



Doing Business in the United Kingdom:

2009 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In the United Kingdom

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Market Overview

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- The United Kingdom (estimated 2008 GDP of \$2.8 trillion) has the sixth-largest economy in the world and is a major international trading power.
- Highly developed, sophisticated, and diversified, the UK market is the second largest in Europe and the sixth largest in the world for U.S. exports.
- With few barriers, the UK is the entry market into the EU for more than 40,000 U.S. exporters.
- U.S. exports of both goods and services are valued at an estimated \$110 billion.
- In 2008, U.S. exports of goods alone to the UK increased by 7% to reach \$53.8 billion.
- Major categories of U.S. exports include aerospace, automotive, electronics, healthcare, information technologies, and telecommunications.
- The UK is the number one overseas market for travel to the United States, and about 4.5 million UK travelers visited the United States in 2008.
- The U.S.-UK investment relationship is largest in the world with a cumulative stock in direct investment valued at over \$800 billion.
- Over two million jobs, about one million in each country, have been created over the years to manage and drive this investment.
- The UK is the top location in Europe for U.S. regional headquarters covering Europe, the Middle East, and Africa.
- However, with a prominent financial services sector, the UK has been hit particularly hard by the global credit crisis.

Market Challenges

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- The global economic crisis has affected U.S.-U.K. trade, which declined by 10% in the last quarter of 2008 compared to the same period in 2007.
- By January 2009, the UK economy was in recession, and the British pound had depreciated over 25% vis-à-vis the U.S. dollar.
- The significant weakening of British Pound affects demand for U.S. goods/services; however, the stronger Euro also makes EU suppliers less competitive than before.
- In recent months, there has been a sharp drop in the availability of credit in the UK economy.
- Lower consumer confidence is hurting retail sales, making some retailers reluctant to commit to new products and lines.

- Despite a stronger dollar, London is still one of the world's most expensive cities.
- To succeed, U.S. exporters will need to offer competitive prices and terms.
- The UK is a sophisticated market and not suitable for all export products/services.
- Complex EU technical/regulatory requirements can be burdensome.
- "Devolved Administrations" present some differences in policies/regulations among Northern Ireland, England, Scotland and Wales.

Market Opportunities

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- The current economic downturn presents new opportunities in select market segments.
- Demand will increase for maintenance/repair of existing plant equipment; products and services to improve productivity and efficiencies; automotive aftermarket products; and ICT software and services to lower costs and improve business efficiencies.
- The National Healthcare Service continues to upgrade hospitals and to purchase advanced technologies in medical equipment.
- Although the recession and weaker British pound will have an effect on UK travel, many experienced travelers will continue to visit new and repeat destinations in the U.S.
- Green Opportunities: The UK Climate Change law is the world's first long-term, legally binding framework to address climate change through renewable energy with a target of 26% reduction in greenhouse gas emissions by 2020, and 80% by 2050.
- The 2012 London Olympics and other special infrastructure projects continue to generate demand for a wide range of U.S. products and services.
- Opportunities have been centered on infrastructure development. As we move closer to the Games, there will be significant procurement of sports-related goods and services.

Market Entry Strategy

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- Demonstrate a clear competitive advantage (i.e., price, quality, branding).
- Pay close attention to both the obvious and subtle cultural differences between the U.S. and the UK and adjust marketing strategies accordingly.
- Evaluate prospective partners carefully and choose an experienced, well-established local distributor.
- Be flexible working with a UK partner during this challenging recessionary period
- Express commitment to the market with a long-term perspective.

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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>

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Chapter 3: Selling U.S. Products and Services

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Using an Agent or Distributor

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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 understands the local culture, positions products and brands in the market through advertising and promotion and assists 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 as distributors. 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 laws.

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

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/

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, national courts or ombudsmen. The European Ombudsman is not an appeals body for decisions taken by these entities; complaints against businesses or private individuals.

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.

Establishing an Office

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The UK has an open, transparent and business-friendly system to encourage the formation of new businesses. It is often seen as the gateway to access EU markets. A foreign business may establish its own presence in the UK in many ways, including a partnership, joint venture, representative office, branch office or a subsidiary. Different legal and tax considerations apply according to which structure is chosen. The majority of foreign investors will establish a UK registered company when setting up in the UK.

Currently, there are more than 2.7 million registered companies in the UK. It is a straightforward process to establish a company in the UK. To register a company, certain mandatory documents such as the “Memorandum of Association” and “Articles of Association” must be filed with Companies House – the key government organization which coordinates the administration of businesses in England, Scotland and Wales. In addition, there is the Companies Registry for Northern Ireland. Further guidance on the requirements for forming a company in the UK is available at:

<http://www.companieshouse.gov.uk/>

<http://www.ukinvest.gov.uk/Information-sheets/4015991/en-GB.html>

Independent professional advice on forming a company in the UK can also be obtained from accountants, solicitors and company formation agents.

Franchising

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The UK franchise industry has grown and matured into a significant element of the UK economy, contributing an estimated \$17.4 billion to the country's GDP in 2007. While the franchising business model extends across all sectors, it is especially prevalent in retailing, food, and business-to-business (B2) services. According to a 2008 Business Franchise Association (BFA) survey, the number of active business franchise systems identified in 2007 increased by 8% taking the total to 34,200, the highest number since tracking began in 1984. In the face of the weakening economy, franchise systems are determined to continue opening new units with predictions suggesting that around 35,000 units will be trading by the end of 2008.

Franchising is a major employer in the UK employing 1.3% of the working population - 383,000 people. Employment in the sector increased by 3% in 2007 compared with

0.1% nationally. Recruitment remains the main barrier to expansion, a problem which is not likely to ease if unemployment remains at a historical low.

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 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

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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.

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 15% and will return to a rate of 17.5% in January, 2010. Further details of the UK regulations regarding VAT on sales of goods and services to the UK can be found on the UK tax authority's website at <http://www.hmrc.gov.uk/vat/int-imports.htm#6>

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/_attachments/resources/45_S4.pdf

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.

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 http://www.buyusa.gov/europeanunion/eu_tenders.html or from <http://ted.europa.eu/>

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). 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 <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. 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.

Larger defense contracts awarded to non-EU contractors require the negotiation of industrial participation (IP) known as offset arrangements. IP arrangements are separate from the procurement contracts and are implemented by the UK Trade and Investment Defence and Security Organisation (UKTI DSO, www.deso.mod.uk/ip.htm).

London 2012 Olympics

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

The London 2012 Games are being managed by two organizations:

- The Olympic Delivery Authority (ODA) is responsible for building the venues and infrastructure necessary for the Games. The ODA is a government-funded organization, which is subject to EU procurement regulations.
- The London Organising Committee of the Olympic Games and Paralympic Games (LOCOG) is responsible for staging the Games. LOCOG is funded mainly by the private sector and is not subject to EU procurement regulations.

Opportunities to become part of the supply chain for the London 2012 program will be awarded by both the ODA and LOCOG through the London 2012 [Business Network](#).

The ODA will issue the majority of the contracts covering infrastructure, transport and construction of the venues for the 2012 games. LOCOG will issue contracts, mainly for services, to deliver and stage the games themselves. These contracts cover goods and services ranging from sports equipment to catering. While LOCOG will manage its procurements separately from the ODA, it has indicated that it will adopt fair and sustainable procurement principles and processes.

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 website <http://www.london2012.com>. LOCOG has indicated that its procurement policy will be published and available in the near future.

Companies are requested to express their interest to tender for contract opportunities via the official London 2012 [eTendering](#) and [CompeteFor](#) websites, which advertise direct contract tenders by the ODA, LOCOG and supply chain opportunities from London 2012 contractors.

Distribution and Sales Channels

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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

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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.

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

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Overview

Online purchases accounted for 25% of all retail sales in the UK in 2008, representing a total expenditure of \$60 billion. Rising food and fuel bills have led shoppers to look for the best deals on the internet.

