting firms, credit agencies and risk management companies provide a full range of reporting services that U.S. companies can use as part of their due diligence before signing a local partner. Service providers include the UK subsidiaries of the American-owned Dun & Bradstreet, Equifax, and Infocheck.

The U.S. Commercial Service provides International Company Profile (ICP) background checks on UK companies that can be a valuable part of a U.S. company's wider due diligence process. The ICP is a useful for American companies seeking to enter international business relationships and provides a background check on UK limited liability firms. The ICP may also be available for U.S. companies that have offices based in the UK and which require due diligence on potential partners in other parts of the region. Contact the U.S. Commercial Service for further information:

[http://www.buyusa.gov/uk/en/contact\\_us.html](http://www.buyusa.gov/uk/en/contact_us.html)

## Local Professional Services

The UK has a highly developed professional services market that is well regulated. A wide variety of service providers is available to support U.S. companies doing business in the UK, from the largest global firms to small niche players.

The U.S. Commercial Service UK website (below) lists various professional service providers and additional information is available upon request.

## Web Resources

Web resources are as follows:

[www.buyusa.gov](http://www.buyusa.gov)

[www.export.gov](http://www.export.gov)

<http://www.buyusa.gov/uk/en>

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## **Chapter 4: Leading Sectors for U.S. Export and Investment**

### **Commercial Sectors**

- Aerospace
- Apparel
- Automotive
- Computers & Peripherals
- Drugs & Pharmaceuticals
- Environmental Technologies
- Medical Equipment
- Oil and Gas Field & Drilling Equipment
- Telecommunications Equipment
- Travel & Tourism

### **Agricultural Sector**

- Agricultural Sector



## Aerospace

### Overview

\$ Millions	2005	2006	2007 (est.)
Total Market Size	40,840	41,840	36,560
Total Local Production	45,340	47,150	39,640
Total Exports	30,340	32,760	33,800
Total Imports	25,840	27,450	30,720
Imports from the U.S.	4,800	5,330	5,960

(Unofficial Estimates)

The United Kingdom is a net exporter of aerospace products and the UK aerospace market is the second largest in the world with an estimated value of \$36.6 billion. The industry is directly responsible for maintaining approximately 125,000 jobs in the UK, and accounts for over 4% of the UK's manufactured output. Around half of the sector is defense-related, a larger proportion than had been the case five or more years ago. The UK is consistently ranked as one of the top five markets for U.S. aerospace products, and U.S. exporters hold a 19% share of total UK imports in this sector.

Consolidation remains a key trend in the industry. UK participation in the Airbus consortium has undergone significant change in recent years, most notably after BAE Systems sold its stake in Airbus to EADS in September 2006. More recently, as part of the Airbus 'Power 8' corporate restructuring program, GKN has been short-listed as the 'preferred bidder' to acquire the company's facility at Filton, near Bristol. Airbus will, in turn, retain just one main plant in the UK, at Broughton, in north Wales. The UK is otherwise home to a large and diverse aerospace supply chain, including many of the leading suppliers to both Airbus and Boeing. Prior to GE's January 2007 acquisition of Smiths Aerospace, Boeing estimated that approximately 25% of the value of Boeing's 787 Dreamliner aircraft would be of British origin, with technology from Rolls Royce, Messier-Dowty, Cobham and a host of other specialist suppliers.

In terms of other leading companies in the sector, Italian company Finmeccanica has gained an increasing foothold in the UK defense market, not least through its subsidiaries AgustaWestland and Selex. Further growth is planned in the defense market, beginning with the acquisition of Vega, a leading systems integrator and defense consulting practice. Similar expansion in the UK has been evident amongst other leading European firms, most notably EADS and Thales. Nevertheless, prospects for U.S. exporters remain strong, particularly as the UK seeks to invest in areas that include airport security, systems integration, ISTAR and defense electronics.

Relations between the Ministry of Defence (MoD) and industry are largely defined by the December 2005 [Defence Industrial Strategy](#) (DIS). The document sets out key areas of defense procurement, and identifies specific sectors and capabilities that the government believes are necessary to retain in the UK. The DIS is a statement of a new approach from the MoD. It seeks partnerships among groups of leading suppliers, with the aim of ensuring adequate through-life support for equipment whilst sustaining

workflow to industry once major projects have been completed. However, the DIS does emphasize the importance of competition and recognizes the fact that around 25% of the UK defense industrial base is foreign-owned. The DIS reiterates the UK's continuing close defense relationship with the U.S., albeit noting the need for "improvements in technology sharing arrangements". Important steps are being taken in this area with the bilateral June 2007 [Defense Trade Cooperation Treaty](#), which at the time of writing was awaiting ratification by Parliament and the U.S. Senate.

## **Best Prospects/Services**

### **Civil Aerospace**

The UK is home to a substantial airline market, including low-cost carriers, 'all business class' airlines, and several of Europe's leading regional airlines. Consequently, there is a consistently strong demand for aircraft parts and components, and maintenance, repair and overhaul (MRO) services. As competition increases on domestic, European and transatlantic routes, airlines are investing in technology in order to distinguish themselves from their rivals. This has, in particular, drawn attention to a new generation of in-flight entertainment systems, including personal distributed video, audio/video-on-demand and in-flight satellite television, as well as trials for in-flight Internet connectivity.

On the ground, the UK government has a continuing commitment to increasing airport capacity. Terminal expansions and additional runways have been proposed throughout the country. This is in addition to the substantial redevelopment already underway at London's Heathrow Airport, where phase one of the Terminal Five expansion is due to open in March 2008. A considerable demand for airport equipment – especially security systems – is anticipated over the next 5 to 10 years.

Regional airlines continue to expand their networks, and the business and charter aircraft markets are also considered buoyant. In combination with the UK's Sustainable Aviation Strategy and the extension of the European Union's Emissions Trading Scheme to aviation, notable opportunities exist in areas linked to the reduction of aircraft noise and emissions. This includes the propulsion sector, monitoring equipment, and enhanced air traffic management systems.

In addition to air transport, the UK business and general aviation market has in recent years become an increasingly developed market, and is worth around \$4.0 billion annually. A number of U.S. companies are already well placed as suppliers of spare parts and aftermarket equipment, including GPS equipment and other navigational aids.

### **Military Aerospace**

As the Ministry of Defence gives ever-greater emphasis to acquiring the systems necessary for a Network Enabled Capability (NEC), the key to success for those seeking UK contracts will often involve systems integration experience, particularly with cutting-edge data links and software-related data fusion capabilities. Similarly, there are clear opportunities for the provision of simulation and training services, following on from projects that include the tri-service Military Flying Training System and the UK Combined Arms Tactical Trainer. The introduction of new aircraft, including the Eurofighter

Typhoon and A400M will also generate simulation, training, and related support requirements.

Across both the civil and military sectors, the National Aerospace Technology Strategy identifies a number of priority areas for research and investment over the coming years. A number of technologies are highlighted, including aerodynamics, wing technology, computational fluid dynamics, environmental technology (especially for propulsion systems), sensor technology, advanced materials (particularly composites), autonomous systems, synthetic environments and simulators, and air traffic management systems. With EU and UK government funding, it is anticipated that these will soon be recognized as key areas of activity, and related contracts should be considered strong opportunities for U.S. companies with expertise in these fields.

Although the civil aerospace sector had traditionally been considered the key driver of growth in the industry, in recent years a series of major military development projects have generated significant opportunities in the defense sector. However, government censure of cost overruns on selected programs, and the rising proportion of defense funds being allocated to meet operational and manpower costs have affected procurement. Nevertheless, the UK commitment to high-technology defense solutions – namely, the pursuit of Network Enabled Capability – remains.

The impact of UK deployments to Iraq and Afghanistan on the defense sector is difficult to quantify. Several companies have benefited directly from Urgent Operational Requirements (UORs) related to these operations. The importance of acquiring enhanced surveillance/reconnaissance assets, not least Unmanned Aerial Vehicles (UAVs), has also been underlined, as has the requirement for improved strategic airlift capability. The acquisition of C-17 aircraft, and the significance attached to UAV programs such as Watchkeeper and Predator, appears to confirm this trend. One further priority remains the shortage of medium and heavy-lift battlefield helicopters, which is being addressed through the urgent acquisition of additional Merlin aircraft, and the refit of previously unserviceable CH-47 Chinook airframes.

Certain opportunities within the space and satellite sector are also anticipated as a result of the continued improvement of military communications and surveillance, although many leading projects in this area – such as SkyNet5 and Bowman – are already well underway.

Valid opportunities exist for companies to supply a wide range of goods and services to the Ministry of Defense (MOD), by competitive tender and through the Government's Private Finance Initiative (PFI) and Public/Private Partnership (PPP) Schemes. To date, PFI and PPP have typically been applied in areas that include training, infrastructure, and defense services. The new UK Military Flying Training System (MFTS), providing tri-service flight training, is for instance being delivered under a PFI arrangement.

## **Resources**

### **Upcoming Events**

Airline Purchasing Expo  
Olympia 2 Exhibition Center, London  
May 7-8, 2008

4/7/2008

[www.aviationindustrygroup.com](http://www.aviationindustrygroup.com)

Farnborough International Airshow  
Farnborough, Hampshire  
July 14-20, 2008  
[www.farnborough.com](http://www.farnborough.com)

### **Trade Associations**

Society of British Aerospace Companies (SBAC)  
Salamanca Square  
9 Albert Embankment  
London SE1 7SP  
Tel. 011 44 20 7091 4500  
Fax 011 44 20 7091 4545  
[www.sbac.co.uk](http://www.sbac.co.uk)

Airport Operators Association (AOA)  
3 Birdcage Walk  
London SW1H 9JJ  
Tel. 011 44 20 7222 2249  
Fax 011 44 20 7976 7405  
[www.aoa.org.uk](http://www.aoa.org.uk)

British Business and General Aviation Association (BBGA)  
19 Church Street  
Brill  
Aylesbury HP18 9RT  
Tel. 011 44 1844 238020  
Fax 011 44 1844 238087  
[www.bbga.aero](http://www.bbga.aero)

British Helicopter Advisory Board (BHAB)  
Graham Suite, West Entrance  
Fairoaks Airport  
Chobham  
Woking  
Surrey GU24 8HX  
Tel. 011 44 1276 856100  
Fax 011 44 1276 856126  
[www.bhab.flyer.co.uk](http://www.bhab.flyer.co.uk)

### **Government Departments**

Civil Aviation Authority (CAA)  
CAA House  
45-59 Kingsway  
London WC2B 6TE  
Tel. 011 44 20 7379 7311  
[www.caa.co.uk](http://www.caa.co.uk)

Department for Business Enterprise & Regulatory Reform (BERR)  
1 Victoria Street  
London SW1H 0ET  
Tel. 011 44 20 7215 5000  
[www.dti.gov.uk/sectors/aerospacemarinedefence/index.html](http://www.dti.gov.uk/sectors/aerospacemarinedefence/index.html)

Ministry of Defence (MoD)  
Main Building  
Whitehall  
London SW1A 2HB  
[www.mod.uk](http://www.mod.uk)

Department for Transport (DfT)  
Great Minster House  
76 Marsham Street  
London SW1P 4DR  
Tel. 011 44 20 7944 9643  
[www.dft.gov.uk](http://www.dft.gov.uk)

### **Contact Details**

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Mr. Jestyn Cooper  
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London W1A 1AE  
UK  
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Fax: 011 44 20 7894 0020  
Email: [Jestyn.Cooper@mail.doc.gov](mailto:Jestyn.Cooper@mail.doc.gov)

## Apparel

### Overview

\$ Millions	2005	2006	2007 (est.)
Total Market Size	44,600	44,310	45,200
Total Local Production	5,400	5,300	5,000
Total Exports	7,800	7,900	7,700
Total Imports	47,000	46,900	47,900
Imports from the U.S.	1,900	1,800	1,600

(Unofficial Estimates)

The UK clothing industry is highly competitive marketplace, encompassing a variety of retail outlets including department stores, boutiques, and powerful chain stores. The retail chain, Marks & Spencer, remains the overall leader in the sale of clothing, but its share is declining due to stiff competition from discount stores (e.g. Primark and TK Maxx) and the non-food departments of large grocery chains such as Tesco and ASDA.

Low-cost imports have forced most UK manufacturers to switch production to overseas locations. One of the more prominent UK plants to be closed was the Burberry polo-shirt manufacturing facility in South Wales, which shut in March 2007, when Burberry decided that it was no longer commercially viable to operate.

Women's, girls and children's clothing account for 68.7% of the total market value. An increase in the number of women working might have been expected to cause an upsurge in demand for professional/business attire, but this have been moderated by a trend towards more casual attire in the workplace.

### Best Prospects/Services

Opportunities exist in the U.K. for various types of apparel, but American styled sportswear is particularly popular. One area of special interest includes products using 'performance textiles' and other advanced technology textiles.

### Resources

#### Upcoming Events

Pure - Womenswear  
Olympia, London  
February 10-12, 2008  
August 2008 TBD  
[www.purewomenswear.co.uk](http://www.purewomenswear.co.uk)

Moda  
National Exhibition Center (NEC), Birmingham  
February 17-19, 2008  
August 2008 TBD

[www.modamenswear.co.uk](http://www.modamenswear.co.uk)

### Trade Association

British Textile and Apparel Confederation (BATC),  
5 Portland Place  
London W1B 1PW  
Tel: 44 20 7636 7788  
<http://www.apparel-textiles.co.uk>

### Contact Information

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24 Grosvenor Square  
London, W1A 1AE  
UK  
Tel: 011 44 20 7894 0433  
Fax: 011 44 20 7894 0020  
Email: [Marcella.Marcheso@mail.doc.gov](mailto:Marcella.Marcheso@mail.doc.gov)

## Automotive Parts & Equipment

### Overview

\$ Millions	2005	2006	2007 (est.)
Total Market Size	25,076	26,945	27,200
Total Local Production	18,032	17,998	17,400
Total Exports	8,289	8,287	8,288
Total Imports	15,333	17,234	18,088
Imports from the U.S.	450	465	475

(Unofficial estimates)

The UK motor industry is heavily dependent on overseas suppliers for parts and equipment. To guard against possible shortfalls in supply, most of the leading vehicle manufacturers source their parts from a variety of countries and companies. With over 5,000 companies active in the sector, the UK is one of the ten largest motor-vehicle manufacturers in the world and one of the five major automotive manufacturing countries in Europe. It has the strongest independent aftermarket in Europe, with many small operators doing business alongside large household names.

There are approximately 30 million cars, vans, and trucks registered in Britain, with 3.5 million existing vehicles replaced by new vehicles each year. Sales of new vehicles have traditionally exceeded those retired from service, so there has been a small annual

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increase in the vehicle "parc" (i.e., the base of registered vehicles in the UK). However, the new car market remained subdued in 2007, and the number of registrations is expected to decline 1.3% in 2008.

The EU is the main source of legislation concerning the motor industry, and many of the changes being introduced are aimed at harmonizing the rulings concerning motor-vehicle safety and vehicle emissions/pollution throughout the EU. The standardization of automotive parts and equipment is an important development for the industry because it makes the parts acceptable for use by vehicle manufacturers in any EU country. This has greatly increased competition within the industry, and has helped to make the supply of automotive parts and equipment an international activity.

### **Best Prospects/Services**

Opportunities for U.S. exporters exist in the area of test/inspection equipment for use in garages and service stations, which are authorized to undertake stringent annual checks mandated by legislation. Such equipment includes laser and optical alignment systems and diagnostic equipment for engine, fuel, emissions and electronic systems that are used in specialized service and repair facilities. In addition, OEMs are continually looking for innovative new products, particularly those that focus on providing fuel efficiency and reduced emissions.

Other prospects include replacement parts for brakes, clutches and cooling systems. Security and safety system products such as anti-carjacking systems and devices to combat car-key theft, performance parts including in-car entertainment, and car care products all have potential as well. Because Britain drives on the left and has a road system designed for smaller vehicles, there are a relatively small number of U.S.-built cars registered in the UK and vehicle-specific accessories are not universally accepted, except for 4x4 and SUVs.

