



DOING BUSINESS IN THE UNITED KINGDOM THE U.S. COMMERCIAL SERVICE

The United Kingdom is America's largest European export market and fifth largest export market worldwide, after Canada, Mexico, Japan and China. Over 40,000 U.S. firms export to the UK and total bilateral trade in goods and services reached \$184 billion in 2006. Major exports from the United States to the UK include aerospace; automotive parts and service equipment; computers and peripherals; cosmetics and toiletries; drugs and pharmaceuticals; education and training; medical equipment; pollution control equipment; renewable energy equipment; safety and security equipment; and telecommunications equipment.

Over the past 25 years, the service sectors have become an increasingly important part of the U.S. economy and U.S. exports of services to the UK now exceed manufactured goods, totaling \$48.3 billion in 2006. By way of illustration, the UK is our largest overseas market for travel and tourism, contributing nearly 4.5 million visitors and \$11 billion to the U.S. economy. Other important U.S. service sectors experiencing success in the UK include transportation services; architectural, construction, and engineering services; education and training services; banking, financial, and insurance services; entertainment; information services; and professional business services.

Our bilateral investment levels are also second to none. As of 2007, U.S. direct investment in the UK reached \$364 billion while the corresponding figure for UK investment in the United States was \$303 billion. Over the past three years, American investment in the UK has created over 60,000 new jobs. In fact, over one million UK citizens worked for American-owned companies in 2007, while an equal number of their counterparts in the United States have found employment with British-owned businesses.

The size, maturity and openness of the UK market are also its greatest challenges. American companies seeking to enter this market, or expand their market share, face tough and well-established competition from both domestic and third country competitors. Entry strategies will vary by the particular sector, but new entrants will need a strong competitive advantage, such as price or product quality, to enter and survive in the market over the long term. New entrants in the UK market are also advised to partner with an experienced and established local representative.

In addition to its importance as a bilateral business partner, the UK also serves as a natural gateway to Europe, the Middle East and Africa. 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 them to operate throughout the EU. As a result, approximately 5,700 American companies have operations in the United Kingdom, 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.

For more information on doing business in the UK, please contact the U.S. Commercial Service.



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TRADE STATISTICS

- Total U.S. exports (goods) to the UK in 2007 = \$50.3 billion
- Total U.S. imports from the UK (goods) in 2007 = \$56.9 billion

- Total U.S. exports (services) to the UK in 2006 = \$ 48.3 billion
- Total U.S. imports from the UK (services) in 2006 = \$ 38.5 billion

Top 10 States Exporting to United Kingdom (in millions \$ USD)

State	2002	2003	2004	2005	2006	2007
U.S. Total	33,253	33,895	35,960	38,629	45,393	50,296
New York	2,369	3,283	2,845	2,894	4,198	6,081
California	4,347	4,360	5,206	5,029	5,063	5,217
Texas	2,081	2,130	2,284	2,523	2,903	3,274
New Jersey	1,336	1,407	1,772	1,766	2,233	2,526
Utah	710	487	559	1,105	2,283	2,382
Massachusetts	1,579	1,430	1,503	1,628	1,972	2,307
Illinois	1,605	1,544	1,859	1,851	2,284	2,225
Washington	1,230	1,462	1,090	887	986	1,911
Indiana	1,007	1,209	1,282	1,516	1,890	1,900
Ohio	1,229	1,242	1,185	1,154	1,221	1,425

U.S. Trade by Commodity with United Kingdom (in millions \$ USD)

Commodity	2002	2003	2004	2005	2006
Aircraft & Associated Equipment	4,663	5,196	4,885	5,462	5,517
Precious Metals	1,301	1,706	118	1,563	4,417
Medicaments	1,662	1,628	1,984	2,573	3,452
Automatic Data Processing Machines & Equipment	2,688	2,582	2,884	2,643	2,598
All Motor Vehicles	1,820	1,961	2,203	2,178	2,382
Telecommunications & Electronics Equipment	1,681	1,567	2,126	1,708	1,761
Chemical Compounds, Elements, & Reagents	624	769	744	799	1,115
Jewelry & Precious Stones	265	271	387	611	1,013
Works of Art	509	627	763	902	951
Medical Instruments	505	531	628	714	775

The U.S. Commercial Service provides a wide range of services and support to U.S. exporters, U.S. subsidiaries and affiliates, business organizations, trade associations, and other federal, state and municipal government agencies involved in international business. These services include business counseling/consulting, customized market research, business facilitation, trade promotion, business advocacy, outreach and commercial diplomacy in support of broader mission goals and objectives.

For more information, please contact us at the e-mail address on the front of this flyer.