Books remained the most popular item bought on-line with 45% of internet users buying books over the internet in the UK. Sales of DVDs, games and music combined increased by 4%, topping 485 million units. Online clothes and footwear sales saw the highest rate of growth with an annual increase of 32%.

The rise in internet shopping has been boosted by the growth in UK internet penetration, which rose in 2008 by 5% to 66% of all homes. The number of UK homes connected to the internet rose by 1.3 million in 2008 to 16.5 million.

UK advertisers have responded to the growing influence of on-line shopping. For the first time in 2008, spending on internet advertising in the UK exceeded that on traditional print media. It is predicted that the UK will become the first major economy to see advertisers spend more on the internet than on TV advertising in 2009, although all advertising expenditure will be lower because of the recession.

Search Engines

The top 5 search destinations in the UK are:

Google UK <http://www.google.co.uk>
Yahoo! <http://www.yahoo.co.uk>

MSN <http://www.msn.co.uk>
Google <http://www.google.com>
Windows Live <http://www.live.com>

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

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.berr.gov.uk/whatwedo/consumers/buying-selling/distance-selling/index.html>

http://www.oft.gov.uk/advice_and_resources/resource_base/legal/distance-selling-regulations/

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/downloadFile?contentID=HMCE_PROD1_026579

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/

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.berr.gov.uk/whatwedo/consumers/buying-selling/distance-selling/index.html>

http://www.ofc.gov.uk/advice_and_resources/resource_base/legal/distance-selling-regulations/

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 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.berr.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, so 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.berr.gov.uk/whatwedo/sectors/infosec/electronic_sig/page10057.html

Electronic Commerce (EC Directive) Regulations 2002: These regulations cover a broad range of online activities, including the sale of goods and services. For more information on these regulations, companies should visit:

<http://www.berr.gov.uk/whatwedo/sectors/ecommerce/ecommsdirectivefaqs/page10148.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 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

<http://www.berr.gov.uk/whatwedo/consumers/index.html>

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

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, including 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/procurement.asp>

The UK government complies with EU public procurement rules and all procurements exceeding the relevant thresholds are published in the Official Journal of the European Community (OJEC), 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

Trade Promotion and Advertising

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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, http://www.asa.org.uk/asa/codes/cap_code/

The leading British daily newspapers are:

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

Sunday newspapers:

Sunday Times (www.sunday-times.co.uk)
Sunday Telegraph (www.telegraph.co.uk)
Observer (www.observer.co.uk)

The London Gazette, Edinburgh Gazette and Belfast Gazette (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)

Investors Chronicle (www.investorchronicle.co.uk)

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

Pricing

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Import prices for products entering the UK from non-EU states generally consist of: Cost, Insurance, Freight and Duty, with VAT of 15% levied on the aggregate value (the VAT will revert to its former rate of 17.5% in January 2010). 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 "Resale Price Maintenance", wherein manufacturers would set a mandatory retail price and prevented retail discounting is now illegal. Nonetheless, 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

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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 EU 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

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers 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

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 links: http://ec.europa.eu/consumers/citizen/index_en.htm

http://ec.europa.eu/consumers/pro/index_en.htm

Protecting Your Intellectual Property

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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 UK Intellectual Property Office (UK IPO) 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, UK IPO'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 October 2008, the UK government began consultations on a few of the Gowers Review suggestions.

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. In September 2007, the UK IPO and the U.S. Patent and Trademark Office (USPTO) began a 12-month pilot of the Patent Prosecution Highway (PPH) scheme, which allowed patent applicants who have received a report by either the UK IPO or the USPTO to request accelerated examination of a corresponding patent application filed in the other country.

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

In the UK: For additional information on IPR in the UK, please visit the UK Intellectual Property Office (UK-IPO) website at <http://www.ipo.gov.uk/>

In the U.S.: 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.
- 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. 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

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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

Local Professional Services

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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

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Web resources are as follows:

<http://www.buyusa.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

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Agricultural Sector

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Aerospace

Overview

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\$ Millions	2006	2007	2008 (estimated)
Total Market Size	29,288	26,895	24,642
Total Local Production	33,005	27,774	25,505
Total Exports	22,932	19,992	19,875
Total Imports	19,215	19,113	19,012
Imports from the U.S.	5,330	5,960	6,100

(Unofficial Estimates)

The value of United Kingdom aerospace market, the second largest in the world, is estimated at \$24.7 billion of which approximately half is defense-related. Imports from the U.S. account for approximately one-third of total UK aerospace imports. The United Kingdom consistently ranks as one of the top five markets for U.S. aerospace products and is home to a large and diverse aerospace supply chain, including many of the leading suppliers to both Airbus and Boeing.

There is a substantial airline market in the UK and, consequently, strong demand for aircraft parts and components, and related maintenance, repair and overhaul (MRO) services. A combination of the UK's Sustainable Aviation Strategy and the extension of the European Union's Emissions Trading Scheme to aviation have created opportunities in areas linked to the reduction of aircraft noise and emissions.

The UK government has sustained its commitment to increasing airport capacity and has proposed terminal expansions and additional runways throughout the country. This is in addition to the substantial redevelopment already underway at London's Heathrow Airport and plans for a significant expansion of capacity at London Stansted. Considerable demand for airport equipment – especially security systems – is anticipated over the next five years

Best Prospects/Services

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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, Monitoring Equipment and Air Traffic Management Systems.

Opportunities

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In the near term, airport expansion and transport plans relating to the 2012 London Olympics create potential prospects for companies in the airport security market. More widely, environmental policy considerations are generating important opportunities in a range of sectors, including fuels, propulsion technology, and next generation air traffic management systems.

Upcoming Events

Airline Purchasing Expo
Olympia Exhibition Center, London
May 6-7, 2009
www.aviationindustrygroup.com

Helitech
Duxford, Cambridgeshire
September 22-24, 2009
www.helitech.co.uk

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

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

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Automotive Parts and Equipment

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\$ Millions	2006	2007	2008 (estimated)
Total Market Size	20,222	21,896	20,755
Total Local Production	14,538	14,350	14,070
Total Exports	6,051	5,431	5,705
Total Imports	11,735	12,977	12,390
Imports from the U.S.	335	345	352

(Unofficial estimates)

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, with over 5,000 companies active in the sector. The motor industry in the UK is heavily dependent on overseas suppliers for parts and equipment, as well as for sales of finished vehicles. To guard against possible shortfalls in supply, most of the leading vehicle manufacturers source their parts from a variety of countries and companies. It has the strongest independent aftermarket in Europe, with many small operators doing business alongside the big household names.

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 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.

There are approximately 33 million cars, vans, and trucks registered in Britain. However, the UK is being hard hit by the economic downturn with a dip in consumer confidence and related decrease in market demand for new cars. The UK motor industry is currently encountering the most difficult economic conditions it has faced in many years, leading to falling output levels at UK car plants and a decline in demand for parts. These trends are likely to continue in 2009. As such, it will be a difficult year, with tough trading conditions for all businesses involved in the motor industry.

Best Prospects/Services

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On the positive side, used-car sales are forecast to grow, and car owners and operators will likely keep their cars longer than the average 6.8 years. With an older vehicle "parc" (i.e. the base of registered vehicles in the UK) maintaining and repairing these vehicles will offer good potential for the repair trade and related equipment, parts, and accessories.

Opportunities

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U.S. exporters should explore opportunities for sales of test and inspection equipment for use in garages and service stations that are authorized to undertake stringent annual

checks mandated by legislation. These include 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 economy and reduced emissions.