### **Resources**

#### **Upcoming Events**

Commercial Vehicle Show  
National Exhibition Centre, Birmingham  
April 15-17, 2008  
[www.cvshow.com](http://www.cvshow.com)

Autosport International  
National Exhibition Centre, Birmingham  
January 8-11, 2009  
[www.autosport-international.com](http://www.autosport-international.com)

#### **Trade Associations**

The Society of Motor Manufacturers & Traders  
Forbes House  
Halkin Street  
London  
SW1X 7DS



Tel: 011 44 20 7235 7000  
Fax: 011 44 20 7235 7112  
<http://www.smmmt.co.uk/>

The Motorsport Industry Association  
Federation House  
Stoneleigh Park  
Warwicks CV8 2RF  
Tel: 011 44 2476 692 600  
Fax: 011 44 2476 692 601  
[http://www.the\\_mia.co.uk/](http://www.the_mia.co.uk/)

The Garage Equipment Association  
2-3 Church Walk  
Daventry NN11 4BL  
Tel: 011 44 1327 312616  
Fax: 011 44 1327 312606  
<http://www.gea.co.uk/>

### **Government Departments**

Department of Trade and Industry (DTI)  
1 Victoria Street  
London SW1H 0ET  
Tel: 011 44 20 7215 5000  
[http://www.dti.gov.uk/sectors\\_automotive.html](http://www.dti.gov.uk/sectors_automotive.html)

Department for Transport (DfT)  
Great Minster House  
76 Marsham Street  
London SW1P 4DR  
Tel: 011 44 20 7944 9643  
<http://www.dft.gov.uk/>

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## Computers & Peripherals

### Overview

\$ Millions	2005	2006	2007 (est.)
Total Market Size	13,500	15,255	15,700
Total Local Production	9,500	10,055	10,500
Total Exports	12,500	12,900	13,100
Total Imports	16,500	18,100	18,300
Imports from the U.S.	2,100	2,200	1,600

(Unofficial Estimates)

The United Kingdom is a technically sophisticated market and there is healthy competition between the major U.S. computer manufacturers and UK and third country competitors. In several key segments, the UK is the international market leader. For instance, Symbian is leading the way in next generation embedded operating systems.

The PC sector has enjoyed particular growth in recent years. The key drivers in this case are the rapid development of broadband services and the increasing adoption of imaging technologies. The surge in popularity of digital imaging is also driving a thriving market in digital data storage devices. These range from flash memory cards to RAM and hard disk storage (both internal and external via USB, FireWire and SATA). Increased sales of portable PCs are also fuelling demand for wireless capabilities – 802.11, Bluetooth, and cellular mobile data access (GPRS & 3G). The demand for greater access and flexibility is in turn driving the growth in remote access technologies such as VPN's and the security solutions to protect them.

A considerable amount of computer equipment is transshipped through the UK, resulting in export figures exceeding local production.

As a result of a slowing economy, we expect both businesses and consumers to tighten their belts resulting in little or no growth in this sector in 2008.

### Best Prospects/Services

WiFi and Bluetooth products – Consumers are increasingly using Bluetooth to expand the connectivity of their computer systems. Printing, storage and modem connectivity appear to be the most active market sub-sectors.

USB & Flash memory devices – UK consumers are buying increasing numbers of USB and flash memory devices to facilitate data storage and transfer. In many cases they are used exclusively in place of CD-ROM, DVD or floppy disks.

Mobile computing devices – The market in PDA's, Smartphones and MP3/Data storage solutions is expanding rapidly.

VOIP – The major players - i.e. Vonage, MSN and Skype - are very actively creating a market for VOIP services. Companies supplying the peripherals or competing products should find a receptive market.

Security – security products that enhance network and workstation security are likely to do well, as surveys suggest that IT security is still an issue for many businesses, particularly small and medium sized enterprises.

Note: Assuming equipment meets IEEE published standards, CE marking is likely to be the only regulatory requirement for consumer sales.

## Resources

### Upcoming Events

Channel Expo 2008  
NEC, Birmingham  
May 21-22, 2008  
<http://www.channelexpo.co.uk/>

Infosecurity Europe 2008  
Olympia, London  
April 22-24, 2008  
[www.infosec.co.uk](http://www.infosec.co.uk)

### Trade Associations

Intellect  
[www.intellectuk.org](http://www.intellectuk.org)

The British Computer Society  
[www.bcs.org](http://www.bcs.org)

### Government Department

Department for Business, Enterprise and Regulatory Reform (BERR)  
<http://www.berr.gov.uk/>

### Contact Details

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UK  
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Fax: 011 44 20 7894 0020  
Email: [Richard.Stanbridge@mail.doc.gov](mailto:Richard.Stanbridge@mail.doc.gov)

## Drugs & Pharmaceuticals

### Overview

\$ Million	2005	2006	2007 (est.)
Total Market Size	24,900	26,000	27,400
Total Local Production	31,700	33,000	34,000
Total Exports	24,400	25,000	26,000
Total Imports	17,600	18,000	19,000
Imports from the U.S.	2,800	3,400	4,000

(Unofficial estimates)

The UK pharmaceutical market was worth \$27.4 billion in 2007, an increase of approximately 5.4%. Prescription drugs account for more than 80% of the market, with over-the-counter (OTC) products comprising the remainder. U.S. companies dominate local drug production in the UK and hold more than 20% of the import market.

The United Kingdom's National Health Service (NHS) provides free and universal public health services. It delivers 75% of the health care in the United Kingdom with the remaining 25% covered by private health care providers. In 2006, a substantial portion of NHS procurement was transferred from the Purchasing and Supplies Agency (PaSA) to NHS Supplies, a company run by DHL, the private sector logistics company.

The key requirement for selling pharmaceutical products in the UK is a product license granted by the UK's Medicines and Healthcare products Regulatory Agency (MHRA) or the European Medicines Agency (EMA). The MHRA boasts the fastest new drug approval times among all the European regulatory bodies and issues licenses through the decentralized process. All novel products, including biotechnology-related products, need to go through the EMA centralized licensing process. The London-based EMA is the EU's centralized agency for Single Market Approvals.

Additional regulatory hurdles that pharmaceutical companies face are:

- The UK National Institute of Health and Clinical Excellence (NICE), which judges the clinical and cost-effectiveness of new and existing drugs, treatments, and medical devices. Based on these reviews, it provides the NHS with guidance on treatment strategy and influences procurement decisions by stating which products are reimbursable on the NHS.
- The UK's Pharmaceutical Price Regulation Scheme (PPRS), which limits profits that pharmaceutical companies are allowed on their sales to the National Health Service (NHS).
- The UK government's mandatory price caps on generic medicines used in NHS primary care, which limit the maximum prices for generic drugs.

In the area of Vitamins, Minerals and Supplements (VMS), U.S. VMS manufacturers should be aware of the EU Food Supplements Directive. The Food Supplements Directive 2002/46/EC came into effect under UK law on 1 August 2005. This is a key piece of legislation because it significantly tightens the UK vitamins, minerals, and supplements regulatory environment and therefore makes market entry more difficult. Until its implementation, the UK was one of the more liberal EU members in terms of VMS regulation.

In February 2007, the Office of Fair Trading published the results of a study into the PPRS. The OFT recommended that the PPRS should be reformed to deliver better value for money for the NHS given its level of spending on pharmaceuticals. In addition, it suggested that investment in new pharmaceuticals should be focused on drugs that yield the greatest benefits for patients. The study concluded that a value-based pricing system should be implemented in place of the PPRS. The government is still considering this proposal.

In the context of the OFT recommendations however, the Health Minister Alan Johnson announced that a cut of 10% in prices the NHS pays for prescription medicines is sought by the government in a deal it plans to conclude with the pharmaceutical industry by June 2008, suggesting an early renegotiation of the current PPRS terms.

American pharmaceutical companies are currently considering the proposed early renegotiation of the PPRS and hope to work with HMG in the coming months to ensure that any change to the UK's drug pricing system does not stifle innovation, restrict individual patient choice or undermine U.S. investment in the UK.

### **Best Prospects/Services**

The UK Department of Health is currently committing substantial resources in treating the following diseases:

- Cancer
- Alzheimer's
- Parkinson
- Other diseases associated with a rapidly growing aging population
- Diabetes
- Rheumatoid Arthritis
- Digestive disorders

Innovative treatments in those areas are being actively sought by the DOH.

### **Resources**

#### **Upcoming Events**

New Frontiers 2008  
Ware, Hertfordshire  
November 3-4, 2008  
[www.thecca.org.uk/newfrontiers](http://www.thecca.org.uk/newfrontiers)

Interphex  
National Exhibition Centre, Birmingham  
May 2009  
[www.totalexhibition.com](http://www.totalexhibition.com)

### **Trade Associations**

The Association of British Pharmaceutical Industry  
[www.abpi.org.uk](http://www.abpi.org.uk)

Royal Pharmaceutical Society of Great Britain  
[www.rpsgb.org.uk](http://www.rpsgb.org.uk)

The Company Chemists' Association  
<http://www.thecca.org.uk/>

### **Government Departments**

The Department of Health (DOH)  
[www.doh.gov.uk](http://www.doh.gov.uk)

Medicines and Healthcare Products Regulatory Agency (MHRA)  
[www.mhra.gov.uk](http://www.mhra.gov.uk)

European Medicines Agency  
[www.emea.eu.int](http://www.emea.eu.int)

National Institute for Health and Clinical Excellence (NICE)  
[www.nice.org.uk](http://www.nice.org.uk)

### **Contact Details**

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Fax: 011 44 20 7894 0020  
Email: [Tatiana.Russo@mail.doc.gov](mailto:Tatiana.Russo@mail.doc.gov)

## Environmental Technologies

### Overview

\$ Millions	2005	2006	2007 (est.)
Total Market Size	25,000	26,500	28,000
Total Local Production	21,900	23,460	25,100
Total Exports	10,550	10,910	11,200
Total Imports	13,650	13,950	14,100
Imports from the U.S.	987	1,007	1,200

(Unofficial estimates)

International and local regulations continue to drive the UK environmental technologies sector, which accounts for nearly 5% of the global market. There are a number of large local and international multinationals, and approximately 17,000 small to medium sized environmental companies in the UK. Constant growth and expansion contributes to the creation of smaller “start up” firms, especially in newer segments of the market.

The sector is large and diverse, incorporating well-established segments such as water/wastewater treatment and waste management. These two segments account for 73% of the market (39% and 34% respectively). Unlike the rest of Europe, landfill remains the most common means of waste management in the UK. However EU regulations encourage other waste management methods, such as recycling and Energy-for-Waste (EfW) technology. UK government figures predict growth of 33% in the water/wastewater management segment by 2025. Industry currently invests approximately \$5.5 billion each year to improve water supplies and sewerage services.

Environmental consulting services, air pollution control and contaminated land remediation also form a significant proportion of the market. The consulting services segment is extremely broad, but particularly active in the areas of contaminated land and the water/wastewater segments. The December 2007 adoption of the EU Integrated Pollution Prevention and Control (IPPC) Directive is expected to create opportunities in the air pollution segment. The “industrial legacy” has resulted in a considerable amount of contaminated land. Remediation is being driven by the increased use of brownfield land for new residential and commercial development.

### Best Products/Services

Opportunities exist in areas such as curbside recycling, waste separation, end-of-life vehicle dismantling, electrical and electronic goods disposal, and alternatives to landfill disposal, i.e. incineration, anaerobic/enzyme digestion, contaminated land remediation, and construction. The sector could also benefit from expertise or technologies in specialized areas of waste management such as collection, treatment and containment/disposal of hazardous waste streams, such as radioactive material. Service sector opportunities exist for firms with experience in operations and human resources management, especially the municipal waste segment.

### Resources

## **Upcoming Events**

Sustainability Live  
National Exhibition Centre, Birmingham  
May 20-22, 2008  
<http://www.sustainabilitylive.com>

Recycling and Waste Management  
National Exhibition Centre, Birmingham  
September 16-18, 2008  
<http://www.rwminfo.com>

## **Trade Associations**

The Carbon Trust  
8<sup>th</sup> Floor  
3 Clements Inn  
London WC2A 2AZ  
Tel: 011 44 800 085 2005  
Fax: 011 44 20 7170 7020  
<http://www.carbontrust.co.uk>

The Chartered Institution of Wastes Management  
9 Saxon Court  
St. Pter's Gardens  
Marefair  
Northampton NN1 1SX  
Telephone: 011 44 1604 620426  
Fax: 011 44 1604 621 339  
<http://www.ciwm.co.uk/>

Environmental Services Association  
154 Buckingham Palace Road  
London SW1W 9TR  
Telephone: 011 44 20 7824 8882  
Fax: 011 44 20 7824 8753  
<http://www.esauk.org/>

Waste and Recycling Action Programme (WRAP)  
The Old Academy  
21 Horse Fair  
Banbury OX16 0AH  
Telephone: 011 44 1295 819900  
<http://www.wrap.org.uk>

## **Government Departments**

Department of Environment Food and Rural Affairs  
Nobel House  
17 Smith Square  
London SW1P 3JR



Tel: 011 44 20 7238 6951  
Fax: 011 44 20 7238 2188  
<http://www.defra.gov.uk/environment/index.htm>

Department for Business, Enterprise and Regulatory Reform (BERR)  
1 Victoria Street  
London SW1H 0ET  
Tel: 011 44 20 7215 5000  
Fax: 011 44 20 7215 0105  
Email: [enquiries@berr.gsi.gov.uk](mailto:enquiries@berr.gsi.gov.uk)  
<http://www.berr.gov.uk>

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Fax: 011 44 20 7894 0020  
Email: [Cheryl.Withers@mail.doc.gov](mailto:Cheryl.Withers@mail.doc.gov)

## Medical Equipment

### Overview

\$ Million	2005	2006	2007 (est.)
Total Market Size	6,400	6,600	6,800
Total Local Production	5,000	5,200	5,400
Total Exports	2,000	2,200	2,400
Total Imports	3,400	3,600	3,800
Imports from the U.S.	1,200	1,200	1,200

(Unofficial estimates)

The UK medical equipment market ranks as the world's sixth largest and Europe's fourth largest. Market trends indicate that the sector will continue expanding by 3% by 2008. The United States is the largest import supplier with about 32% of the import market. Most large U.S. medical equipment manufacturers have established operations in the United Kingdom. The UK medical equipment industry is a diverse and fragmented

market, encompassing nearly 1,000 companies producing a wide array of products. Over 90% of these companies employ fewer than 50 people.

The principal purchaser of medical equipment in the United Kingdom is the National Health Service (NHS) – the UK's public sector health care system – which accounts for about 75% of Britain's health care provision. Between 2002 and 2006, the NHS budget increased by 35% in order to purchase capital equipment such as pumps, lasers, imaging systems, pathology laboratories and hospital bed systems. However, tightened budgets in 2008 will likely reduce this trend. While the private sector accounts for less than one-quarter of the UK health care market, significant opportunities still exist for U.S. medical device companies to supply private hospitals and the residential, nursing, and home care sectors.

Medical devices are regulated by EU Directives that set out compliance requirements and procedures. The three main Directives are the Medical Devices Directive, the Active Implantable Medical Devices Directive, and the In-Vitro Diagnostic Medical Devices Directive. For more information about these directive please visit: [www.mhra.gov.uk](http://www.mhra.gov.uk). In addition, the UK National Institute of Clinical Excellence (NICE), which judges the clinical and cost-effectiveness of new and existing medical devices, and which provides the NHS with guidance on treatment strategy, may present an additional regulatory hurdle that innovative U.S. devices must overcome.