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

Resources

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Upcoming Events

Autosport International
National Exhibition Centre, Birmingham
January 14-17, 2010
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.smmt.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.com/>

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

UK Department for Business, Enterprise and Regulatory Reform (BERR)
1 Victoria Street
London SW1H 0ET
Tel: 011 44 20 7215 5000
<http://www.berr.gov.uk/whatwedo/sectors/automotive/automotiveteam/page9117.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/>

Contact Details

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Computers and Peripherals

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\$ Million	2006	2007	2008 (estimated)
Total Market Size	15,255	15,700	17,210
Total Local Production	10,055	10,500	11,530
Total Exports	12,900	13,100	13,380
Total Imports	18,100	18,300	19,060
Imports from the U.S.	2,200	1,600	1,740

(Unofficial Estimates)

The United Kingdom has a competitive and sophisticated ICT market that is the largest in Europe. Market demand is valued at an estimated \$17 billion, 10% of which represents imports from the U.S. However, demand for computing products is expected to decrease in 2009, as a result of the current recession.

Nevertheless, there has been recent market growth in some areas. A significant increase in mobile broadband usage led to a surge in demand for laptop computers in 2008, especially for smaller “notebooks” designed to enable internet usage on the move. Retailers often gave these away to customers signing up for specific contracts. The growth in demand for mobile computing products has also increased the need for peripherals such as wireless access and mobile data storage products. However, the growth in mobile computer sales has been at the expense of desktop computers, the sales of which are in decline.

The increasing public awareness of the need to protect against ID theft and data loss will continue to create market opportunities for secure data storage and data encryption products.

With less than 10% of pictures now being captured on film, the growth in the use of digital cameras has led to an increase in demand for imaging-related computer peripherals such as photo-printers and high- memory USB drives. The digital camera market itself is, however, close to being saturated.

Best Prospects/Services

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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.

Mobile computing devices and peripherals– The growth in notebook computers is set to continue, as portable machines with higher memory and processing capacity appear, as is the use of USB dongles to access mobile broadband.

VOIP – The major players - i.e. Vonage, MSN and Skype - are actively creating a market for VOIP services. Companies supplying the required peripherals 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 an increasingly important focus for many businesses, particularly small and medium sized enterprises.

Opportunities

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The London 2012 Olympics (<https://www.competefor.com/london2012business>)

Building Schools for the Future (<http://www.partnershipsforschools.org.uk/>)

Resources

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Upcoming Events

Channel Expo 2009
NEC, Birmingham
May 20-21, 2009
<http://www.channelexpo.co.uk/>

Infosecurity Europe 2009
Earls Court, London
April 28-30, 2009
<http://www.infosec.co.uk>

Data Storage Expo
October 14-15, 2009
London Olympia
<http://www.storage-expo.com/>

Trade Associations

Intellect
<http://www.intellectuk.org>

The British Computer Society
<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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Drugs and Pharmaceuticals

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\$ Million	2006	2007	2008 (estimated)
Total Market Size	26,000	27,400	28,200
Total Local Production	33,000	34,000	34,300
Total Exports	25,000	26,000	26,900
Total Imports	18,000	19,000	19,700
Imports from the U.S.	3,400	4,000	4,800

(Unofficial estimates)

The UK pharmaceutical market was estimated to be valued at \$28.2 billion in 2008, an annual increase of approximately 2.9%. Prescription drugs account for more than 80% of the market with over-the-counter (OTC) products accounting for the remainder. U.S. imports account for around 17% of the 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. Most prescription pharmaceuticals are prescribed by NHS GPs and are then dispensed by community pharmacies. Some 750 million prescriptions are dispensed each year. While there is a standard prescription charge of \$10 (irrespective of the cost of the pharmaceutical), 80% of prescriptions are dispensed without charge to exempt patients.

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 the profits that pharmaceutical companies are allowed to make on their sales to the National Health Service (NHS). The new PPRS, which was implemented on January 1, 2009, and runs for five years, aims to improve access to a wider range of innovative drugs and offer better value. The new Scheme includes an across the board 3.9% price cut in the price of drugs sold to the NHS from February 2009 with a further price cut of 1.9% in January 2010. The Scheme

allows for flexible pricing, within the overall profits cap, of new drugs after they have been launched by pharmaceutical firms.

- The UK government's mandatory price caps on generic medicines which limit the maximum prices for generic drugs.

U.S. manufacturers of vitamins, minerals and supplements 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 regulatory environment for vitamins, minerals, and supplements and, therefore, makes market entry more difficult. Until implementation, the UK was one of the more liberal EU members in terms of VMS regulation.

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The UK Department of Health (DOH) 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
- Obesity

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

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Upcoming Events

Interphex
National Exhibition Centre, Birmingham
May 2009
www.totalexhibition.com

The Pharmacy Show 2009
National Exhibition Centre, Birmingham
www.thepharmacyshow.co.uk

Trade Associations

The Association of British Pharmaceutical Industry
www.abpi.org.uk

Royal Pharmaceutical Society of Great Britain
www.rpsgb.org.uk

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

Government Departments

The Department of Health (DOH)
www.doh.gov.uk

Medicines and Healthcare Products Regulatory Agency (MHRA)
www.mhra.gov.uk

European Medicines Agency
www.emea.europa.eu

National Institute for Health and Clinical Excellence (NICE)
www.nice.org.uk

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Fax: 011 44 20 7894 0020
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Environmental Technologies

Overview

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\$ Millions	2006	2007	2008 (estimated)
Total Market Size	20,627	21,777	22,844
Total Local Production	18,562	19,522	20,540
Total Exports	8,585	8,711	8,996
Total Imports	10,650	10,966	11,300
Imports from the U.S.	787	932	1,232

(Unofficial estimates)

The UK market for environmental technologies grew from about \$2.2 billion in 2007 to an estimated \$2.8 billion in 2008. Imports account for about 50% of market demand, and imports from the U.S. are valued at an estimated \$1.2 billion. However, the economic downturn in the UK will most likely have a negative effect on market demand in 2009. Nonetheless, international and local regulations continue to drive the demand for environmental technologies in the UK.

In terms of domestic UK production, there are a number of large local and international multinationals, and approximately 17,000 SMEs in the sector, many of which are new “start up” firms. The UK government predicts 33% growth in the water/wastewater management by 2025. The UK industry currently invests approximately \$5.5 billion each year to improve water supplies and sewerage services. 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.

Market demand is strong for environmental consulting services, air pollution control and contaminated land remediation. Consulting services are particularly in demand in for remediation of contaminated land and in the water/wastewater segments. The UK “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. A prime example of soil remediation is the former industrial park that is the construction site of the London 2012 Olympic Park.

Best Prospects/Services

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Good prospects exist in the following areas: air pollution control, 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. There is also demand for 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.

Stringent EU legislation and an increased level of environmental awareness have created demand for air pollution control equipment. The Large Combustion Plant Directive (LCPD) is a European Union Directive that aims to reduce acidification, ground level ozone and particulates by controlling the emissions of sulphur dioxide, oxides of nitrogen and dust from large combustion plants. In the UK large power stations, petroleum refineries, steelworks and other industrial processes running on solid, liquid or gaseous fuel must comply with the LCPD, or face closure. Technologies such as fabric filters, flue cleaning equipment, electrostatic precipitators, flue gas desulphurisation and selective catalytic reduction (SCR) are all likely to help reduce these emissions significantly.

Upcoming Events

Sustainability Live
National Exhibition Centre, Birmingham
May 19-21, 2009
<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
8th 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. Peter'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
<http://www.berr.gov.uk/energy/environment/index.html>

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Medical Equipment

Overview

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\$ Million	2006	2007	2008 (estimated)
Total Market Size	6,600	6,800	6,990
Total Local Production	5,200	5,400	5,500
Total Exports	2,200	2,400	2,600
Total Imports	3,600	3,800	3,900
Imports from the U.S.	1,200	1,200	1,250

(Unofficial estimates)

The UK medical equipment market is the world's sixth largest and Europe's fourth largest. Valued at \$7 billion, the market is expected to grow by around 2.7% in 2009. The U.S. is the most important overseas source of medical devices. Imports from the U.S. account for nearly 18% of the market.

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%, partly in order to purchase equipment such as pumps, lasers, imaging systems, pathology laboratories and hospital bed systems. However, tighter budgets will mean much smaller increases in future spending.

In 2006, responsibility for 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. Further reform of NHS procurement is expected in 2009. The NHS is comprised of around 485 regional trusts which are able to choose whether: to purchase goods and services through PASA/NHS Supplies, to procure products individually, or to pool resources with other trusts for procurement decisions.

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 directives please visit: 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

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

- 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

Opportunities

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In 2006, the UK Department of Health approved \$3 billion worth of new hospital building projects funded through Private Finance Initiatives (PFI). Under PFI, private companies build hospitals, meet up-front costs and are repaid by the government over a period of between twenty-five to thirty years. In March 2009, in response to fears that current borrowing constraints would result in the cancellation of a number of these projects, the government announced plans to create an “infrastructure bank” which will lend funds to companies for specific PFI schemes. It is not known what impact this will have on the overall hospital building program. There are current plans, however, to build at least new five hospitals over the next two years.

Resources

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Upcoming Events

NAIDEX
National Exhibition Centre, Birmingham
April 28-30, 2009
<http://www.naidex.co.uk/>

Trade Associations

The Association of British Healthcare Industries (ABHI)
www.abhi.org.uk

British Anesthetic & Respiratory Equipment Manufacturers Association
(BAREMA)
www.barema.org.uk

British In Vitro Diagnostics Association (BIVDA)
www.bivda.co.uk

British Healthcare Trades Association (BHTA)
www.bhta.net

The NHS Confederation
www.nhsconfed.org

Government Departments

The Department of Health (DOH)
www.doh.gov.uk

Medicines and Healthcare Products Regulatory Agency (MHRA)
www.mhra.gov.uk

National Institute for Health and Clinical Excellence (NICE)
www.nice.org.uk

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Packaging Materials and Technology

Overview

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\$ Million	2006	2007	2008 (estimated)
Total Market Size	5,850	5,730	5,740
Total Local Production	3,810	3,730	3,730
Total Exports	2,650	2,600	2,610
Total Imports	4,690	4,600	4,620
Imports from the U.S.	288	283	284

(Unofficial estimates)

The UK market for food and drink packaging material is valued at \$5.7 billion, approximately 30% of the \$18 billion UK market for packaging equipment and materials. Imports from the U.S. of food and drink packaging material represent 5% of the total market demand in this segment. Over the past five years plastic has accounted for an increased share of the market over other segments, mainly through the introduction of innovative packaging such as shelf-stable pouches. Although growth in the demand for conventional forms of packaging is slowing, there are significant prospects for U.S. companies in niche packaging that leverages consumer, legislative and industry trends.

Legislation, such as the EU Packaging and Packaging Waste Directive and the European Landfill Directive, which imposes taxes on retailers that send waste to landfills, is expected to generate market opportunities for American firms specializing in recyclable and recycled packaging technologies. However, there is intense competition in the UK over which material will set the industry standard in the sustainable materials segment of the market. Additionally, increased foreign competition, higher energy, material and transportation costs have placed increased pressure on domestic packaging manufacturers to reduce packaging waste by weight.

According to market analysts, RFID (Radio Frequency Identification) tags are expected to be the largest industry-wide change in packaging over the next ten years. The UK is the second largest market for RFID tags, trailing only the U.S. market. Major UK chains such as Sainsbury's and Marks & Spencer have already implemented the technology, which is growing at a rate of 60% per year and is expected to reach \$1 billion in 2009 in the UK.

Best Products/Services

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Because the market for conventional packaging is growing so slowly, the best prospects for U.S. exporters exist in niche products, listed below.

- Biodegradable polylactic acid (PLA) packaging
- Radio frequency identification (RFID) technology
- Time and temperature indicators (TTI)
- Age-friendly packaging
- Single portion packs

According to industry experts, U.S. companies hold the advantage in these niche market segments. However, U.S. exporters need to be aware of market preferences.

Opportunities

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As the second largest market for RFID in the world, the UK offers strong prospects to U.S. exporters of RFID tags or packaging with integrated RFID tags.

U.S. technology leads the Biodegradable polylactic acid (PLA) packaging segment. However, market preferences may affect a product's acceptance. For example, PLA products made from genetically modified (GM) crops, such as GM corn, which is viewed negatively in the UK, may not appeal to local end-users.

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Upcoming Events

Packaging Innovations 2009
September 2009 TBD
National Exhibition Centre (NEC)
Birmingham
www.easyfairs.com

Trade Associations

IOP: The Packaging Society
Springfield House
Springfield Business Park
Grantham
Lincolnshire, NG31 7BG
Telephone: 01476-514 590
Fax: 01476-514 591
E-mail: iop@iom3.org
Web: www.pi2.org.uk/iop

Packaging Federation
1 Warwick Row
London, SW1E 5ER
Telephone: 020-7808 7217
Fax: 020-7808 7218
Web: www.packagingfedn.co.uk

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Renewable Energy Equipment and Services

Overview

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\$ Million	2006	2007	2008 (estimated)
Total Market Size	38,060	40,930	43,540
Total Local Production	14,700	15,800	16,800
Total Exports	5,500	5,750	6,050
Total Imports	28,860	30,880	32,700
Imports from the U.S.	50	50	100

(Unofficial estimates)

The UK's renewable energy equipment and services market was estimated to be worth \$44 billion in 2008. The largest sub-sector of the renewables market is wind power. It currently accounts for about 37% of the market. Over the next 7 years, the wind power market is expected to grow by between 7 and 10% per year, driven by the government's desire to see installed wind capacity grow to 40 gigawatts by 2025, about one third of envisaged power generation capacity. Geothermal energy products account for about 30% of the renewables market and are expected to grow more slowly than wind at 5 to 7% per year. The biomass and photovoltaic renewable energy sub-sectors each account for about 15% of the market and are expected to grow by between 5 and 8% per year. Hydro, wave and tidal power generation, and renewable energy consulting are small parts of the market, and despite reasonable growth, are expected to stay proportionately small.

Driving market growth is UK legislation that introduces the world's first long-term legally binding framework to tackle climate change. The Climate Change Bill was introduced into Parliament on 14 November 2007 and became law on 26th November 2008. The Bill sets a legally binding target for the UK of at least an 80% cut in greenhouse gas emissions by 2050, to be achieved through action in the UK and abroad. It also sets a reduction in CO2 emissions of at least 26% by 2020. Both these targets are against a 1990 baseline. The government intends to use a range of mechanisms to achieve these targets. Renewable energy is seen as one of the most important means of achieving the challenging CO2 reduction targets.

Best Products/Services

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Supply of components for large and small wind turbines – e.g. cowlings, blades, electrical and mechanical components, control systems, and blade feathering equipment.

Wind farm power integration systems, power distribution systems, and maintenance services.

Biomass energy furnaces for domestic applications.

Complete residential geothermal energy systems.

Photovoltaic cells.

Opportunities

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The energy sector in the UK is privatized and all opportunities in the market will come from the private sector. In the short term, the main opportunities will come from large scale wind farm developments – both onshore and offshore. In the longer term, there are potential wave and tidal projects.

While the government is determined to encourage private sector investment in renewables, the current economic climate and the difficulty in accessing finance may act as a brake on new investment and developments in the sector.

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Upcoming Events

All-Energy 09
Aberdeen
May 20-21, 2009
www.all-energy.co.uk

Trade Associations

The British Wind Energy Association (BWEA)
www.bwea.com

The Renewable Energy Association (REA)
www.r-e-a.net

Government Departments

Department of Energy and Climate Change (DECC)
www.decc.gov.uk

Department for Environment, Food and Rural Affairs (DEFRA)
www.defra.gov.uk

Contact Details

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Telecommunications Equipment

Overview

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\$ Million	2006	2007	2008 (estimated)
Total Market Size	11,750	12,200	13,467
Total Local Production	10,150	10,500	11,591
Total Exports	3,400	3,500	3,864
Total Imports	5,000	5,200	5,740
Imports from the U.S.	740	850	938

(Unofficial estimates)

Valued at about \$13 billion, the UK telecoms market is dynamic and advanced and continues to be driven by technical innovation and significant competition. Imports represent 42% of the total market with U.S. imports representing 7% of the total market. It is likely that the overall demand for telecommunications products and services will decrease in 2009 as a result of the current recession.