### **Best Products/Services**

The best sales potential during 2008-2010 for U.S. manufactured medical equipment is expected to be in the following areas:

- Computer tomography (CT) scanners
- Mammography equipment
- Magnetic Resonance Imaging (MRI)
- Ultrasound Equipment
- Picture Archiving Communication Systems (PACS)
- Telemedicine
- Electronic monitoring equipment
- Medical laboratory equipment
- Orthopedic and prosthetic equipment, including artificial limbs
- Rehabilitation equipment
- Respiratory, anesthetic and resuscitation equipment
- Needle free systems
- Diagnostics

While the sectors mentioned above are best prospects for U.S. companies, U.S. suppliers should be aware that in there has recently been a root and branch review of all healthcare expenditure plans which could seriously affect future NHS spending on medical equipment.

In 2006, the UK Department of Health approved a \$3 billion wave of new hospitals to be built under the private finance initiative (PFI). Six new hospitals will open across England from 2010. Under PFI, hospitals are built by private companies, with NHS trusts repaying them over a period of around 25 or 30 years. Under the plans, hospitals

will be built in Leicester, Torbay in Devon, North Staffordshire, Tameside and Glossop, Salford and Walsall. The scheme will lead to new A&E departments as well as cancer and mental health facilities.

There are 24 fixed independent sector treatment centers across the United Kingdom, and one mobile unit, operated by the private sector offering free treatment to NHS patients. As well as anesthetists, they employ clinical specialists, who specialize in general surgery; ophthalmology; ENT; and orthopedics, performing a range of elective procedures such as hip and knee replacements and cataract removal. This will see the current number of operations performed by the private sector rise from 5% to around 10%. Areas of special interest for ISTC development include: cataracts and wider ophthalmology procedures – where there is a particular interest in innovative solutions, such as mobile units and orthopedics.

The UK Department of Health has also invested an additional \$38 million in capital investment for the NHS to build new PET-CT scanning facilities. The scanners will be a mix of fixed site and mobile facilities. There are currently seven fixed-location scanners routinely available for NHS patients in England, all located in London and the South East, except for one in Birmingham. It is estimated that around 40,000 PET scans will be needed each year by 2008 and this demand is likely to increase when more evidence becomes available of the benefits of the technology. In addition a further 25,000 scans per year will be made available from the independent sector over the next five years to support the National Health Service. Currently, around 10,500 PET scans are undertaken in the NHS annually.

## Resources

### Upcoming Events

NAIDEX  
National Exhibition Centre, Birmingham  
April 29- May 1, 2008  
<http://www.naidex.co.uk/>

### Trade Associations

The Association of British Healthcare Industries (ABHI)  
[www.abhi.org.uk](http://www.abhi.org.uk)

British Anesthetic & Respiratory Equipment Manufacturers Association  
(BAREMA)  
[www.barema.org.uk](http://www.barema.org.uk)

British In Vitro Diagnostics Association (BIVDA)  
[www.bivda.co.uk](http://www.bivda.co.uk)

British Healthcare Trades Association (BHTA)  
[www.bhta.net](http://www.bhta.net)

The NHS Confederation  
[www.nhsconfed.org](http://www.nhsconfed.org)

## Government Departments

The Department of Health (DOH)

[www.doh.gov.uk](http://www.doh.gov.uk)

Medicines and Healthcare Products Regulatory Agency (MHRA)

[www.mhra.gov.uk](http://www.mhra.gov.uk)

National Institute for Health and Clinical Excellence (NICE)

[www.nice.org.uk](http://www.nice.org.uk)

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## Oil and Gas Field & Drilling Equipment

### Overview

\$ Millions	2005	2006	2007 (e)
Total Market Size	9,700	12,900	14,200
Total Local production	8,700	10,000	11,000
Total Exports	2,800	3,000	3,100
Total Imports	3,800	5,900	6,300
Imports from U.S.	500	600	700

(Unofficial estimates)

Although the total value of the UK oil and gas market has increased substantially in recent years, this is the result of a sharp growth in global fuel prices over the past three years rather than increased production. Total UK capital expenditure on UK continental shelf exploration, development and operations (oil and gas) was \$14.2 billion in 2007. While this is a 10% increase over 2006, it is significantly less than the 33% increase in 2006 over 2005.

Actual crude oil production from UK offshore oilfields declined from 77 million tonnes in 2005 to 70 million tonnes in 2006. Offshore gas production declined from 93 billion cubic meters in 2005 to 84 billion in 2006.

Despite this decline in production, the number of active offshore wells, including sidetracked wells, rose from 262 in 2006 to 274 in 2007. In particular, there was a strong increase in the number of exploration and appraisal wells. As oil and gas prices rise, smaller fields that had not looked attractive a decade ago now offer the profit potential. These smaller and less productive fields typically require a higher level of investment in oilfield and drilling equipment to maximize extraction. This is reflected in the capital costs of exploration and appraisal that jumped from \$920 million in 2005 to \$1.5 billion in 2006.

### **Best Products/Services**

Opportunities exist for companies to provide:

- Design, installation, and maintenance of fixed and mobile drilling rigs, masts and substructures
- Upgrades to existing facilities to take advantage of new technology
- Supply and repair of drilling equipment
- Supply of spare parts for drilling equipment
- Decommissioning of redundant infrastructure at exhausted oilfields

### **Resources**

#### **Upcoming Events**

Offshore Europe 2009  
Aberdeen Exhibition and Conference Centre  
September 8-11, 2009  
<http://www.offshore-europe.co.uk/>

#### **Trade Associations**

Association of British Offshore Industries  
[www.maritimeindustries.org](http://www.maritimeindustries.org)

British Marine Equipment Association  
[www.maritimeindustries.org](http://www.maritimeindustries.org)

Energy Institute  
<http://www.energyinst.org.uk>

Institute of Marine Engineering, Science and Technology  
[www.imarest.org](http://www.imarest.org)

International Maritime Contractors Association  
[www.imca-int.com](http://www.imca-int.com)

Society of Maritime Industries  
[www.maritimeindustries.org](http://www.maritimeindustries.org)

Subsea UK  
[www.subseauk.org](http://www.subseauk.org)

UK Offshore Operators Association  
[www.ukooa.co.uk](http://www.ukooa.co.uk)

### Government Department

Department for Business, Enterprise and Regulatory Reform (BERR)  
<http://www.og.dti.gov.uk/>

### Contact Details

For further information about the UK oil and gas field and drilling equipment market please contact:

Mr. Richard Stanbridge  
Senior Commercial Specialist  
U.S. Commercial Service  
American Embassy  
24 Grosvenor Square  
UK  
London W1A 1AE  
Tel: 011 44 20 7894 0419  
Fax: 011 44 20 7408 0020  
Email: [Richard.Stanbridge@mail.cdod.gov](mailto:Richard.Stanbridge@mail.cdod.gov)

## Telecommunications Equipment

### Overview

\$ Millions	2005	2006	2007 (est.)
Total Market Size	11,530	11,750	12,200
Total Local Production	8,380	10,150	10,500
Total Exports	3,740	3,400	3,500
Total Imports	6,890	5,000	5,200
Imports from the U.S.	1,010	740	850

(Unofficial estimates)

Since opening up to competition, the UK telecoms market has become one of the most dynamic in the world, with new technologies such as wireless and broadband internet continuing to drive market growth. The UK Government has encouraged the use of Wi-

Fi and deregulation has allowed public network operators to use certain parts of the spectrum that are exempt from licensing for Wireless LAN (Wi-Fi) type systems.

The last 18 months have seen steady growth in telecoms sector revenues driven by growth in broadband Internet and mobile sectors. The level of broadband penetration in the UK, measured by subscribers per 100 population, is now comparable to most European countries although is still behind the USA, Japan and most notably Korea. The UK telecoms sector is set to evolve rapidly over the next few years. While British Telecom's (BT) digital subscriber line (xDSL) products have consolidated its position as the main broadband wholesale delivery mechanism, BT is being forced by regulators to progress its local loop unbundling (LLU). There are currently over 1 million unbundled local loops in the UK.

The first elements of BT's new next generation network (21CN or 21<sup>st</sup> Century Network) are now being rolled out in the UK. The first next generation broadband products have been launched and these should be available to about 50% of UK end-users by 2009.

The eight strategic partners chosen to work with BT are: Alcatel (now merged with Lucent), Ciena, Cisco, Ericsson, Fujitsu, Huawei, Lucent (now merged with Alcatel), and Siemens. Those companies interested in subcontracting opportunities should now contact these prime contractors rather than BT.

As a result of a slowing economy, we expect both businesses and consumers to tighten their belts resulting in little or no growth in this sector in 2008.

### **Best Products/Services**

**Broadband Technologies** – Broadband is very widely used by the UK consumer. Companies providing devices or software that can leverage the capabilities of this technology are likely to find a market. Video and Voice over IP Technologies and Services, the nascent triple play market, is likely to grow rapidly as the bandwidth on broadband increases.

**3G/UMTS Technologies and Services** – The five cellular networks are rapidly upgrading the coverage of their UMTS service. Companies that can provide products and solutions into this market are likely to find partners.

The market is developing a triple play sector and quad-play offering once Virgin Mobile (wireless MVNO) and NTL (a current triple play leader) finalize their merger and re-brand in 2007. Traditionally, it is only the cable telco's who have had a true triple play offering, but LLU has allowed pioneers to enter the market. Manufacturers of innovative convergence technologies should look at the UK market.

The mobile telephony sector is being driven by 3G services, although uptake has been relatively slow due to the high cost of using options such as music downloads. There is scope for the introduction of new 3G products in the market. VoIP has joined the mainstream following product announcements from the leading UK telecoms providers.

### **Resources**

#### **Upcoming Events**

4/7/2008

IPTV World Forum  
London  
March 12-14, 2008  
<http://www.iptv-forum.com/>

Symbian Smartphone Show  
London  
October, 21-22, 2008  
<http://www.symbiansmartphoneshow.com/>

### **Trade Associations**

Intellect  
[www.intellectuk.org](http://www.intellectuk.org)

Mobile Operators Association  
[www.mobilemastinfo.com](http://www.mobilemastinfo.com)

The Internet Service Providers' Association  
[www.ispa.org.uk](http://www.ispa.org.uk)

### **Government Departments**

Department for Business, Enterprise and Regulatory Reform (BERR)  
<http://www.berr.gov.uk/sectors/telecoms/index.html>

Ofcom  
<http://www.ofcom.org.uk>

### **Contact Details**

For further information about the UK telecommunications equipment market please contact:

Mr. Richard Stanbridge  
Senior Commercial Specialist  
U.S. Commercial Service  
American Embassy  
24 Grosvenor Square  
London W1A 1AE  
UK  
Tel. 011 44 20 7894 0419  
Fax. 011 44 20 7894 0020  
Email. [richard.stanbridge@mail.doc.gov](mailto:richard.stanbridge@mail.doc.gov)



## Travel & Tourism

### Overview

	2005	2006	2007
UK arrivals (millions)	4.345	4.176	4.497

### Total Spending in the U.S. by UK Travelers

\$ Millions	2005	2006	2007 (est.)
Total Spent by UK Travelers	10,684	10,775	11,000

The United Kingdom is expected to remain the number one overseas market for inbound travel to the United States; with the number of UK visitors traveling to the U.S. in 2007 increasing 7.7% over 2006. This upswing is mainly due to a strong surge in tourism in the second half of 2007. The economic impact on the U.S. economy from UK visitors is also projected to increase, to almost \$11 billion (excluding airfares).

The exchange rate favored UK travelers throughout 2007, with the pound sterling remaining strong against the U.S. dollar. However, this advantage was partially offset by continuing competition from other long- and short-haul destinations, most of which benefit from large marketing budgets.

Despite this heavy competition, the U.S. remains a popular long-haul destination for UK travelers. Florida, a traditionally key destination for UK travelers, remained relatively flat in 2007, but this is in contrast to the substantial decline in 2006. The market now appears poised to generate good growth in 2008 on the back of a \$3 million advertising campaign for Orlando.

New York City continued to attract large numbers of UK visitors in 2007 and is expected to remain the number one U.S. city favored by UK travelers. In 2006, the number of UK visitors to the Big Apple reached nearly 1.2 million, followed by Orlando, with 973,000.

The combined New York City and Orlando destination markets account for over 50% market share. However, other regions in the U.S. expect to see growth from the UK in 2008. Tour operators at the November 2007 World Travel Market trade show cited strong forward interest and bookings to other U.S. destinations, particularly California and Las Vegas.

## Resources

### Upcoming Events

World Travel Market  
ExCel Conference Centre, London  
November 10-13, 2008

<http://www.wtmlondon.com/>

### **Trade Associations**

The Visit USA Association (UK) Ltd – (VUSA)  
24 Grosvenor Square  
London W1A 1AE  
UK  
Tel: 011 44 20 7495 4814  
Fax: 011 44 20 7495 4851  
Contact: Mr. Alan Waddell, Director of Business Development  
Email: [awaddell@freeuk.com](mailto:awaddell@freeuk.com)  
<http://www.visitusa.org.uk/>

Travel Industry Association of America (TIA)  
1100 New York Avenue NW  
Suite 450  
Washington D.C. 20005-3934  
Tel: (202) 408-8422  
Fax: (202) 408-1255  
Contact: Brunce Bommarito, COO  
<http://www.tia.org/>

### **Government Department**

Office of Travel & Tourism Industries (OTTI)  
U.S. Department of Commerce  
Room 1003  
14th & Constitution Avenue NW  
Washington D.C. 20230  
USA  
Tel: (202) 482-0140  
Fax: (202) 482-2887  
Contact: Ms. Julie Heizer  
<http://www.tinet.ita.doc.gov/>

### **Contact Details**

For further information on the UK travel and tourism market, please contact:

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Fax: 011 44 20 7894 0020  
Email: [Stewart.Gough@mail.doc.gov](mailto:Stewart.Gough@mail.doc.gov)

4/7/2008

## Agricultural Products

### Overview

The UK is a key market for U.S. agricultural products. In fiscal year 2007, U.S. exports of agricultural, fish and forestry products to the UK reached \$1.67 billion, a 7 percent increase on the 2006 level. Although this record level of exports has been boosted in recent times by the weakness of the dollar against the pound and the popularity of high-value food and drink exports, the UK consistently features in the top ten most important destinations for U.S. agricultural products.

Consumer-oriented food and drink products remain the most important sector in value terms, amounting to 50 percent (\$844 million) of total exports of agricultural, fish and forestry products to the UK. This record figure is a rise of 15 percent on fiscal year 2006 and secures the UK as the top EU destination and seventh on the world league table of U.S. destinations for consumer-orientated goods. Fruit, vegetables and nuts account for over 39 percent of the American food and drink products imported into the UK. American wines, particularly from California, have established a high profile in the UK and sales are robust, reaching a record \$288 million in fiscal year 2007. There has also been notable success for branded snack foods and grocery goods, largely by generating niche markets and specialist distribution based upon their quality attributes.

The UK is a key market for U.S. fish and seafood products. The bulk of U.S. seafood exports to the UK are accounted for by canned salmon shipments, although increasing volumes of fresh and frozen salmon from the wilds of Alaska are entering the UK and appearing on retailer's shelves. Also, considerable volumes of Alaskan Pollack have entered the UK over the last 3 years. These shipments are destined for the processing sector to compensate for the decline in harvested volumes of whitefish as a result of low levels of fish stocks in European fishing grounds.

Although forestry product exports have been under pressure in recent years due to strong competition from low cost third-country suppliers in the plywood sector, fiscal year 2007 saw U.S. timber generate \$238 million of export revenue, with American softwoods performing particularly well in what is an increasingly competitive market sector.

### Opportunities and Challenges for U.S. Products in the UK

Opportunities	Constraints
The scale of the U.S. food industry may offer price competitiveness on large volume orders.	Competition from EU Member States (import duty payable on U.S. products).
The UK climate limits growing seasons and types of products grown.	Poultry and red meat are effectively banned from the EU, and dairy imports from the U.S. are also restricted.
The U.S. has good brand image in UK. The U.S. is a popular destination for the	Strict UK/EU/retailer rules on import certification, food safety, traceability,

UK tourist and familiarity with U.S. is widespread.	environmental issues and plant inspection.
A common language means that the UK is a natural gateway into Europe.	Labels on packaged food need to be changed, particularly the nutritional panel. Pack sizes and palletization may also need changing.
The UK has a core group of experienced importers with a history of sourcing from the U.S.	Need to develop relationship with UK trade contacts and invest in marketing product.
Strong interest in innovative products with current high interest in natural, wholesome and health food categories.	Biotech (GMO) ingredients face significant EU trade barriers to entry.
Strong purchasing power; sophisticated market. In general, the UK tends to mirror the U.S. retail market trends.	Taste buds differ in the UK – e.g. there is little affinity for popcorn, peanut butter and U.S. manufactured chocolate.

## Best Prospects and Top Ten Exports

### Ten Best Products/Prospects

- Natural, wholesome & healthy foods (including gluten-free, meat-free, functional foods)
- Wine
- Seafood
- Fresh fruit & vegetables
- Dried fruit & nuts
- Specialty sauces & condiments
- Snack foods
- Confectionery
- Beer (including micro breweries)
- Soft Drinks

	2003	2004	2005	2006	2007
Wine & Beer	213	266	208	225	288
Live Animals (includes racing horses)	74	71	63	164	158
Other Intermediate (other crop products, animal products etc)	104	113	134	147	150
Processed Fruit & Vegetables (including frozen, preserved, dried, shelled, cut etc)	80	87	84	96	105
Fresh Fruit	68	77	84	88	105
Other Consumer Oriented (including spices, pasta, soup, ice cream etc)	70	77	69	79	97
Other Value-Added Wood (including wood for fuel, finished wood products, builders joinery etc)	63	70	89	72	88
Tree Nuts (including coconuts, brazil nuts,	47	50	82	82	80

cashew nuts, hazelnuts, almonds, chestnuts, pistachios etc)					
Salmon, Canned	50	75	74	65	77
Hardwood Lumber	67	67	75	80	68

## Resources

The U.S. Department of Agriculture (USDA) is represented in the UK by the Foreign Agricultural Service (FAS) in the U.S. Embassy in London. FAS works to improve foreign market access for U.S. agricultural, fish and forestry products and operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the global marketplace.

The primary role of FAS/London is to advise U.S. exporters and to increase U.S. market presence by focusing resources on viable product categories sought after by UK buyers. The FAS office also works on detection and elimination of trade barriers; analysis of and reporting on the UK agricultural situation, outlook and market opportunities for U.S. agricultural, fish and forest products; and representation of U.S. agricultural policies to UK trade and public. FAS/London works in conjunction with marketing partners such as U.S. trade associations, State departments of agriculture, small businesses and cooperatives to implement a unified export strategy.

FAS provides a range of services (free-of-charge) to assist U.S. exporters of agricultural products in achieving export success. More detailed information can be obtained by contacting FAS/London (Tel: +44 20 7894 0464; email [aglondon@fas.usda.gov](mailto:aglondon@fas.usda.gov)). Information on FAS global services can be found at FAS Online: <http://www.fas.usda.gov/>

## Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

### Import Tariffs

Customs duty is assessed on the fair market value of imported goods at the time they are landed in the UK. Import prices for products entering the UK from non-EU states generally consist of: Cost, Insurance, Freight and Duty, with VAT of 17.5% levied on the aggregate value. This sum is the exporter's "*landed cost, duty paid.*"

The commercial invoice value is usually accepted as the normal price, but if a preferential arrangement has been established between the overseas supplier and the importer, or an unrealistic value has been declared, HM Revenue and Customs (HMRC) reserves the right to assess a fair market value for duty purposes. The duty is payable at the time the goods are imported, but established importers can defer payment for an average of 30 days. In addition to customs duties on imported goods, an excise tax is levied on in-country sales of alcohol, tobacco, and road vehicles, and on sales of oil and petroleum products.

The applicable import duty and excise tax rates can be obtained from U.S. Department of Commerce Export Assistance Centers, and copies of the tariff can be purchased from [HMRC Stationery Office](#). Tariff information can also be obtained from TARIC (TARiff Intègre Communautaire), the Integrated Tariff of the (European) Community: [http://ec.europa.eu/taxation\\_customs/dds/tarhome\\_en.htm](http://ec.europa.eu/taxation_customs/dds/tarhome_en.htm)

In March 2004, as a result of the WTO ruling, which concluded that U.S. FSC/ETI provisions of the Internal Revenue Code constituted prohibited export subsidies, the European Union imposed [additional duties](#) to a number of products, in retaliation to the [BYRD Amendment](#). EC Regulation 673/2005 allows the EC to raise or lower retaliatory rates dependant on the subsidies the US paid its companies. In effect this means each year the additional rate of duty or the scope of the goods covered could be adjusted as necessary to provide balance.

### Trade Barriers

The UK has no significant trade or investment barriers, and no restrictions on the transfer of capital or repatriation of profits. The very few barriers that exist are almost all attributable to UK implementation of EU Directives and regulations.

### **Import Requirements and Documentation**

A limited range of goods requires import licenses, which are issued by the UK Department for Business, Enterprise and Regulatory Reform's Import Licensing Branch. These include firearms and explosives, nuclear materials, controlled drugs and certain items of military equipment. For further information see:

<http://www.berr.gov.uk/europeandtrade/importing-into-uk/import-licensing/page9780.html>

### **U.S. Export Controls**

U.S. exports to the UK are subject to the normal U.S. export control regulations, administered by the Bureau of Industry and Security (BIS), for dual-use items ([www.bis.doc.gov](http://www.bis.doc.gov)); and the Directorate of Defense Trade Controls (DDTC), for military end-use items ([www.pmdrtc.state.gov](http://www.pmdrtc.state.gov)). In June 2007, President Bush and Prime Minister Blair announced a forthcoming bilateral Defense Trade Cooperation Treaty, intended to greatly reduce licensing requirements arising from government-to-government defense programs. At the time of writing, the Treaty is under review by the U.S. Senate. For further information see: [www.state.gov/t/pm/rls/fs/90740.htm](http://www.state.gov/t/pm/rls/fs/90740.htm)

In addition to International Trafficking in Arms Regulations (ITAR), re-exports from the UK, and the activities of UK-based subsidiaries, are subject to UK export controls. These are managed by the Export Control Organisation (ECO), an office of the UK Department for Business, Enterprise and Regulatory Reform (BERR). U.S. companies supplying certain restricted items appearing on the UK Military List, including missile and long-range UAV technology, are encouraged to consult guidance available from the ECO website on the trafficking and brokering provisions contained in the UK Export Control Act 2002.

Key link: <http://www.berr.gov.uk/europeandtrade/strategic-export-control/index.html>

### **Temporary Entry**

Raw materials, temporarily imported for incorporation into products for export, may be admitted without payment of duties and taxes. The importer must provide a bank or insurance company guarantee or indemnity for the applicable duties and taxes. Goods intended for unaltered re-export may also be imported free of duty for a period of up to six months by prior arrangement with Her Majesty's Revenue & Custom (HMRC). Temporary entries and goods imported for technical examination and testing are subject to a VAT deposit scheme, with VAT refunded following the re-export of the goods. Products imported for repair, calibration, or incorporation are admitted with conditional relief from duty and VAT pending correct disposal of goods, usually re-export from the European Community.

Professional and demonstration equipment may be temporarily imported into the UK free of duty and tax under the Customs Convention on the Temporary Importation of Professional Equipment. For this, a carnet should be obtained from the U.S. Council of the International Chamber of Commerce: <http://www.iccwbo.org/>. Additionally, these goods may also be imported under the above-mentioned VAT deposit scheme for temporary entries.

### **Labeling and Marking Requirements**

In the UK, origin, weight and dimension, chemical composition and appropriate hazard warnings are required for consumer protection purposes on any product offered for retail sale. If the product cannot be labeled or marked, the data may be included on any packaging, accompanying printed material, or product literature. European and British clothing and shoe sizes are differently marked, and special provision may have to be made for apparel retail labeling. Dual labeling is strongly supported by the UK, which uses the practice as a cost-saving measure in its exports to North America.

See also “Labeling and Marking” in the “Standards” section of this chapter for a complete description of various EU requirements.

### **Prohibited and Restricted Imports**

Prohibited imports include AM citizens band radios, switchblade knives, devices that project toxic, noxious or harmful substances (e.g., tear gas), counterfeit coins and currency, certain types of pornography and hormone-treated beef.

The UK participates in the Wassenaar Arrangement for the control of dual-use exports, the Australia Group (AG) for the control of chemical and biological weapons, and the Nuclear Suppliers’ Group (NSG) for nuclear-related goods, preventing the export of restricted goods and technology to countries of proliferation concern. The UK also supports United Nations’ sanctions restricting exports to certain other destinations. Although sensitive to the extraterritorial application of U.S. law in export controls, the UK authorities cooperate with the U.S. in preventing the re-export of sensitive goods and technology of U.S.-origin to unauthorized destinations, when the enforcement action is based on multilateral controls.

### **Customs Regulations and Contact Information**

The documents required for shipments include the commercial invoice, bill of lading or airway bill, packing list, insurance documents, and, when required, special certificates of origin, sanitation, ownership, etc.

A copy of the commercial invoice should accompany the shipment to avoid delays in customs clearance. It is worth noting that imprecise descriptions are a common reason for goods being held without customs clearance, meaning that a clear description of the goods is essential and should be worded in such a way as to describe the goods to an individual who may not necessarily have an understanding of a particular industry or



article. A clear description of goods should satisfy three basic questions as to what the product is, for what is it used, and of what it is made.

No special form of invoice is required, but all of the details needed to establish the true value of the goods should be given. At least two additional copies of the invoice should be sent to the consignees to facilitate customs clearance. Consular documents are not required for shipments to the UK. See Chapter 9 for a list of UK Government offices.

## Standards

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

## Overview

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union standards created under the "New Approach" are harmonized across the 27 EU Member States and European Economic Area countries, to allow for the free flow of goods. The CE Market in a feature of New Approach. The initials "CE" do not stand for any specific words but are a declaration by the manufacturer that his product meets the requirements of the applicable European Directive(s). While harmonization of EU legislation can facilitate access to the EU-Single Market, manufacturers should be aware that regulations and technical standards might also function as barriers to trade if U.S. standards are different from those of the European Union.

The European Union is currently undertaking a major revision of the New Approach that will enhance some aspects, especially in the areas of market surveillance. For further information see:

[http://ec.europa.eu/enterprise/regulation/internal\\_market\\_package/index\\_en.htm](http://ec.europa.eu/enterprise/regulation/internal_market_package/index_en.htm)

### *Agricultural Standards*

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005.

For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://useu.usmission.gov/agri/>.

## Standards Organizations

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

- CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.org/Cenelec/Homepage.htm>)
- ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
- CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are available for a fee by the individual Member States standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away its individual standards at no charge on its website. In addition to these three standards development organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical regulations. The Commission lists their mandates online at: [http://ec.europa.eu/enterprise/standards\\_policy/mandates/](http://ec.europa.eu/enterprise/standards_policy/mandates/). EU harmonized standards, which provide the basis for CE marking, are listed at: <http://www.newapproach.org/>.

Due to the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its business development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Croatia, FYR of Macedonia, and Turkey. The "Partner Standardization Bodies" category includes standards organizations from Bosnia and Herzegovina, Republic of Moldova, Egypt, Serbia, the Russian Federation, Tunisia, the Ukraine, Armenia and Australia, which are not likely to join the EU or CEN, but have an interest in participating in specific CEN technical committees. They agree to pay a fee for full participation in certain technical committees and agree to implement the committee's adopted standards as national standards. Many other countries are targets of the EU's extensive technical

assistance program, which is aimed at exporting EU standards and technical regulations to developing countries, especially in the Mediterranean and Balkan countries, Africa, as well as programs for China and Latin America.

Information on upcoming CEN and CENELEC activities is available on their websites. The CEN "business domain" page provides an overview by sector and/or technical committee, whereas CENELEC offers the possibility to search its database. ETSI's portal ([http://portal.etsi.org/Portal\\_Common/home.asp](http://portal.etsi.org/Portal_Common/home.asp)) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU regulations, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: <http://www.cenorm.be/cenorm/workarea/sectorfora/index.asp>.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

## **Conformity Assessment**

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages of the production process to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. A listing of individual Member State conformity assessment bodies is available at:

<http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and the European Standard Agreement Group. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

## **Product Certification**

To sell products in the 27 Member States of the EU, as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE product marking legislation offers manufacturers a number of choices and requires decisions to determine which

safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standards organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by Member State inspectors, the consumer may well perceive it as a quality mark.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity, the certificate of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

## Accreditation

Independent certification bodies, known as “notified bodies”, have been officially accredited by competent authorities to test and certify to EU requirements. However, under U.S.-EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, are allowed to test in the United States to EU specifications, and vice versa. The costs are significantly lower, allowing U.S. products to become more competitive. At this time, the U.S.-EU MRAs cover the following sectors: Electromagnetic Compatibility (in force), Radio and Telecommunications Terminal Equipment (in force), Medical Devices (in transition), Pharmaceutical (on hold), Recreational Craft (in force) and Marine Equipment (in force). The U.S. Department of Commerce, National Institute of Standards and Technology (NIST), has a link on its website to American and European Conformity Assessment bodies operating under a mutual recognition agreement.

Key Link: <http://ts.nist.gov/Standards/Global/mra.cfm>

Accreditation is handled at Member State level. European Accreditation is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system

compatible with EN45003 or ISO/IEC Guide 58. For further information see:  
[http://www.european-accreditation.org/default\\_flash.htm](http://www.european-accreditation.org/default_flash.htm)

### Publication of Technical Regulations

The Official Journal is the official gazette of the European Union. It is published daily on the internet and consists of two series covering draft and adopted legislation as well as case law, questions from the European Parliament, studies by committees, etc.

(<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>). It also lists the standards reference numbers linked to legislation

(<http://www.newapproach.org/Directives/DirectiveList.asp>).

National technical Regulations are published on the Commission's website

<http://ec.europa.eu/comm/enterprise/tris/> to allow other countries and interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT) Agreement to report to the WTO all proposed technical regulations that could affect trade with other member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical Regulations that can affect your access to international markets. Register online at Internet URL:

<http://tsapps.nist.gov/notifyus/data/index/index.cfm>

### Labeling and Marking

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, may become essential for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable through December 31, 2009. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of Member States to require the use of language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC, to replace 80/232/EC in April 2009, harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

Key Link: [http://ec.europa.eu/enterprise/prepack/packsiz/packsiz\\_en.htm](http://ec.europa.eu/enterprise/prepack/packsiz/packsiz_en.htm)

#### *The Eco-label*

EU legislation in 1992, revised in 2000, distinguishes environmentally friendly products and services through a voluntary labeling scheme, known as the "Eco-label." Currently, the scheme applies to 26 product groups, covering 12 major manufacturing areas and one service area. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the

environment than similar products. This “green label” also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet in order to place the product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental standards and regulations.