The UK is currently moving towards super-fast broadband with both BT and Virgin Media in the process of rolling out 50mbit/s service. The first elements of BT's new next generation network (21CN or 21st Century Network) are now being rolled out in the UK. BT plans to have superfast broadband access available to 10 million homes by 2012.

Mobile network revenues now exceed those from fixed line services in the UK. The market for cellular communications has been stimulated by the launch of new 3G devices in 2008 such as the iPhone, which have been estimated to generate 30 times more mobile data usage than non-3G devices. The growth in mobile network usage has also been stimulated by a surge in mobile broadband usage in 2008 with the introduction of USB modems or 'dongles' to enable mobile broadband connections from laptop computers. In the first half of 2008, over half a million new mobile broadband connections were sold in total.

The use of telecoms services by young people is growing significantly with 74% of schoolchildren over 12 now using a mobile phone and over 80% of 12-15 year olds using the internet. Along with the growth in social networking technologies, this trend will create opportunities for mobile devices and mobile software applications aimed at young consumers.

There is an increasing trend towards convergence in the UK with consumers taking phone, internet and TV services from one supplier. This trend is likely to increase significantly in the run-up to the deadline for the UK's full conversion to digital broadcasting by 2012.

Best Products/Services

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Broadband Technologies – Devices or software that can leverage the capabilities of broadband technology.

3G Technologies and Services – Products that can replace the millions of existing non-3G devices.

Convergence technologies – Software and devices that enable consumers to access converged communications solutions.

Opportunities

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BT 21st Century Network Project (<http://www.btplc.com/21cn/>)

UK Digital Switchover Project (<http://www.digitaluk.co.uk>)

The London 2012 Olympics (<https://www.competefor.com/london2012business>)

Building Schools for the Future (<http://www.partnershipsforschools.org.uk/>)

Resources

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Upcoming Events

Telecoms 2009
London, Olympia
September 23-24, 2009
<http://www.telecomsshow.co.uk/>

Symbian Smartphone Show
London, Earls Court
October 27-28, 2009
<http://www.symbiansmartphoneshow.com/>

Unified Communications 2009
London, Olympia
March 11-12, 2009
<http://www.ucexpo.co.uk/>

Trade Associations

Intellect
<http://www.intellectuk.org>

Mobile Operators Association
<http://www.mobilemastinfo.com>

The Internet Service Providers' Association
<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

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Email: Andrew.Williams@mail.doc.gov

Travel and Tourism

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	2006	2007	2008 (estimated)*
UK arrivals (Millions)	4.176	4.497	4.630

* End-of-year figures due in March/April 2009

Total spending in the U.S. by UK Travelers

	2006	2007	2008 (estimated)
Total spent by UK travelers (\$ Millions)	10,775	11,879	12,500

Preliminary statistics indicate that more than 4.6 million UK visitors traveled to the United States in 2008, representing a 3% increase over 2007. The UK remained the number one overseas market for inbound travel to the United States in 2008 with UK visitors spending nearly \$12.5 billion dollars during their travels in the United States.

While the first eight months of 2008 marked consistent growth, during the remainder of the year the global economic downturn and the weakening of the British pound resulted in a decline in UK travel to the United States in both the business and leisure travel segments. In that context, and in the immediate future, travel costs and the relative strength of the pound in relation to the dollar will play an increased role in the UK travel and tourism market. While competition from EU destinations is weakening as a result of the stronger Euro, lower-cost destinations like Turkey, Thailand and Egypt are gaining market share.

Best Products/Services

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New York City was the leading destination for UK travelers in 2008 and is expected to retain this position in the immediate future. Other leading destinations include Orlando and Las Vegas. In addition to these traditional U.S. destinations, UK travelers have shown an increased interest in both the western region of the United States and areas such as New England and the Great Lakes. Those destinations that offer a variety of attractions and services via tours, packages and fly-drive services are expected to perform well.

Opportunities

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With the increased importance of pricing, industry professionals indicate that UK travelers are becoming more averse to making long-term travel plans, thus shortening the time between booking and completing travel plans. This trend will create niche demand for travel packages that offer short lead times at competitive prices.

Resources

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Upcoming Events

World Travel Market
Excel Conference Centre, London
November 9-12, 2009
<http://www.wtmlondon.com>

Trade Associations

Visit USA Association (UK) Ltd – (VUSA)
24 Grosvenor Square
London W1A 1AE
Tel: 011 44 20 7495 4814
Fax: 011 44 20 7495 4851
Contact: Alan Waddell, Chief Operating Officer
Email: awaddell@freeuk.com
Web: <http://www.vusa.org.uk>

U.S. Travel Association
1100 New York Avenue NW
Suite 450
Washington D.C. 20005-3934
Tel: (202) 408 8422
Fax: (202) 408 1255
Contact: Mr. Bruce Bommarito, Chief Operating Officer
Email: bbommarito@ustravel.org
Web: <http://www.ustravel.org>

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Agricultural Sector

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The UK is a key market for U.S. agricultural products. In fiscal year 2008, U.S. exports of agricultural, fish and forestry products to the UK reached an all time high of nearly \$1.76 billion, a 5 percent increase on the 2007 level. While the weakness of the dollar against the pound was a factor, the popularity of high-value food and drink exports means the UK consistently features as one of the most important destinations for U.S. agricultural products.

Consumer-oriented food and drink products remain the most important sector in value terms, amounting to nearly 50 percent (\$854 million) of total exports of agricultural, fish and forestry products to the UK. This record figure secures the UK as the top EU destination and eighth on the world league table of U.S. destinations for consumer-orientated goods. Fruit, vegetables and nuts account for over 40 percent of this category imported from the U.S. into the UK. U.S. wines, particularly from California, have established a high profile in the UK and sales are robust, at over \$265 million in fiscal year 2008. 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 4 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 2008 saw U.S. timber generate \$234 million of export revenue.

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

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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 face restricted access to the EU; dairy product imports also face significant regulation
A common language means that the UK is a natural gateway into Europe	Need to develop relationship with UK trade contacts and invest in marketing product
U.S. has good brand image in UK. The U.S. is a popular destination for the UK tourist and familiarity with U.S. products is widespread.	Labels on packaged food need to be changed, particularly the nutritional panel. Pack sizes and palletization may also need changing.
The diversity of the U.S. population creates	Must meet strict UK/EU/retailer rules on

innovative food products and concepts which are often mirrored in the UK.	food safety, traceability, environmental issues and plant inspection.
The UK has a core group of experienced importers with a history of sourcing from the U.S.	Biotech (GMO) ingredients are not widely accepted by the UK consumer, partly due to aggressive negative press and retailers' resistance to stock these products.
Strong interest in innovative products. Currently there is high interest in natural, "wholesome" and "health" food categories.	Taste buds differ in the UK, e.g. popcorn is sweet, relishes are more like jam, and spicy doesn't mean high chili content.