The EU Eco-label is a costly scheme (up to 1,300 euros for registration and up to 25,000 euros per year for the use of the label, with a reduction of 25% for SMEs) and has therefore not been widely used to date. However, the Eco-label can be a good marketing tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

Key Links: [http://buyusainfo.net/docs/x\\_4284752.pdf](http://buyusainfo.net/docs/x_4284752.pdf)  
[http://ec.europa.eu/comm/environment/ecolabel/index\\_en.htm](http://ec.europa.eu/comm/environment/ecolabel/index_en.htm)  
<http://www.eco-label.com/>

## Contacts

The following link lists standards and conformity bodies throughout the UK and EU:

[http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=country.notifydbody&cou\\_id=826](http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=country.notifydbody&cou_id=826)

For further information on standards and conformity throughout the European Union, please contact:

Louis Santamaría  
Standards Attaché  
United States Mission to the European Union  
[www.buyusa.gov/europeanunion](http://www.buyusa.gov/europeanunion)  
Tel (32-2) 508-2674  
Fax (32-2) 513-1228  
Email [Louis.Santamaria@mail.doc.gov](mailto:Louis.Santamaria@mail.doc.gov)

For further information on standards and conformity in the United Kingdom, please contact:

John Coronado  
Commercial Officer  
U.S. Commercial Service – London  
[www.buyusa.gov/uk](http://www.buyusa.gov/uk)  
Tel (44-20) 7894-0405  
Fax (44-20) 7894-0020  
Email [John.Coronado@mail.doc.gov](mailto:John.Coronado@mail.doc.gov)

## Trade Agreements

The UK participates in the free trade arrangements of the European Union (EU) and European Free Trade Association (EFTA), and is a member of the World Trade Organization (WTO).

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For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see [http://tcc.export.gov/Trade\\_Agreements/index.asp](http://tcc.export.gov/Trade_Agreements/index.asp).

## **Web Resources**

### **General Regulation Inquiries**

Office of the U.S. Trade Representative  
<http://www.ustr.gov/>

U.S. Mission to the EU (USEU) website  
<http://www.useu.be> or <http://useu.usmission.gov/>

Foreign Agricultural Service website, USEU  
<http://www.useu.be/agri/usda.html>

Trade Compliance Center  
<http://www.trade.gov/tcc>

U.S. Commercial Service European Union  
<http://www.buyusa.gov/europeanunion>

EC's TARIC – online customs tariff database  
[http://ec.europa.eu/comm/taxation\\_customs/common/databases/taric/index\\_en.htm](http://ec.europa.eu/comm/taxation_customs/common/databases/taric/index_en.htm)

### **UK Packaging and Labeling Requirements**

Consumer Affairs Division 1A  
Department for Business, Enterprise & Regulatory Reform (BERR)  
10-18 Victoria Street  
London SW1H 0NN  
Tel. 011 44 20 7215 0332  
Fax 011 44 20 7215 0315  
<http://www.dti.gov.uk/consumers/index.html>

### **Customs and Rules/Regulations for the UK**

HM Board of Customs and Excise  
Tel. (44-20) 7620-1313  
Fax (44-20) 7865-4945  
<http://www.hmrc.gov.uk/>

### **Medicines Licensing and Regulation for the UK**

Department of Health  
Richmond House  
79 Whitehall  
London SW1A 2NS  
Tel. (44-20) 7210 4850

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[www.dh.gov.uk](http://www.dh.gov.uk)

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

The UK was the world's second largest recipient of foreign direct investment in 2006, according to the United Nations Conference on Trade and Development (UNCTAD). The UK continued to lead Europe in attracting foreign investment with more than a quarter of all direct investment in the EU. The U.S. and the UK are the largest foreign investors in each other's countries. The stock of U.S. foreign direct investment in the UK totaled \$364 billion at yearend 2006.

With a few exceptions, the UK does not discriminate between nationals and foreign individuals in the formation and operation of private companies. U.S. companies establishing British subsidiaries generally encounter no special nationality requirements on directors or shareholders, although at least one director of any company registered in the UK must be ordinarily resident in the UK. Once established in the UK, foreign-owned companies are treated no differently from UK firms. Within the EU, the British Government is a strong defender of the rights of any British registered company, irrespective of its nationality of ownership.

Market entry for U.S. firms is greatly facilitated by a common language, legal heritage, and similar business institutions and practices. Long-term political, economic, and regulatory stability, coupled with relatively low rates of taxation and inflation make the UK particularly attractive to foreign investors. The Labour government inherited a legacy of economic reforms, including privatization, deregulation, and support for competition. These initiatives have been continued, with very few instances of government intervention.

Local and foreign-owned companies are taxed alike. Inward investors may have access to certain EU and UK regional grants and incentives that are designed to attract industry to areas of high unemployment, but no tax concessions are granted. The UK taxes corporations at a full rate of 30 percent on profits over 1,500,000 British pound sterling (BPS) [equivalent to \$3,000,000 using an estimated \$/BPS exchange rate of 2]. This main rate of corporation tax will be cut to 28 percent in 2008. Small companies are taxed at a rate of 20 percent for profits up to 300,000 BPS (\$600,000) and marginal tax relief is granted on profits from 300,001-1,500,000 BPS (\$600,001-3,000,000). Tax deductions are allowed for expenditure and depreciation of assets used for trade purposes. These include: machinery, plant, industrial buildings, and assets used for research and development. A special rate is given to unit trusts and open-ended investment companies of 20 percent.

The UK has a simple system of personal income tax, with one of the lowest top marginal rates of any EU country (40 percent). Other marginal tax rates in the UK are 10 percent and 22 percent. UK citizens also make mandatory payments of about 10 percent of income into the National Insurance system, which funds social security and retirement benefits and is another form of taxation.

The Scottish Parliament has the power to increase or decrease the basic income tax rate in Scotland, currently 22 percent, by a maximum of 3 percentage points. The Scottish Executive, however, has made a commitment not to make use of this power for the lifetime of the current Parliament.

The UK imposes few impediments to foreign ownership. The UK subscribes to the OECD Committee on Investment and Multinational Enterprises' (CIME) National Treatment Instrument and the OECD Code on Capital Movements and Invisible Transactions (CMIT).

U.S. companies have found that establishing a base in the UK is an effective means of accessing the European Single Market, and the abolition of most intra-European trade barriers enables UK-based firms to operate with relative freedom throughout the EU. Some 5,700 U.S. companies have operations in the UK, including all of the top 100. The UK hosts more than half of the European, Middle Eastern and African corporate headquarters of American-owned firms.

## **Conversion and Transfer Policies**

The British pound sterling is a free-floating currency with no restrictions on its transfer or conversion. There are no exchange controls restricting the transfer of funds associated with an investment into or out of the UK. All exchange controls were repealed in 1987.

The UK is not a member of the Euro area. The current Labour Government has said that it is in favor of joining, but only after a national referendum takes place and the British public votes to adopt the Euro. The date of this referendum is contingent on a government assessment based on five economic tests, which are sustainable convergence, sufficient flexibility, effect on investment, impact on financial services, and effect on employment. Once these tests are passed, the government must then seek Parliamentary approval for a national referendum. Given the current lukewarm support

for the Euro among the British people, however, a referendum is not likely to occur in the near future.

On April 1, 2004, the Finance Act 2004 repealed the old rules governing thin capitalization, which allows companies to assess their borrowing capacity on a consolidated basis. Under the new rules, companies who have borrowed from a UK or overseas parent need to show that the loan could have been made on a stand-alone basis or face possible transfer pricing penalties. These rules were not established to limit currency transfers, but rather to limit attempts by multinational enterprises to present what is in substance an equity investment as a debt investment to obtain more favorable tax treatment.

### **Expropriation and Compensation**

Expropriation of corporate assets or nationalization of an industry requires a special Act of Parliament. In the event of nationalization of any private-sector entity, the British government would follow customary international law, providing prompt, adequate, and effective compensation.

### **Dispute Settlement**

International disputes are resolved through litigation in the UK Courts or by arbitration, mediation, or some other alternative dispute resolution (ADR) method. Up to 5,000 international disputes a year take place in London, reflecting its strong position as an international center for legal services. Most of the disputes center on the maritime, commodities, financial services, and construction sectors. The London Court of International Arbitration and the International Chamber of Commerce's International Court of Arbitration are the leading administrators of international arbitrations. The Stock Exchange Panel on Takeovers and Mergers mediates takeover bid disputes, and there is a further right of appeal to the Stock Exchange Appeals Committee.

As a member of the International Center for Settlement of Investment Disputes, the UK accepts binding international arbitration between foreign investors and the state. As a signatory to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the UK permits local enforcement on arbitration judgments decided in other signatory countries.

### **Performance Requirements and Incentives**

Business contracts are legally enforceable in the UK. Performance bonds or guarantees are generally not needed in British commerce, nor is any technology transfer, joint venture, or local management participation or control requirement imposed on suppliers. Government and industry encourage prompt payment, but a tradition does not exist of providing an additional discount to encourage early settlement of accounts.

The UK offers a wide range of incentives for companies of any nationality locating in depressed regions of the country, as long as the investment generates employment.

Regional Selective Assistance (RSA) is available from the central government for qualifying projects in parts of the UK needing investment to revitalize their economies. Grants are the main type of assistance, and the level of grant is based on capital expenditure costs and expectations of job creation.

In addition to RSA, assistance can be obtained through the EU Structural Funds available from 2007 to 2013. The new EU budget, reflecting the recent enlargement, resulted in a 50 percent reduction in UK allocations for 2007-2013 in comparison with the funding received for 2000-2006. Assistance is offered to companies that meet the government's objectives for convergence, cooperation, competitiveness and employment. The highest level of assistance convergence funding is available for companies that locate in areas with GDP per capita below 75 percent of the EU25 average. In the UK these regions are Cornwall and the Isles of Sicily, and West Wales and the Welsh Valleys.

Local authorities in England and Wales also have power under the Local Government and Housing Act of 1989 to promote the economic development of their areas through a variety of assistance schemes, including the provision of grants, loan capital, property, or other financial benefit. Separate legislation, granting similar powers to local authorities, applies to Scotland and Northern Ireland. Where available, both domestic and overseas investors may also be eligible for loans from the European Investment Bank.

### **Right to Private Ownership and Establishment**

The Companies Act of 1985, administered by the then Department of Trade and Industry (now the Department for Business, Enterprise and Regulatory Reform (BERR)), governs ownership and operation of private companies. On November 8, 2006 the UK passed the Companies Act of 2006 which will replace the 1985 Act when it comes into force by October 2008. The new law is intended to simplify and modernize existing rules rather than make any dramatic shift in the company law regime. BERR will start a consultation on its implementation plans in February 2007. In the new Act, there are no significant changes to private ownership rules and the administration of private companies has been simplified.

BERR uses a transparent code of practice in evaluating bids and mergers for possible referral to the Competition Commission. On March 1, 2000, the Competition Act of 1998 entered into force, strengthening competition law and enhancing the enforcement powers of the Office of Fair Trading (OFT). Prohibitions under the act relate to competition-restricting agreements and abusive behavior by entities in dominant market positions. The Enterprise Act of 2002 established the OFT as an independent statutory body with a Board, and gives it a greater role in ensuring that markets work well.

Only a few exceptions to national treatment exist. For example, foreign (non-EU or non-EFTA, European Free Trade Association) ownership of UK airlines is limited by law to 49 percent. Registration of shipping vessels is limited to UK citizens or nationals of EU/EFTA member states resident in the UK. The British government holds one special controlling interest -- or "golden" -- share in a number of companies including BAE Systems, British Energy, Eurostar UK Ltd., Rolls Royce, VSEL, Stena Sealink, Devonport Royal Dockyard Ltd., and Rosyth Royal Dockyard Ltd. For some of these companies, restrictions of foreign ownership of ordinary shares apply. Citizenship

requirements for certain senior executive and non-executive posts also apply for these enterprises. Foreign investment in financial services that are not covered by EU Directives on banking, investment, services, and insurance may be subject to a bilateral agreement.

The privatization of state-owned utilities is now essentially complete. With regard to future investment opportunities, the few remaining government-owned enterprises or remaining government shares in other enterprises are also likely to be sold off to the private sector. The privatization of London's extensive underground rail network was completed in 2005. The government continues to push Public Private Partnerships (PPP) collaboration between government entities and private companies to enhance public services -- despite protests from some financial experts.

Under the Private Finance Initiative (PFI), British and foreign-owned companies may bid for long-term franchises to build, run, and improve existing public-sector services in areas such as education, health care, road traffic management, passenger rail, production of coins and currency, port operations, air and water monitoring and cleanup, land use planning, and building control. The government's goal is to provide cost-effective and higher-quality services in partnership with private sector investment capital providers.

## **Protection of Property Rights**

The UK legal system provides a high level of intellectual property rights (IPR) protection. Enforcement mechanisms are comparable to those available in the United States. The UK is a member of the World Intellectual Property Organization (WIPO). The UK is also a member of the major intellectual property protection agreements: the Bern Convention for the Protection of Literary and Artistic Works; the Paris Convention for the Protection of Industrial Property; the Universal Copyright Convention; the Geneva Phonograms Convention; and the Patent Cooperation Treaty. The UK has signed and, through various EU Directives, implemented both the WIPO Copyright Treaty (WCT) and WIPO Performance and Phonograms Treaty (WPPT), known as the internet treaties.

In August 2004, the UK published its first "intellectual property crime strategy." The national strategy, led by the Patent Office (PO), represents important advancements in intelligence sharing and coordination among UK government agencies to combat IP crime, along with a commitment to improve training for customs enforcement agents. On December 6, 2006, HM Treasury published the independent Gowers Review of Intellectual Property. The Gowers Review supports the national strategy and, in particular, the PO's development of a central IP crime database, TellPat, that brings together information on IP crime and the criminals involved from industry and enforcement agencies. One of the Gowers Review recommendations is for the UK Home Office to recognize IP crime as a component of organized crime in order to better educate the public about the wider dangers of IP crime and to elevate it as a priority for police action. The Gowers Review made 53 additional recommendations in the 150-page report that the government plans to consider in 2007 and beyond.

Patents: Many of the key features of the UK Patents Act 2004 entered into effect on January 1, 2005. The Act is designed to bring UK patent law into line with the updated European Patent Convention (2000). The Act lifts restrictions on filing patent

applications from abroad, with exceptions made for military technology and applications whose contents could affect UK national security. The Act expands options for non-binding, written opinions on patent infringement to be issued by the UK Patent Office. The legislation also lays out significant changes to the process of approaching alleged infringers (sometimes known as "threats"). The changes are designed to aid genuine attempts to settle infringement disputes while providing protection -- particularly to small and medium enterprises -- against frivolous threats. A UK patent application requires that an invention must be new, involve an innovative step, and be capable of industrial application. A patent cannot be granted in the UK for any invention used for offensive, immoral, or anti-social purpose, for any variety of animal or plant, or for a biological process used in its production.

**Copyright:** The Copyright, Designs and Patents Act of 1988 grants the originator the exclusive right to assign those rights or to exploit them through copying, dissemination, publication, or sale. Computer programs and semiconductor internal circuit designs are included as works that are protected by this act. Under the terms of an EU Directive, which took effect in January 1988, databases are also protected in each EU-member country by the national legislation that implements the Directive.

**Trademarks:** The UK submits to the WIPO system of international registration of marks, as governed by the Madrid Agreement and the Madrid Protocol. The UK Trade Marks Act of 1994 is the current law providing for the registration and protection of trade marks in the UK, and has been harmonized with EU Directive No 89/104/EEC. Trademarks are considered personal property in the UK, and are normally registered for a period of 10 years with an option to renew. However, trademarks may be removed from the register if a period of five years has elapsed, during which time there has been no bona fide use of the trademark in relation to the goods by the proprietor.

**Trade Secrets/Confidential Test Data:** Commercially sensitive information is not itself specifically subject to legal protection, but the misappropriation of such information from business premises may be subject to criminal law. Action under employment law may also be taken against an employee who, by disclosing information, breaches a contract with his or her employer. In addition, confidential test data, submitted in conjunction with a registered application for pharmaceuticals or veterinary products, enjoys 10 years of exclusive protection from the date of authorization, provided the product is marketed in the UK.

## **Transparency of Regulatory System**

U.S. exporters and investors generally will find little difference between the U.S. and UK in the conduct of business. Common law prevails in the UK as the basis for commercial transactions, and the International Commercial Terms (INCOTERMS) of the International Chambers of Commerce are accepted definitions of trading terms. In terms of accounting standards and audit provisions, as of January 1, 2005 firms in the UK must use the International Financial Reporting Standards (IFRS) set by the International Accounting Standards Board (IASB) and approved by the European Commission. The UK's Accounting Standards Board provides guidance to firms on accounting standards and works with the IASB on international standards.