Best Prospects and Top Ten Exports

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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

Top U.S. Agricultural Product Exports to the UK by Value & Fiscal Year (\$ Millions)					
	2004	2005	2006	2007	2008
Wine & Beer	266	208	225	288	266
Other Intermediate (other crop products, animal products etc)	113	134	147	150	173
Processed Fruit & Vegetables (including frozen, preserved, dried, shelled, cut etc)	87	84	96	105	121
Other Value-Added Wood (including wood for fuel, finished wood products, builders joinery etc)	70	89	72	88	102
Other Consumer Oriented (including spices, pasta, soup, ice cream etc)	77	69	79	97	98
Fresh Fruit	77	84	88	105	96
Tree Nuts (including coconuts, brazil nuts, cashew nuts, hazelnuts, almonds, chestnuts, pistachios etc)	50	82	82	80	86
Live Animals (includes racing horses)	71	63	164	158	84
Salmon, Canned	75	74	65	77	74
Feeds & Fodder	93	62	72	43	56

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 provide 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). Information on FAS global services can be found at FAS Online: <http://www.fas.usda.gov/>

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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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 15% 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

In March 2004, as a result of the WTO ruling concluding 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

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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

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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

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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 (<http://www.bis.doc.gov>) and the Directorate of Defense Trade Controls (DDTC) for military end-use items (<http://www.pmdtc.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 Foreign Relations Committee. For further information see:

<http://www.state.gov/t/pm/c25336.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/whatwedo/europeandtrade/strategic-export-control/index.html>

Temporary Entry

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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. 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

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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

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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

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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

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Overview

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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 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

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/>.

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 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/. 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 extends 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) 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: <https://tsapps.nist.gov/notifyus/data/index/index.cfm>

Conformity Assessment

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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.

To sell products in the 27 Member States of the EU, as well as Norway, Liechtenstein, Iceland, and Switzerland (EFTA member countries), 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. Then, 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.

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>

Publication of Technical Regulations

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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://eur-lex.europa.eu/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: <http://tsapps.nist.gov/notifyus/data/index/index.cfm>

Labeling and Marking

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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

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://ec.europa.eu/environment/ecolabel/index_en.htm
 <http://www.eco-label.com/>
 <http://ecolabel.defra.gov.uk>

Contacts

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

http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=country.notifiedbody&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
<http://www.buyusa.gov/europeanunion>
Tel. (32-2) 508-2674
Fax (32-2) 513-1228
E-mail: 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
<http://www.buyusa.gov/uk>
Tel. (44-20) 7894-0419
Fax (44-20) 7894-0020
E-mail: John.Coronado@mail.doc.gov

Trade Agreements

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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).

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.

Web Resources

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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

UK Packaging and Labeling Requirements

Department for Business Enterprise and Regulatory Reform (BERR)
Eco-Design and Product Regulation Team
Sustainable Development and Regulation Directorate
1 Victoria Street
London SW1H 0NN
Tel. 011 44 20 7215 5000
Fax 011 44 20 7215 2635
<http://www.berr.gov.uk/whatwedo/sectors/sustainability/packaging>

Customs and Rules/Regulations for the UK

Customs & International Trade Written Enquiries Team
HM Revenue & Customs
Crownhill Court
Tailyour Road
Plymouth PL6 5BZ
Tel. 011 44 2920 501 261
E-mail: Enquiries.estn@hmrc.gsi.gov.uk
<http://www.hmrc.gov.uk/>

Medicines Licensing and Regulation for the UK

Department of Health
Richmond House
79 Whitehall
London SW1A 2NS
Tel. 011 44 20 7210 4850
E-mail: dhmail@dh.gsi.gov.uk
<http://www.dh.gov.uk>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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The UK was the world's second largest recipient of foreign direct investment in 2007, receiving U.S. \$223.9 billion, according to the United Nations Conference on Trade and Development (UNCTAD). The UK continued to lead Europe in attracting foreign investment with 26 percent of all FDI inflows into the European Union (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 \$398 billion at year end 2007.

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 continues its commitment to economic reforms, including privatization, deregulation and support for competition.

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 28 percent on profits over 1.5 million GBP. Small companies are taxed at a rate of 21 percent for profits up to 300,000 GBP and marginal tax relief is granted on profits from 300,001-1,500,000 GBP. 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 of 20 percent is given to unit trusts and open-ended investment companies.

The UK has a simple system of personal income tax, with one of the lowest top marginal rates of any EU Member State (40 percent). The basic income tax rate is 20 percent on income less than 34,800 GBP. UK citizens also make mandatory payments of about 11 percent of income into the National Insurance system, which funds social security and retirement benefits and is another form of taxation. Effective April 2008, the UK now requires payment of a 30,000 GBP or a tax on worldwide income of non-domiciled residents of the UK after seven years of residence.

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. Although the Scottish government has this power, it has never been used, and the mechanism for collection and disbursement is unclear.

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. Several 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

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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. Prime Minister Gordon Brown says he is in favor of joining, but only after a national referendum 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 and the economic downturn, a referendum is not likely to occur in the near future.

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

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Expropriation of corporate assets or nationalization of an industry requires a special Act of Parliament, as seen in the February 2008 nationalization of Northern Rock. In the event of nationalization, the British government follows customary international law, providing prompt, adequate, and effective compensation.

Dispute Settlement

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International disputes are resolved through litigation in the UK Courts or by arbitration, mediation, or some other alternative dispute resolution (ADR) method. Over 10,000 disputes a year take place in London, many with an international dimension, 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

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UK business contracts are legally enforceable in the UK, but not U.S. or other foreign ones. 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 EU average. In the UK, these regions are Cornwall, the Isles of Scilly, South Yorkshire, Merseyside, 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

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The Companies Act of 1985, administered by 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 to replace the 1985 Act. The law simplifies and modernizes existing rules rather than make any dramatic shift in the company law regime.

BERR uses a transparent code of practice that is fully in accord with EU merger control regulations, in evaluating bids and mergers for possible referral to the Competition Commission. The Competition Act of 1998 strengthened competition law and enhanced 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. Also, in accordance with EU law, if deemed in the public interest, transactions in the media or that raise national security concerns may be reviewed by the Secretary of State of BERR.

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. 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 utilities are also likely to be sold off to the private sector, when market conditions improve. The privatization of London's extensive underground rail network was completed in 2005 but suffered a setback in 2007 when

the privatized company went bankrupt and returned to public ownership. The government continues nevertheless to push Public Private Partnerships (PPP).

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, defense, 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

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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 UK Intellectual Property Office (UK IPO) 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, UK IPO'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 October 2008, the UK government began consultations on a few of the Gowers Review suggestions.

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. In September 2007, the UK IPO and the U.S. Patent and Trademark Office (USPTO) began a 12-month pilot of the Patent Prosecution Highway (PPH) scheme, which allowed patent applicants who have received a report by either the UK IPO or the USPTO to request accelerated examination of a corresponding patent application filed in the other country.

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

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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 Rail Regulator, 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 and the improvement of regulation are priorities for the current government. Under Gordon Brown, the Better Regulation Executive joined the former Department for Trade and Industry to form the Department for Business, Enterprise and Regulatory Reform, with regulatory reform at the heart of its agenda for business success. In December 2008, the government published an update to the Better Regulation Simplification Plan, aimed at reducing the administrative burden on business by 25 percent by 2010. The plan includes cross-cutting simplification initiatives across government departments and leads efforts to promote the success of the EU better regulation agenda. 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

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The City of London houses one of the world's largest and most comprehensive financial centers. London offers all forms of financial services: commercial banking; investment banking; insurance; venture capital; private equity, merchant banking, 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 has been highly regarded by investors because of its solid regulatory, legal, and tax environment, a supportive market infrastructure, and a dynamic and highly-skilled workforce.

As of the December 2008 update of this profile, the international financial markets remain in crisis, and UK banks have not been immune. In February 2008, the Government had to step in and nationalize the UK mortgage lender, Northern Rock, to stop a run on the bank. Since then, it has announced a series of "bank rescue measures" including taking equity stakes in key banks to recapitalize banks and increase liquidity in the banking system. Notwithstanding, the UK economy is in recession, property values have fallen 25%, unemployment is at levels not seen in decades, the pound sterling has fallen 25% in value against the dollar, and Interbank lending for other than extremely short maturities remains largely unavailable. The financial services

industry contributes approximately 8 percent to the UK GDP and employs more than 300,000, but redundancies are increasing rapidly, and business conditions in financial services in 2009 are expected to remain harsh. The Government has announced aggressive fiscal stimuli to get the economy growing again, and the Bank of England is pursuing an expansionary monetary policy by lowering the key Bank Rate and adding liquidity to the banking system. In all circumstances, foreign investors, employers, and market participants have been treated equally and benefit from government initiatives equally. There are no signs of increased protectionism, and none are expected.

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 are 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. London's markets have the advantage of bridging the gap between the day's trading in the Asian markets and the opening of the U.S. market. This bridge effect is also evident as many Russian and Central European companies have used London stock exchanges to tap global capital markets. The Alternative Investment Market (AIM), established in 1995 as a sub-market of the London Stock Exchange, is specifically designed for smaller, growing companies. The AIM has a more flexible regulatory system than the Main Market and has no minimum market capitalization requirements. Since its launch, the AIM has raised approximately GBP 34 billion (\$51 billion) for more than 2,900 companies.

The UK banking sector is the largest in Europe, with 361 banks authorized to do business in the UK, retail deposits of GBP 2.4 trillion (\$4.2 trillion - average 2008 exchange rate) and an estimated 50 percent of all the EU's investment banking activity. The total assets of the UK banking sector were about 7.5 trillion GBP (\$12.4 trillion) in September 2008, with domestic banks accounting for about half of the total.

Political Violence

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The United Kingdom is politically stable, with a modern infrastructure, but shares with the rest of the world an increased threat of terrorist incidents (recent bombings in London were not foreigners but UK residents/citizens). On June 29 and 30, 2007, terrorists unsuccessfully attempted to bomb a nightclub area 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.

In Northern Ireland, the re-establishment of a devolved power-sharing government and the decommissioning of most paramilitary organizations have led to the virtual elimination of domestic terrorist incidents.

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 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 mid-December, four animal rights activists were convicted of blackmailing companies that supplied an animal testing laboratory. Sentencing is scheduled for late January 2009. These actions by activists have the potential to impair the UK's position as one of Europe's leading research and development 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 are disruptive and work toward obtaining maximum media exposure.

Corruption

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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 GBP (\$7,500). 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.

The December 2006 decision to abandon the bribery investigation into BAE Systems Plc and its 20-year, GBP 40bn (\$60bn) defense contract with Saudi Arabia opened the government up to questions regarding its credibility with respect to foreign corrupt practices. Two UK non-governmental organizations challenged the decision in UK courts. In April 2008, the High Court ruled the decision to abandon the investigation unlawful, but in July 2008, the House of Lords, the UK's highest body of judicial review, overturned this ruling on appeal, ending the judicial challenge.

The OECD Working Group on Bribery (WGB) has criticized the UK's implementation of the Anti-Bribery convention. In March 2007, the WGB decided to, "conduct a further examination of the UK's efforts to fight bribery," and "reaffirmed its serious concerns about the United Kingdom's discontinuance of the BAE Al Yamamah investigation and outlined continued shortcomings in UK Anti-Bribery legislation." Following this out-of-cycle review of UK practices, in October 2008, the WGB said it was, "disappointed and seriously concerned with the unsatisfactory implementation of the [OECD Anti-Bribery] Convention by the UK."

Bilateral Investment Agreements

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The U.S. and UK have no formal bilateral investment treaty relationship, although a Bilateral Tax Treaty reviewed in 2008 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.

The UK has concluded 106 Bilateral Investment Treaties (known in the UK as Investment Promotion and Protection Agreements) with other countries, of which 94 are in force. These countries are: Albania, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bolivia, Bosnia & Herzegovina, Bulgaria, Burundi, Cameroon, Chile, China, Congo, Cote D'Ivoire, Croatia, Cuba, Dominica, Ecuador, Egypt, El Salvador, Estonia, Georgia, Ghana, Grenada, Guyana, Haiti, Honduras, Hungary, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Korea, Kyrgyzstan, Laos, Latvia, Lebanon, Lesotho, Lithuania, Malaysia, Malta, Mauritius, Mexico, Moldova, Mongolia, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Romania, Saint Lucia, Senegal, Serbia, Sierra Leone, Singapore, Slovenia, South Africa, Sri Lanka, Swaziland, Tanzania, Thailand, Tonga, Trinidad & Tobago, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, UAE, Uruguay, Uzbekistan, Venezuela, Vietnam, and Yemen.

OPIC and Other Investment Insurance Programs

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OPIC does not operate in the UK. Export-Import Bank (Ex-Im Bank) financing is available to support major investment projects in the UK. 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

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The UK's labor force of over 30 million people is the second largest in the European Union (EU). In the quarterly statistical report for August through October 2008, UK employment had reached 29.38 million, and the unemployment rate was 6 percent, lower than the EU average of 7 per cent. The effects of the economic downturn are starting to be felt on employment levels. Some analysts predict that unemployment could reach 10 percent in 2008. The employment level (the proportion of working age people in work) is also high in the UK at 74.4 per cent, compared with the European

Union average of 65.3 per cent. By sector, the largest proportion of the workforce was placed in the Public Administration, Education and Health Sector with 7,239,546 or 27 percent of the total, followed by the Distribution, Hotel and Restaurant Sector with 6,477,187 or 23.8 percent; Banking, Finance and Insurance Sector came third with 5,760,210 or 21.2 percent, followed by Manufacturing with 2,875,201 or 10.6 percent of the UK workforce.

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 remains mediocre by international standards, but is improving: the proportion of the population aged 20 to retirement without any formal educational qualifications has fallen by nearly a third over the last decade, from 18% in 1997 to 13% in 2007.

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 private sector is about 17 percent. Manufacturing, transport, and distribution trades are highly unionized. Unionization of the workforce in the UK is prohibited only in the armed forces, public-sector security services, and police forces. Union membership has been relatively stable in the past few years, although the trend has been slightly downward over the past decade.

Once-common militant unionism is less frequent. 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.

As of October 2008, the minimum wage is GBP 5.73 (\$8.25) for adults (those 22 and over) and GBP 4.77 (\$6.86) for young people (18-21) and GBP 3.53 (\$5.08) for workers aged 16 and 17. (Note: Exchange rate as of December 31, 2008.)

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 28 working days annual paid holiday. 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 investors. As it has implemented EU directives, however, the UK government has been proactive in maintaining its flexibility and competitiveness. For example, it 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 2006 Employment Equality (Age) Regulations make it unlawful to discriminate against workers, employees, job seekers and trainees because of age. The regulations cover recruitment, terms and conditions, promotions, transfers, dismissals and training. They do not cover the provision of goods and services.

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.

Foreign-Trade Zones/Free Ports

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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

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The UK is the second largest recipient of foreign direct investment (FDI) globally in 2007 according to the United Nations Conference on Trade and Development (UNCTAD). According to data published by UNCTAD, the stock of outward UK FDI totaled \$1,705 billion in 2007 (or 62 percent of GDP), up from \$1,440 billion in 2006. The stock of inward UK FDI at yearend 2007 was \$1,348 billion (or 49 percent of GDP), up from \$1,133 billion in 2006. Direct investment outflows in 2007 totaled \$266 billion, up from \$87 billion in 2006, while inflows increased to \$224 billion in 2007 from \$148 billion in 2006.

The United States remained by far the most popular destination for new UK outward direct investment in 2007, continuing the strong investment partnership between the two countries. In 2007, UK direct investment into the United States accounted for 23 percent of UK-owned assets abroad. Other EU member states attracted much of the remaining outward UK FDI.