An example of differences between UK law (as well as EU law) and foreign law applies to commercial agents, who are self-employed intermediaries. Often sales are undertaken in the UK by means of appointed distributors, licensees, or "agents" using standard form agreements, or sometimes with no agreement at all. Under UK law, no distribution or licensing arrangements are terminable "at will," and reasonable notice (ranging from 1 to 12 months) is usually required. In addition the agent is entitled to at least one year's commission in damages when agency agreements are terminated. Many standard form software license agreements have invalid clauses prohibiting copying because they breach the EU Copyright Directive. Non-EU court judgments, apart from those for judgment debts, are often not enforceable in the UK unless a contract between the parties specifically states that U.S. or other country judgments are enforceable. UK law, like other European laws, imposes severe restrictions on exclusions and limitations of implied warranties and liability. There is an exception within UK law that removes most of these restrictions where both parties are overseas, which makes UK law and courts a very favorable compromise choice for corporations contracting elsewhere in Europe.

The government's declared intent is to introduce more business competition and to reduce the administrative burden on companies by reducing unnecessary red tape. Statutory authority over prices and competition in various industries is given to independent regulators. These include the Office of Communications (OFCOM), the Office of Water Regulation (OFWAT), the Office of Gas and Electricity Markets (OFGEM), the Office of Fair Trading (OFT), the Strategic Rail Authority (SRA), and the Financial Services Authority (FSA). These regulators work to protect the interests of consumers while ensuring that the markets they regulate are functioning efficiently. Most laws and regulations are published in draft for public comment prior to implementation.

Reduction of bureaucratic red tape is a priority for the current government, although business groups are constantly pressing the government to move faster on implementing measures. In November 2006, the government published a Better Regulation Simplification Plan aimed at reducing the administrative burden on business by 25 percent by 2010. Each government department is preparing their own simplification plan, which will focus on eliminating inconsistent regulations, streamlining the regulatory process and moving some administrative procedures online. An example of one simplification project is the formation of an International Trade Single Window, which is aimed at helping importers and exporters by enabling speedier transactions, reduced paperwork and easier access to import rules.

## **Efficient Capital Markets and Portfolio Investment**

The City of London houses one of the world's largest and most comprehensive financial centers. Unlike even New York, London offers all forms of financial services: commercial banking, investment banking, insurance, venture capital, stock and currency brokers, fund managers, commodity dealers, accounting and legal services, as well as electronic clearing and settlement systems and bank payments systems. London is highly regarded by investors because of its solid regulatory, legal, and tax environment, a supportive market infrastructure, and a dynamic and highly-skilled workforce.

Government policies are intended to facilitate the free flow of capital and to support the flow of resources in the product and services markets. Foreign investors are able to obtain credit in the local market at normal market terms, and a wide range of credit instruments is available. The principles involved in legal, regulatory, and accounting systems are transparent, and they are consistent with international standards. In all cases, regulations have been published and are applied on a non-discriminatory basis by a single regulatory body, the Financial Services Authority.

The London Stock Exchange is one of the most active equity markets in the world, combining its robust and liquid nature with a high degree of integrity. London's markets have the advantage of bridging the gap between the day's trading in the U.S. market and the opening of the Asian markets. This bridge effect is also evident as many Russian and Central European companies increasingly use London stock exchanges to tap global capital markets.

The UK banking sector is the largest in Europe, with some 350 banks authorized to do business in the UK, retail deposits of BPS 2.4 trillion (\$4.8 trillion) and an estimated 41 percent of all the EU's financial services. The total assets of the UK banking sector were about 6.2 trillion BPS (\$12.4 trillion) in 2006, with domestic banks accounting for about 46 percent of the total. The leading UK banks ranked by total assets are HSBC, Royal Bank of Scotland, HBOS Group, and Barclays.

## **Political Violence**

The United Kingdom is politically stable, with a modern infrastructure, but shares with the rest of the world an increased threat of terrorist incidents of international origin. On June 29 and 30, 2007, terrorist unsuccessfully attempted to bomb a nightclub in London and the Glasgow airport. In August 2006, the UK government heightened security at all UK airports following a major counterterrorism operation in which individuals were arrested for plotting attacks against U.S.-bound airlines. On July 7, 2005, a major terrorist attack occurred in London, as Islamic extremists detonated explosives on three Underground trains and a bus in Central London, resulting in over 50 deaths and hundreds of injuries. Following the attacks, the public transportation system was temporarily disrupted, but quickly returned to normal. A similar, but unsuccessful attack against London's public transport system took place on July 21, 2005. UK authorities have identified and arrested people involved in these attacks. These attacks do not seem to have significantly impacted investment in the UK.

The prospects for the establishment of a devolved government and continuing ceasefires by paramilitary organizations have created a marked decrease in terrorist incidents in Northern Ireland.

A continuing problem involves UK animal rights activists who employ violent tactics and harassment techniques to disrupt legitimate scientific research; however, the situation is improving with increased government enforcement. The activists have forced the shelving of plans for one new research center and severely delayed construction of another. They target existing research centers that use laboratory animals, as well as any company that does business with them. The government has passed legislation to give police stronger authority to crack down on protesters, and courts have begun to use their powers to clarify the line between lawful protest and harassment. In the meantime,



these ongoing actions have the potential to impair the UK's position as one of Europe's leading R&D centers.

Environmental pressure groups in the UK have been involved with numerous protests against a variety of business activities including airport expansion, bypass roads, offshore structures, wind farms, civilian nuclear power plants, and petrochemical facilities. These protests tend not to be violent but work toward obtaining maximum media exposure.

## **Corruption**

The Prevention of Corruption Act makes bribery of domestic or foreign public officials a criminal offense. The maximum penalty under this act is imprisonment for up to seven years, and/or a fine not exceeding 5,000 BPS (\$9,900). Corrupt payments are not deductible for UK tax purposes. Although isolated instances of bribery and corruption have occurred in the UK, U.S. investors have not identified corruption of public officials as a factor in doing business in the UK.

The UK formally ratified the OECD Convention on Combating Bribery in December 1998. Part 12 of the Anti-terrorism, Crime and Security (ATCS) Act of 2001, which came into force on February 14, 2002, includes legislation on bribery and corruption to deter UK companies and nationals from committing acts of bribery overseas. The act gives UK courts jurisdiction over crimes of corruption committed wholly overseas by UK nationals and by bodies incorporated under UK law. In addition to the OECD Convention, the UK also is actively involved in the Council of Europe's Group of States Against Corruption (GRECO), which helps its members develop effective anti-corruption systems. The UK also signed the UN Convention Against Corruption in December 2003 and ratified it on February 8, 2006. The UK has also launched a number of initiatives to reduce corruption overseas.

On November 9, 2007 two judges determined that London's High Court will review the Serious Fraud Office's decision of December 2006 to end a bribery investigation into BAE Systems Plc and its 20-year defense contract with Saudi Arabia. The decision to abandon the investigation, made by the UK Attorney General, opened the government up to questions regarding their credibility with respect to foreign corrupt practices. The decision to end the two year probe into the GBP 40bn (\$80bn) arms contract with will be subject to a two-day judicial review in early 2008. If the judges rule that the decision was unlawful, the Serious Fraud Office may be ordered by the court to restart the investigation. The judges said the review is of 'public importance' because it 'goes to the heart' of confidence in Britain's legal system.

## **Bilateral Investment Agreements**

The U.S. and UK have no formal bilateral investment treaty relationship, although a Bilateral Tax Treaty updated in 2003 specifically protects U.S. and UK investors from double taxation. The UK has its own bilateral tax treaties with more than 100 (mostly developing) countries and a network of about a dozen double taxation agreements.

## **OPIC and Other Investment Insurance Programs**

OPIC programs do not apply to the UK because OPIC supports investments in emerging market economies and developing countries. Export-Import Bank (Ex-Im Bank) financing is available to support major investment projects in the UK, particularly oil and gas exploration machinery and wide-bodied civil aircraft. A Memorandum of Understanding (MOU) signed by Ex-Im Bank and its UK equivalent, the Export Credits Guarantee Department (ECGD), enables bilateral U.S.-UK consortia, intending to invest in third countries, to seek investment funding support from the country of the larger partner. This removes the need for each of the two parties to seek financing from their respective credit guarantee organizations.

## **Labor**

The relatively strong performance of the UK economy is reflected in its employment data. As of September 2007, UK employment had reached a record 29.22 million, and the unemployment rate was 5.4 percent. Most of the growth in jobs occurred in the finance and business services sectors, offsetting an ongoing drop in jobs in the manufacturing sector. The UK workforce was augmented by an influx of workers from the new EU member states in Central Europe, with more than 447,000 workers from these countries registering for work between May 2004 and June 2006.

About 28 percent of full time UK employees belong to a union, a low proportion by UK historical standards, but still quite high to an employer used to a much lower American percentage. Public-sector workers have a much higher share of union members -- nearly 60 percent -- while the figure for the private sector is about 17 percent. Union membership has been relatively stable in the past few years, although the trend has been slightly downward over the past decade.

As of December 2007, the minimum wage is BPS 5.52 (\$11.04) for adults (those 22 and over) and BPS 4.60 (\$9.20) for young people (18-21) and BPS 3.40 (\$6.80) for workers aged 16 and 17.

Unionization of the workforce in the UK is prohibited only in the armed forces, public-sector security services, and police forces. Manufacturing, transport, and distribution trades are highly unionized. Once-common militant unionism is less frequent. In 2006, 754,500 working days were lost in the UK from 158 stoppages of work arising from labor disputes. This is a significant increase from 2005 when only 157,400 working days were lost from 116 stoppages. The 2005 figures were the lowest on record. In 2006, more than 85 percent of the days lost involved industrial action by public sector workers. Most of the disputes were pay related and of short duration. Most British unions have adapted to the reality of a globalized economy in which jobs are contingent on the competitiveness of their employers. Privatization of traditional government entities has accelerated such thinking. The Trades Union Congress (TUC), the British AFL-CIO equivalent, encourages union-management cooperation as do most of the unions likely to be encountered by a U.S. investor.

Much of the employment legislation currently affecting the UK labor market is based on EU regulations and directives. EU regulations affect working patterns, wage structures,

and employee protection rights. For example, the European Working Time Directive creates an entitlement to minimum daily and weekly rest periods, an average work-week limit of 48 hours, and restrictions on night work. It also entitles workers who meet the qualifying criteria, including part-time and seasonal workers, to a minimum of 20 working days annual paid holiday. A government proposal close to adoption would gradually add the eight national bank holidays to the 20 days, making 28 days paid leave, by October 2008. The universal application of labor regulations across respective EU borders undermines British competitiveness to the extent that the UK has made its historically more flexible labor market a major selling point to inward investors. As it has implemented EU directives, the UK government has been proactive in trying to maintain its flexibility and competitiveness. For example, it has negotiated a special provision under the Working Time Directive that allows employees to opt out of the work week limitations and has favored changes to the rules on temporary workers. The percentage of UK employees working more than 45 hours per week, however, has steadily declined, from 26 percent in 1997 to 20 percent in 2006.

A persistent characteristic of the UK workforce is its relative lack of mobility, geographically and among trades. Successive governments have introduced retraining schemes and grants with some success in creating a more adaptable workforce. The influx of foreign workers has helped to alleviate this problem, as has the growing share of women in the workforce -- currently at about 46 percent of the working population.

The most serious issue facing British employers is a skills gap derived from a high-skill, high-tech economy outpacing the educational system's ability to deliver work-ready graduates. The government has placed a strong emphasis on improving the British educational system in terms of greater emphasis on science, research and development, and entrepreneurship skills.

The UK's skills base, while improving, remains mediocre by international standards. The proportion of adults with a high qualification has risen from 21 percent in 1994 to 29 percent in 2005. The proportion of people with no qualifications has nearly halved, down from 21 percent to 13 percent.

From October 2006 the Employment Equality (Age) Regulations made it unlawful to discriminate against workers, employees, job seekers and trainees because of age. In this context an employer is anyone who has employees or who enters into a contract with a person for them to do work. The regulations cover recruitment, terms and conditions, promotions, transfers, dismissals and training. They do not cover the provision of goods and services.

The regulations make it unlawful on the grounds of age to discriminate directly or indirectly against anyone; that is, to treat them less favorably than others because of their age or to apply a criterion, provision or practice which disadvantages people of a particular age unless objectively justified. Employers may also be held responsible for the acts of employees who discriminate on grounds of age. The regulations also removed the upper age limits on unfair dismissal and redundancy. It sets a national default retirement age of 65, making compulsory retirement below that age unlawful unless objectively justified. Employees have the right to request to work beyond retirement age and the employer has a duty to consider such requests. There are limited circumstances when discrimination may be lawful.

## **Foreign-Trade Zones/Free Ports**

The cargo ports and freight transshipment points at Liverpool, Prestwick, Sheerness, Southampton, and Tilbury that are used for cargo storage and consolidation are designated as Free Trade Zones. No activities that add value to the commodities are permitted within the Free Trade Zones, which are reserved for bonded storage, cargo consolidation, and reconfiguration of non-EU goods. The Free Trade Zones offer little benefit to U.S. exporters or investors, or any other non-EU exporters or investors.

## **Foreign Direct Investment Statistics**

The UK is the second largest recipient of foreign direct investment (FDI) globally in 2006 according to the United Nations Conference on Trade and Development (UNCTAD). According to data published by UNCTAD, the stock of outward UK FDI totaled \$1,487 (BPS 725) billion in 2006 (or 63 percent of GDP), up from \$1,228 billion in 2005. The stock of inward UK FDI at yearend 2006 was \$1,135 (BPS 554) billion (or 48 percent of GDP), up from \$831 billion in 2005. Direct investment outflows in 2006 totaled \$79.5 billion, down from \$83.7 billion in 2005, while inflows fell to \$140 billion in 2006 from \$194 billion in 2005.

The United States remained by far the most popular destination for new UK outward direct investment in 2006, continuing the strong investment partnership between the two countries. The UK is the leading investor in the U.S. in terms of stock of FDI. Other EU member states, Hong Kong, South Africa and Canada attracted much of the remaining outward UK FDI. UK investment in the U.S. increased by 2% in 2006 and now totals over \$303 billion. The UK is predicted to be the second largest outward investor globally in 2007 according to the Economist Intelligence Unit (EIU).

The fall in inward investment between 2005 and 2006 is largely due to the restructuring of Royal Dutch Shell in 2005 which contributed almost half of the UK's inward FDI in 2005. Several large cross-border mergers and acquisitions, such as the takeover of the shipping and port management company Peninsular & Oriental Steam Navigation Company (P&O) by Dubai Ports World of the United Arab Emirates for USD 8.2 billion also contributed to the UK's largest FDI inflow in 2005. While 2006 inflows were somewhat lower, the UK is still the second largest recipient of foreign direct investment globally.

## **Web Resources**

## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

The UK has a well-developed banking sector and general finance is readily available. Payment for exports to the UK can be on open account, payment in advance, letter of credit, documentary drafts, or consignment sale. Letter of credit payment is normal until a trading pattern has been established. British buyers will typically ask for 60, 90 or 180 days credit, depending on the industry sector in which they trade.

### How Does the Banking System Operate

There are many British and foreign-owned banks and financial institutions offering competitive trade and project financing, and capital equipment lease finance. There are more U.S.-owned banks operating branches and subsidiaries in London than there are on Wall Street. In addition, many of the smaller U.S. banks have correspondent relationships with one or more of the major British banks, and those UK correspondents can provide a complete range of financial services for exporters and investors.

### Foreign-Exchange Controls

There are no exchange controls restricting the transfer of funds into or out of the UK.

### U.S. Banks and Local Correspondent Banks

The many U.S. banks operating in the UK are generally members of the British Bankers' Association and the Association of Foreign Banks. Contact details for these associations are listed below under web resources and in Chapter 9.

### Project Financing

London is a major source of international project finance, and U.S. investors should be able to locate suitable banking and financial advisors that will assist in putting together appropriate financing packages. The venture capital industry in the UK is particularly well

developed, and is one of the leading private equity markets in Europe. Many U.S. companies participate in the British Venture Capital Association (BVCA).

OPIC financing is not appropriate to the developed UK economy, but Export/Import Bank financing is available to support major capital equipment sales to the UK, particularly for oil and gas exploration machinery and wide-bodied civil aircraft. A Memorandum of Understanding (MOU) signed by the Export-Import Bank and its UK equivalent, the Export Credits Guarantee Department (ECGD), enables bilateral U.S./UK consortia seeking to export to third countries, to seek trade finance guarantees from the country of the larger partner. This removes the need for each of the two parties to seek credit guarantees from their respective credit guarantee organizations.

## Web Resources

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

U.S. Commercial Service liaison office to the European Bank for Reconstruction & Development: <http://www.buyusa.gov/ebd>

## Chapter 8: Business Travel

- [Business Customs](#)
- [Consular Information Sheet](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)

### Business Customs

UK business customs are increasingly similar to those in the U.S. as the British class structure, based on family history, profession, as well as property and land ownership, continue to erode through taxation, education, and social developments over the last few decades. Liberalization of business and industry has rewarded enterprise, and a new generation of professionals schooled in management, marketing and finance techniques has increasingly taken charge. In addition, ethnic minorities now constitute about 8% of the population and are active throughout the British economy.

Some fundamental cultural differences between the U.S. and the UK remain. Variations in pace and style may be most noticeable, and sustained personal contact with potential business partners is expected. Prompt acknowledgment of correspondence, longer lead time for appointments, adherence to appointment schedules, and a greater formality in the conduct of business is the norm.

British executives communicate more by letter and fax than by telephone, although the Internet is widely used, and e-mail is common. The British are less likely to seek legal advice and guidance than their U.S. counterparts, although a litigation culture is developing along the lines of the U.S. model – i.e. no win, no fee cases have recently been permitted.

### Consular Information Sheet

The State Department's Country Specific Information for the United Kingdom can be found at: [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1052.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1052.html)

### Safety and Security

The United Kingdom is politically stable, with a modern infrastructure, but shares with the rest of the world an increased threat of terrorist incidents of international origin, as

well as the potential, though significantly diminished in recent years, for isolated violence related to the political situation in Northern Ireland (a part of the United Kingdom).

On July 7, 2005, a major terrorist attack occurred in London, as Islamic extremists detonated explosives on three underground trains and a bus in Central London, resulting in over 50 deaths and hundreds of injuries. Following the attacks, the public transportation system was temporarily disrupted, but quickly returned to normal. A similar but unsuccessful attack against London's public transport system took place on July 21, 2005. UK authorities have identified and arrested people involved in these attacks. Similarly, those involved in terrorist incidents in London and Glasgow during the summer of 2007 were identified and arrested.

Like the United States, the UK shares its national threat levels with the general public to keep everyone informed and explain the context for the various increased security measures that may be encountered. UK threat levels are determined by the UK Home Office and are posted on its web site at <http://www.homeoffice.gov.uk/security/current-threat-level/>.

Information from the UK Security Service, commonly known as MI5, about the reasons for the increased threat level and actions the public can take is available on the MI5 web site at <http://www.mi5.gov.uk/>.

On August 10, 2006, the Government of the United Kingdom heightened security at all UK airports following a major counterterrorism operation in which individuals were arrested for plotting attacks against U.S.-bound airlines. As a result of this, increased restrictions concerning carry-on luggage were put in place and are strictly enforced. American citizens are advised to check with the UK Department for Transport at <http://www.dft.gov.uk/transportforyou/airtravel/airportsecurity/> regarding the latest security updates and carry-on luggage restrictions.

The British Home Secretary has urged UK citizens to be alert and vigilant by, for example, keeping an eye out for suspect packages or people acting suspiciously at subway (called the "Tube" or Underground) and train stations and airports, and reporting anything suspicious to the appropriate authorities. Americans are reminded to remain vigilant with regard to their personal security and to exercise caution. For more information about UK public safety initiatives, consult the UK Civil Contingencies Secretariat web site at <http://www.ukresilience.gov.uk>.

The political situation in Northern Ireland has dramatically improved since the signing of the Good Friday Agreement in 1998, the announcement by the Irish Republican Army (IRA) on July 28, 2005 that it would end its armed campaign, and the agreement to set up a power-sharing government on May 8, 2007. The potential remains, however, for sporadic incidents of street violence and/or sectarian confrontation. Tensions may be heightened during the summer marching season (April to August), particularly during the month of July around the July 12th public holiday. American citizens traveling to Northern Ireland should therefore remain alert to their surroundings and should be aware that if they choose to visit potential flashpoints or attend parades sporadic violence remains a possibility.

The phone number for police/fire/ambulance emergency services - the equivalent of "911" in the United States - is "999" in the United Kingdom and "112" in Gibraltar. This number should also be used for warnings about possible bombs or other immediate



threats. The UK Anti-Terrorist Hotline, at 0800 789 321, is for tip-offs and confidential information about possible terrorist activity.

## **Crime**

The United Kingdom and Gibraltar benefit from generally low crime rates; however crime, including violent crime, has increased over the last few years, especially in London. Incidents include pickpocketing; mugging; “snatch and grab” thefts of mobile phones, watches and jewelry; and theft of unattended bags, especially at airports and from cars parked at restaurants, hotels, and resorts.

Pickpockets target tourists, especially at historic sites, restaurants, on buses, trains and the London Underground (“Tube” or subway). Thieves often target unattended cars parked at tourist sites and roadside restaurants, looking for laptop computers and hand-held electronic equipment. Walking in isolated areas, including public parks, especially after dark, should also be avoided, as these provide advantageous venues for muggers and thieves. In London, travelers should use only licensed “black taxi cabs,” or car services recommended by their hotel or tour operator. Unlicensed taxis or private cars posing as taxis may offer low fares, but are often uninsured and may have unlicensed drivers. In some instances, travelers have been robbed and raped while using these cars. Travelers should not leave drinks unattended in bars and nightclubs. There have been some instances of drinks being spiked with illegal substances, leading to incidents of robbery and rape.

Visitors should take steps to ensure the safety of their U.S. passports. Visitors in England, Scotland, Wales, Northern Ireland, and Gibraltar are not expected to produce identity documents for police authorities and thus may secure their passports in hotel safes or residences. The need to carry a passport to cash traveler’s checks is also minimized by an abundance of ATMs able to access systems widely used in the United States and offering more favorable rates of exchange. Travelers should be aware that U.S. banks might charge a higher processing fee for withdrawals made at an overseas ATM. Common-sense personal security measures utilized in the United States when using ATMs should also be followed in the UK. ATM fraud in the UK is becoming more sophisticated, incorporating technologies to surreptitiously record customer ATM card and PIN information. Travelers should avoid using ATMs located in isolated areas. Travelers should be aware that in busy public areas, thieves use distraction techniques, such as waiting until the PIN number has been entered and then pointing to money on the ground, or attempting to hand out a free newspaper. When the ATM user is distracted, a colleague will quickly withdraw cash and leave. If distracted in any way, travelers should press the cancel transaction button immediately and collect their card before speaking to the person who has distracted them. If the person does not appear genuine, travelers should not challenge them but remember the details and report the matter to Police as soon as possible. In addition, travelers should not use the ATM if there is anything stuck to the machine or if it looks unusual in any way. If the machine does not return the card, it should be reported to the issuing bank immediately.

## **Visa Requirements**

Every U.S. citizen entering the UK must have a valid American passport. A visa is not required for tourist or business visits to the UK lasting less than six months. Visitors

wishing to remain longer than one month in Gibraltar should regularize their stay with Gibraltar immigration authorities. Those planning to visit the UK for any purpose other than tourism or business, or who intend to stay longer than six months, should consult the website of the British Embassy in the United States at <http://britainusa.com> for information about current visa requirements. Those who are required to obtain a visa and fail to do so may be denied entry and returned to their port of origin. The U.S. Embassy cannot intervene in UK visa matters.

In addition to the British Embassy website, those seeking current UK visa information may also contact UK consular offices via a premium rate telephone service at 1-900-656-5000 (cost \$3/minute) or 1-212-796-5773 (\$12 flat fee) in the United States. The service operates Monday through Friday, from 8:30 a.m. to 8:30 p.m., U.S. Eastern Time, excluding public holidays. There is also a no-fee web site for visa information at <http://www.visainfoservices.com>.

Americans intending to seek employment in the UK should consult the British Embassy or a British Consulate in the U.S. to inquire about work permits. The Employment Service, an executive agency of the Department of Education and Employment, controls the employment of aliens in the UK. U.S. citizens wishing to obtain or extend a work permit should contact the Employment Service by phone on (44-1937) 840224. A work permit is not a substitute for an entry clearance; Americans intending to seek employment and remain in the UK for longer than six months must acquire both.

Directors and employees of existing British subsidiaries of U.S. firms have encountered little difficulty in obtaining permission to enter and remain in the UK. Sending required technical personnel to install and operate a plant or business generally poses no problem, though it is necessary to establish that British employees with the necessary qualifications are not available. The UK government has issued new regulations easing the entry of experts in emerging technologies from overseas.

The UK government has adopted the EU regulations governing the admission of non-EU business visitors and economic migrants to the UK, which limit the ability of some foreign nationals, including American citizens, to reside in the UK. The categories of persons adversely affected, to a lesser or greater extent, by the new immigration rules are self-employed persons, retired persons of independent means, business investors, and short-term business visitors. Entry may be denied to those who intend to perform productive services unless a work permit has been issued in advance to their employer. The determination of who may be admitted as a consultant is decided on a case-by-case basis at ports of entry.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Embassy London Visa Unit: [http://london.usembassy.gov/cons\\_new/visa/](http://london.usembassy.gov/cons_new/visa/)

## Telecommunications

The telecommunications system in the United Kingdom is comparable to the United States'. A direct-dial telephone system links the UK to the U.S. and the rest of the world. Calls on landlines can be charged to international telephone cards such as AT&T, MCI and Sprint. The UK has a highly developed mobile network. Visitors from the U.S. can readily rent or buy pre-pay mobile (cell) phones.

To call the UK from the United States, you should dial: 011 44 followed by the number of the individual or organization who you are calling, but without the leading 0. For instance, the phone number for the U.S. Commercial Service in London is: 020 7894 0419. To call from the U.S., you should dial: 011 44 20 7894 0419.

To call the United States from the UK, dial: 00 1 then the number of the receiving party, including their area code.

## **Transportation**

While in a foreign country, U.S. citizens may encounter road conditions that differ significantly from those in the United States. The information below concerning the UK is provided for general reference only, and may not be totally accurate in a particular location or circumstance.

The safety of public transportation, urban and rural road conditions and the availability of roadside assistance are all excellent compared with most foreign countries, although they are not generally up to the standard of some other European countries.

UK penalties for driving under the influence of even minimal amounts of alcohol or drugs are stiff and often result in prison sentences. In contrast to the United States and continental Europe, where traffic moves on the right-hand side of the road, traffic moves on the left in the UK.

The maximum speed limit on highways/motorways in the UK is 70MPH. Motorways generally have a hard shoulder (breakdown lane) on the far left, defined by a solid white line. It is illegal to stop or park on a hard shoulder unless it is an emergency. In such cases, you should activate your hazard lights, get out of your vehicle and go onto an embankment for safety.

Emergency call boxes (orange telephone booths with "SOS" printed on them) may be found at half-mile intervals along the motorway. White and blue poles placed every 100 yards along the motorway point in the direction of the nearest call box. Emergency call boxes dial directly to a motorway center. It is best to use these phones rather than a personal cell phone, because motorway center personnel will immediately know the location of a call received from an emergency call box.

Roadside towing services may cost approximately £125. However, membership fees of automotive associations such as the RAC or AA (Automobile Association) often include free roadside towing service.

Visitors uncomfortable with, or intimidated by, the prospect of driving on the left-hand side of the road may wish to avail themselves of extensive bus, rail, and air transport networks that are comparatively inexpensive. Roads in the UK are generally excellent,

but are narrow and often congested in urban areas. If you plan to drive while in the UK, you may wish to obtain a copy of the Highway Code, available at: <http://www.highwaycode.gov.uk>.

Travelers intending to rent cars in the UK should make sure that they are adequately insured. U.S. auto insurance is not always valid outside the United States, and travelers may wish to purchase supplemental insurance, which is generally available from most major rental agents. The city of London imposes a congestion charge on all cars entering much of central London Monday through Friday from 7:00 a.m. to 6:30 p.m. Information on the congestion charge can be found at <http://www.cclondon.com>.

Public transport in the United Kingdom is excellent and extensive. However, poor track conditions may have contributed to train derailments resulting in some fatalities. Repairs are underway and the overall safety record is excellent. Information on disruptions to London transportation services can be found at <http://www.tfl.gov.uk> and information about the status of National Rail Services can be found at <http://www.nationalrail.co.uk>. Many U.S. citizens are injured and some are killed every year in pedestrian accidents in the United Kingdom, forgetting that traffic moves in the opposite direction than in the United States. Extra care and alertness should be taken when crossing streets.

Driving in Gibraltar is on the right-hand side of the road, as in the United States and Continental Europe. Persons traveling overland between Gibraltar and Spain may experience long delays in clearing Spanish border controls.

For specific information concerning United Kingdom driving permits, vehicle inspection, road tax and mandatory insurance, refer to the United Kingdom's Department of Environment and Transport web site at <http://www.dft.gov.uk>, the Driving Standards Agency web site at <http://www.dsa.gov.uk>, or consult the U.S. Embassy in London's web site at <http://london.usembassy.gov/>.

## **Language**

English is the official language of the United Kingdom. Welsh is spoken by a significant minority in Wales. Gaelic is spoken by a small minority in Scotland. In addition, there are many large communities in the UK whose first language is not English. Numerous languages are spoken in London, including thirty-three for which there are resident populations of 10,000 or more.

## **Health**

While medical services are widely available, free care under the National Health System is allowed only to UK residents and certain EU nationals. Tourists and short-term visitors can expect charges that may be significantly higher than those assessed in the United States.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747) or via the CDC's web site at <http://wwwn.cdc.gov/travel/default.aspx>. For

information about outbreaks of infectious diseases abroad consult the World Health Organization's (WHO) web site at <http://www.who.int/en>.

Hiking in higher elevations can be treacherous. Several people die each year while hiking, particularly in Scotland, often due to sudden changes in weather. Visitors, including experienced hikers, are encouraged to discuss intended routes with local residents familiar with the area, and to adhere closely to recommendations.

Americans should consult with their medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and whether it will cover emergency expenses such as a medical evacuation. The Department of State provides a list of travel insurance companies that can provide the additional insurance needed for the duration of one's trip abroad in its online at [medical insurance overseas](#).

Remember also that most medical care facilities and medical care providers in the UK do not accept insurance subscription as a primary source of payment. Rather, the beneficiary is expected to pay for the service and then seek reimbursement from the insurance company. This may require an upfront payment in the \$10,000 to \$20,000 range

### **Local Time, Business Hours, and Holidays**

Banking hours are generally 9:30 a.m. to 4.30 p.m., Monday through Friday, except on Thursdays when they tend to stay open later. Offices are open from 9 a.m. until 5 p.m., Monday through Friday. Stores are generally open from 9 a.m. to 5:30 p.m., Monday through Saturday, and Sunday 10 a.m. to 4 p.m. At traditional vacation times, many British executives are unavailable except by advance appointment. England, Scotland, Wales, and Northern Ireland are in the same time zone, five hours ahead of U.S. Eastern Standard Time.

The following are the major UK public holidays in 2008:

New Year	Tuesday, January 1
Bank Holiday**	Wednesday, January 2
St. Patrick's Day***	Monday, March 17
Good Friday	Friday, March 21
Easter Monday	Monday, March 24
Easter Tuesday***	Tuesday, March 25
Spring Holiday**	Monday, April 21
May Day Holiday	Monday, May 5
Victoria Day**	Monday, May 19
Spring Bank Holiday	Monday, May 26
Orangeman's Day***	Monday, July 14 & Tuesday, July 15
Summer Bank Holiday**	Monday, August 4
Summer Bank Holiday*	Monday, August 25
Christmas Day	Thursday, December 25
Boxing Day	Friday, December 26

\* England, Wales and Northern Ireland only

\*\* Scotland only

4/7/2008

\*\*\* Northern Ireland only

### **Temporary Entry of Materials and Personal Belongings**

Raw materials, temporarily imported for incorporation into products for export, may be admitted without payment of duties and taxes. The importer must provide a bank or insurance company guarantee or indemnity for the applicable duties and taxes. Goods intended for unaltered re-export may also be imported free of duty for a period of up to six months by prior arrangement with HM Customs & Excise. Duty-free entry is also permitted by prior arrangement for leased or loaned machinery, plant, and equipment, and goods imported solely for processing, repair, technical examination and testing. Professional and demonstration equipment may be temporarily imported into the UK free of duty and tax under the Customs Convention on the Temporary Importation of Professional Equipment. For this, a carnet should be obtained from the U.S. Council of the International Chamber of Commerce: <http://www.iccwbo.org/>.

## Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

#### U.S. Embassy Trade Related Contacts

American Embassy  
24/31 Grosvenor Square  
London, W1A 1AE England  
Tel. 011 44 20 7499 9000  
Fax 011 44 20 7491 4022  
<http://www.usembassy.org.uk>

Address for U.S. mail:

American Embassy (London)  
Unit 8400  
Box XX  
FPO AE 09498-00XX

(XX denotes box number)

Box 33 (Commercial Service)  
Box 27 (Economic Section)  
Box 48 (Agriculture)  
Box 54 (Defense)

U.S. Commercial Service  
Tel. 011 44 20 7894 0419  
Fax 011 44 20 7894 0020  
E-mail: [london.office.box@mail.doc.gov](mailto:london.office.box@mail.doc.gov)  
<http://www.buyusa.gov/uk>

Economic Section  
Tel. 011 44 20 7894 0291  
Fax 011 44 20 7409 1637

Foreign Agricultural Service  
Tel. 011 44 20 7894 0464 and 0040  
Fax 011 44 20 7894 0031  
E-mail: [aglondon@fas.usda.gov](mailto:aglondon@fas.usda.gov)  
<http://www.usembassy.org.uk/fas>

Office of Defense Cooperation (ODC)  
Tel. 011 44 20 7894 0737  
Fax 011 44 20 7894 0739  
<http://www.usembassy.org.uk/odc/index.html>

The European Bank for Reconstruction & Development  
U.S. Commercial Service  
Tel. 011 44 20 7588 8490  
Fax 011 44 20 7588 8443  
<http://www.buyusa.gov/ebrd>

### **Bilateral Business Councils**

BritishAmerican Business Inc.  
75 Brook Street  
London W1K 4AD, UK  
Tel. 011 44 20 7290 9888  
Fax 011 44 20 7491 9172  
[www.babinc.org](http://www.babinc.org)

For information about the other British American Business Council chapters in the UK and the U.S., please visit: [www.babc.org](http://www.babc.org)

### **UK Trade and Industry Associations**

The UK's trade associations are too numerous to list in a report of this nature. Those organizations specifically identified in preceding chapters are listed below. In addition, there is information on the Trade Association Forum, with links to virtually all of the trade and industry associations in the UK.

Trade Association Forum  
Centre Point  
103 New Oxford Street  
London, WC1A 1DU  
Tel. 011 44 20 7395 8283 or 20 7395 8238  
Fax 011 44 207 395 8178  
[www.taforum.org](http://www.taforum.org)

British Chambers of Commerce  
1St Floor  
65 Petty France  
St James Park  
London SW1H 9EU  
Tel. 011 44 20 7654 5800  
Fax 011 44 20 7654 5819  
[www.britishchambers.org.uk](http://www.britishchambers.org.uk)

International Chamber of Commerce  
12 Grosvenor Place  
London SW1X 7HH



Tel. 011 44 20 7838 9363  
Fax 011 44 20 7235 5447  
[www.iccuk.net](http://www.iccuk.net)

Confederation of British Industry (CBI)  
Centre Point  
103 New Oxford Street  
London WC1A 1DU  
Tel. 011 44 20 7395 8195  
Fax 011 44 20 7379 0945  
[www.cbi.org.uk](http://www.cbi.org.uk)

British Bankers' Association  
Pinner's Hall  
105-108 Old Broad Street  
London EC2N 1EX  
Tel. 011 44 20 7216 8800  
Fax 011 44 20 7216 8811  
[www.bba.org.uk](http://www.bba.org.uk)

Association of Foreign Banks  
1 Bengal Court  
London EC3V 9DD  
Tel. 020 7283 8300  
Fax 020 7283 8302  
[www.foreignbanks.org.uk](http://www.foreignbanks.org.uk)

Direct Marketing Association  
DMA House  
70 Margaret Street  
London W1W 8SS  
Tel. 011 44 20 7291 3300  
Fax 011 44 20 7323 4426  
[www.dma.org.uk](http://www.dma.org.uk)

Advertising Standards Authority  
Mid City Place  
71 High Holborn  
London WC1V 6QT  
Tel. 011 44 20 7492 2222  
Fax 011 44 20 7242 3696  
[www.asa.org.uk](http://www.asa.org.uk)

### **UK Government Offices**

UK government websites are readily identified and accessed via the official portal:  
[www.direct.gov.uk](http://www.direct.gov.uk)

UK Trade & Investment  
Department for Business Enterprise & Regulatory Reform (BERR)  
Kingsgate House

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66-74 Victoria Street  
London SW1E 6SW  
Tel. 011 44 20 7215 8000  
Fax 011 44 20 7828 1281  
[www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk)

UK Trade & Investment: USA

Atlanta	(404) 954 7700
Boston/Cambridge	(617) 245 4507
Chicago	(312) 970 3800
Dallas	(214) 521 4090
Houston	(713) 659 6275 x 2140
Los Angeles	(310) 481 2928
Miami	(305) 374 1522
New York	(212) 745 0495
Phoenix	(602) 387 5092
San Francisco	(415) 617 1361
Seattle	(206) 622 9255
Washington, D.C.	(202) 588 6500

Embassy of Great Britain  
3100 Massachusetts Avenue  
Washington, D.C. 20008  
Tel. (202) 588 7800  
Fax (202) 588 7850  
[www.britainusa.com](http://www.britainusa.com)

Department for Business Enterprise & Regulatory Reform  
1 Victoria Street  
London SW1H 0ET UK  
Tel. 011 44 20 7215 5000  
Fax 011 44 20 7215 0105  
[www.berr.gov.uk](http://www.berr.gov.uk)

The House of Commons  
Houses of Parliament  
London SW1A 0AA  
Tel. 011 44 20 7219 3000  
<http://www.parliament.uk/commons>

General Inquiries

The Stationery Office  
St. CrispinsDuke Street  
Norwich NR3 1PD  
Tel. 011 44 1603 622 211(UK equivalent of the U.S. Government Printing Office)  
[www.tso.co.uk](http://www.tso.co.uk)

Statistical Information

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Office for National Statistics  
1 Drummond Gate  
London SW1V 2QQ  
Tel. 011 44 845 601 3034  
<http://www.statistics.gov.uk>

#### Work Permits, Consular Matters

Home Office  
Direct Communications Unit  
2 Marsham Street  
London SW1P 4DF  
Tel. 011 44 20 7035 4848  
Fax 011 44 20 7035 4745  
<http://www.homeoffice.gov.uk/>

#### Environmental Regulations

Department for Environment, Food & Rural Affairs (DEFRA)  
Nobel House  
17 Smith Square  
London SW1P 3JR  
Tel. 011 44 20 7238 6000  
<http://www.defra.gov.uk/>

#### UK Patents

Intellectual Property Office  
Concept House  
Cardiff Road  
Newport  
South Wales NP10 8QQ  
Tel. 011 44 1633 813930  
Fax 011 44 1633 817777  
[www.ipo.gov.uk](http://www.ipo.gov.uk)

#### Central Bank

Bank of England  
Threadneedle Street  
London EC2R 8AH  
Tel. 011 44 20 7601 4444  
Fax 011 44 20 1601 5460  
[www.bankofengland.co.uk](http://www.bankofengland.co.uk)

#### **UK Commercial Banks**

Barclays Bank PLC  
1 Churchill Place London E14 5HP  
Tel. 011 44 20 7116 1000

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Fax 011 44 20 7116 7651  
<http://www.barclays.co.uk/>

HSBC Bank PLC  
8 Canada Square  
London E14 5HQ  
Tel. 011 44 20 7991 8888  
Fax 011 44 20 7260 9901  
<http://www.hsbc.co.uk/>

Lloyds TSB Bank PLC  
25 Gresham Street  
London EC2V 7HN  
Tel. 011 44 20 7626 1500  
Fax 011 44 20 7523 3444  
<http://www.lloydstsb.com/>

National Westminster Bank PLC  
135 Bishopsgate London EC2M 3UR  
Tel. 011 44 121 635 1592  
<http://www.natwest.com/>

### **Multilateral Development Banks**

European Bank for Reconstruction and Development  
One Exchange Square  
London EC2A 2JN  
Tel. 011 44 20 7338 6000  
Fax 011 44 20 7338 6100  
<http://www.ebrd.com/>

U.S. Commercial Service Liaison Office  
European Bank for Reconstruction & Development  
Unit 8400 Box 33  
FPO AE 09498-0033  
Tel 011 44 20 7588 8490  
Fax 011 44 20 7588 8443  
<http://www.buyusa.gov/ebrd>

### **U.S. Department of Commerce**

UK Desk Officer  
Office of European Affairs  
International Trade Administration  
Room 3515  
Washington, DC 20230  
Tel. (202) 482-3748  
Fax (202) 482-2897  
<http://trade.gov/index.asp>

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Trade Information Center  
 International Trade Administration  
 U.S. Department of Commerce  
 1401 Constitution Ave., NW  
 Washington, DC 20230  
 Tel. 1-800-USA-TRADE  
 Fax (202) 482-4473  
 Email [TIC@ita.doc.gov](mailto:TIC@ita.doc.gov)  
[www.export.gov/exportbasics/ticredirect.asp](http://www.export.gov/exportbasics/ticredirect.asp)

### U.S. Department of Agriculture

Foreign Agricultural Service  
 1400 Independence Ave., S.W. Washington, DC 20250  
 Tel. (202) 690-3576  
 Fax (202) 205-2964  
<http://www.fas.usda.gov/>

### Export-Import Bank of the U.S.

Washington D.C. Office  
 811 Vermont Ave., NW  
 Washington, DC 20571  
 Tel. (202) 565-3946  
 Fax (202) 565-3380  
[www.exim.gov](http://www.exim.gov)

## Market Research

The U.S. Commercial Service in London plans to complete the following reports in 2008.

SECTOR	TITLE	PUBLICATION DATE	CONTACT
<b>Aerospace &amp; Defense</b>	Aerospace Market Overview	03/14/2008	<a href="mailto:Jestyn.Cooper@mail.doc.gov">Jestyn.Cooper@mail.doc.gov</a>
<b>Health Technologies</b>	Overview of the Healthcare Sector	03/28/2008	<a href="mailto:Tatiana.Russo@mail.doc.gov">Tatiana.Russo@mail.doc.gov</a>
<b>Books/Periodicals</b>	The UK Bookselling Sector	03/31/2008	<a href="mailto:Stewart.Gough@mail.doc.gov">Stewart.Gough@mail.doc.gov</a>
<b>Marine Industries</b>	Port & Marina Developments	04/30/2008	<a href="mailto:Richard.Stanbridge@mail.doc.gov">Richard.Stanbridge@mail.doc.gov</a>
<b>Construction</b>	Overview of the UK Domestic Heating Market	04/30/2008	<a href="mailto:Cheryl.Withers@mail.doc.gov">Cheryl.Withers@mail.doc.gov</a>
<b>Aerospace &amp; Defense</b>	Defense Market Overview	05/01/2008	<a href="mailto:Jestyn.Cooper@mail.doc.gov">Jestyn.Cooper@mail.doc.gov</a>
<b>Travel/Tourism</b>	UK Travel to the U.S.	05/01/2008	<a href="mailto:Stewart.Gough@mail.doc.gov">Stewart.Gough@mail.doc.gov</a>
<b>Health</b>	The Medical Equipment	05/30/2008	<a href="mailto:Tatiana.Russo@mail.doc.gov">Tatiana.Russo@mail.doc.gov</a>

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<b>Technologies</b>	Market		<a href="mailto:doc.gov">doc.gov</a>
<b>Services</b>	Opportunities for Franchising	06/30/2008	<a href="mailto:Marcella.Marcheso@mail.doc.gov">Marcella.Marcheso@mail.doc.gov</a>
<b>Automotive / Ground Transportation</b>	Garage Repair and Maintenance Equipment	06/30/2008	<a href="mailto:Sara.Jones@mail.doc.gov">Sara.Jones@mail.doc.gov</a>
<b>Education / Training Services</b>	Overview of the UK Training Market	08/29/2008	<a href="mailto:Stewart.Gough@mail.doc.gov">Stewart.Gough@mail.doc.gov</a>
<b>Retailing</b>	Non-Food Sales in Supermarkets	08/29/2008	<a href="mailto:Marcella.Marcheso@mail.doc.gov">Marcella.Marcheso@mail.doc.gov</a>
<b>Travel/Tourism</b>	Growth in the Independent UK Traveler Market	08/29/2008	<a href="mailto:Stewart.Gough@mail.doc.gov">Stewart.Gough@mail.doc.gov</a>
<b>Consumer Goods</b>	Male Grooming Products	09/30/2008	<a href="mailto:Sara.Jones@mail.doc.gov">Sara.Jones@mail.doc.gov</a>
<b>Services</b>	Betting & Gaming in the UK	09/30/2008	<a href="mailto:Stewart.Gough@mail.doc.gov">Stewart.Gough@mail.doc.gov</a>
<b>Health Technologies</b>	The Over-the-Counter Medicines Market	09/30/2008	<a href="mailto:Tatiana.Russo@mail.doc.gov">Tatiana.Russo@mail.doc.gov</a>
<b>Apparel/ Textiles</b>	The UK Lingerie Market	11/28/2008	<a href="mailto:Marcella.Marcheso@mail.doc.gov">Marcella.Marcheso@mail.doc.gov</a>
<b>Construction</b>	Overview of the Green Building Market	11/28/2008	<a href="mailto:Cheryl.Withers@mail.doc.gov">Cheryl.Withers@mail.doc.gov</a>
<b>Airport / Ground Support Equip.</b>	Airport Expansion Market	11/28/2008	<a href="mailto:Jestyn.Cooper@mail.doc.gov">Jestyn.Cooper@mail.doc.gov</a>
<b>Sporting Goods</b>	Gym & Fitness Equipment	12/31/2008	<a href="mailto:Sara.Jones@mail.doc.gov">Sara.Jones@mail.doc.gov</a>

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

## Trade Events

Please click on the link below for information on upcoming trade events:

<http://www.buyusa.gov/uk/en/events.html>

## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/uk/en/>

### Trade Disputes

The U.S. Commercial Service addresses trade complaints to promote U.S. exports and to protect U.S. business interests overseas, though our work on trade complaints is generally limited to conciliatory efforts, encouraging disputing parties to settle their conflicts directly. Please note that the U.S. Commercial Service does not pursue collection issues or complaints from collection agencies, consultants, lawyers or third party representatives working on collection cases.

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.