Web Resources

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UK Department of Business, Enterprise & Regulatory Reform (BERR): <http://www.berr.gov.uk/>

UK Accounting Standards Boards (ASB): <http://www.frc.org.uk/asb/>

UK Intellectual Property Office (UK-IPO): <http://www.ipo.gov.uk/>

UK Financial Services Authority (FSA): <http://www.fsa.gov.uk/>

UK Trades Union Congress (TUC): <http://www.tuc.org.uk/>

UK Trade & Investment (UKTI): <https://www.uktradeinvest.gov.uk/>

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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The UK economy is presently experiencing a recession with a projected contraction of 2-3% in 2009. Because of the credit crisis, UK businesses are experiencing a serious shortage of available credit not only for domestic business transactions but also for trade. Moreover, the depreciation of the British pound vis-à-vis both the U.S. dollar and the Euro has compounded the credit crisis. In light of the recession, many UK importers are carefully considering their purchases and may seek special trade finance arrangements. Normal practice has been for payments to be made on open account, payment in advance, letter of credit, documentary draft, or consignment. British buyers will typically ask for credit on 60, 90, or 180 day terms, depending on what is accepted practice in the industry.

How Does the Banking System Operate

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There are many British and foreign-owned banks and financial institutions based in London. 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 financial services for exporters and investors.

Foreign-Exchange Controls

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

U.S. Banks and Local Correspondent Banks

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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

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Although London has been a major source of international project financing in recent years, the economy has been particularly hard hit by the global credit crisis. A major effect of the crisis on the UK economy has been a serious shortage of available credit not only for domestic business transactions but also for trade. The depreciation of the

British pound vis-à-vis both the U.S. dollar and the Euro has compounded the credit crisis in the UK. In light of the recession, UK importers are carefully considering the volume and price of their purchases. Therefore, U.S. exporters should consider offering very competitive prices and should coordinate closely with their UK business partners to explore available opportunities to finance trade transactions.

U.S. Export/Import Bank financing is available to support major capital equipment sales to the UK. Ex/Im Bank and its UK equivalent, the Export Credits Guarantee Department (ECGD) have signed a Memorandum of Understanding (MOU) which enables U.S./UK consortia exporting to third countries to seek trade finance guarantees from the country of the larger partner. Thus, the MOU removes the need for the two parties to seek credit guarantees from both credit guarantee organizations.

Web Resources

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

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

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

U.S. Trade and Development Agency: <http://www.ustda.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/>

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Business Customs

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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.

Travel Advisory

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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

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 United Kingdom 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. 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 <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, as well as at 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.

The political situation in Northern Ireland has improved dramatically. The potential remains, however, for sporadic incidents of street violence and/or sectarian confrontation. 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. Tensions may be heightened during the summer marching season (April to August), particularly during the month of July (around the July 13/14th public holidays).

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 tips and confidential information about possible terrorist activity.

Crime

The United Kingdom and Gibraltar benefit from generally low crime rates. Per the UK Home Office, the number of recorded crimes fell by nine percent from 2006-2007 to 2007-2008, including the number of violent crimes. The crime situation in the United Kingdom is similar to that in the United States: typical incidents include pickpocketing; muggings; "snatch and grab" thefts of mobile phones, watches and jewelry; and thefts of unattended bags, especially at airports and from cars parked at restaurants, hotels, and resorts.

Pickpockets target tourists, especially at historic sites and restaurants, and on buses, trains, and the London subway (known as the Tube or Underground). Thieves often target unattended cars parked at tourist sites and roadside restaurants, looking for laptop computers and handheld electronic equipment, especially global positioning satellite equipment. Walking in isolated areas, including public parks, especially after dark, should be avoided, as these are advantageous venues for muggers and thieves. At night or when there is little foot traffic, travelers should be especially careful using the underground pedestrian tunnels. As a general rule, either walk the extra distance to use a surface crossing or wait until there are other adult pedestrians entering the tunnel.

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. You can access 7,000 licensed Black Cabs using just one telephone number: 087-1871-8710. This taxi booking service combines all six of London's radio taxi circuits, allowing you to telephone 24 hours a day if you need a cab. Alternatively, to find a licensed minicab, text HOME to 60835 on your mobile phone to get the telephone number to two licensed minicab companies in the area. If you know in advance when you will be leaving for home, you can prebook your return journey. The Safe Travel at Night partnership among the Metropolitan Police, Transport for London, and the Mayor of London maintains the Cab Wise web site with additional information. 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 loss or theft abroad of a U.S. passport should be reported immediately to the local police and the nearest U.S. Embassy or Consulate at the opening of the next business day. The U.S. Embassy or Consulate issues replacement passports only during regular business hours. If you are the victim of a crime while overseas, report it to local police. The nearest U.S. Embassy or Consulate will also be able to assist by helping you to find appropriate medical care, contacting family members or friends, and explaining how funds could be transferred. Although the investigation and prosecution of the crime is solely the responsibility of local authorities, consular officers can help you to understand the local criminal justice process and to find an attorney if needed.

Abundant ATMs that link to U.S. banking networks offer an optimal rate of exchange, and they preclude the need to carry a passport to cash travelers' checks. Travelers should be aware that U.S. banks might charge a higher processing fee for withdrawals made overseas. Common-sense personal security measures taken in the United States when using ATMs should also be followed in the United Kingdom. ATM fraud in the United Kingdom is becoming more sophisticated, incorporating technologies to surreptitiously record customer ATM card and PIN information. Travelers should avoid using ATMs that look in any way temporary in structure or location, or are 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's motives appear suspicious, 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, report the incident to the issuing bank immediately

Visa Requirements

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Every U.S. citizen entering the UK must have a valid American passport. A visa is not required for U.S. tourists visiting the UK for 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 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.

Information can also be obtained from the UK Border Agency (UKBA), the official UK Government authority responsible for immigration matters in the UK
<http://www.bia.homeoffice.gov.uk/>

In addition, Worldbridge, a commercial organization which works in partnership with UKBA and British Consulates-General throughout the U.S.A. can also provide details for those seeking current UK visa information
<https://www.visainfoservices.com/Pages/Welcome.aspx>

Worldbridge provides information through an email and telephone enquiry service and can be contacted on 1-900-656-5000 (cost \$3/minute) or 1-212-796-5773 (\$12 flat fee) in the United States. All the information provided is supplied and approved by UKBA. 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.

The UK Border Agency (UKBA) is in the process of fully implementing a five-tier visa regulation system for foreigners wishing to work in and/or immigrate to the UK. Information on the new, points-based system, and transitional arrangements for American citizens and dependents already in the United Kingdom, can be found on the UKBA website <http://www.bia.homeoffice.gov.uk/>

Companies and individuals intending to employ American citizens, or other nationals from countries beyond the European Economic Area and Switzerland, are required to apply to the UKBA for a sponsorship license. Information for employers can be found on the UKBA home page <http://www.ukba.homeoffice.gov.uk/employers/>

Educational establishments must also apply for a sponsorship license. Even American educational institutions that only offer short-term study abroad programs in their own premises in the United Kingdom to students who are enrolled in the United States must apply for a license from the UKBA. Information for education providers may be found on the UKBA home page.

Students and prospective students who intend to stay longer than six months, and those coming for less than six months but who wish to work while studying, are required to obtain a student or prospective student visa in advance of traveling to the United Kingdom. Failure to do so will result in the student or prospective student being refused entry to the United Kingdom. Students may apply for UK visas online. Note, too, that charity workers and religious workers, even those performing unpaid duties, are required to obtain a visa prior to traveling to the United Kingdom. Travelers must be outside the United Kingdom, the Channel Islands and the Isle of Man when they make an application for a visa.

It is the traveler's personal responsibility to ensure that he/she has the appropriate permission to enter the United Kingdom. The American Embassy cannot intervene with any application, nor can it secure entry on behalf of American citizens who arrive without a visa when one is required.

Americans wishing to invest or seek employment in the UK should review the eligibility requirements available on UKBA's website before making an application, as each category has different requirements <http://www.ukba.homeoffice.gov.uk/workingintheuk/> 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.

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/

Telecommunications

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The telecommunications system in the United Kingdom is comparable to that of 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

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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 United Kingdom 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 U.S. and continental European traffic, which moves on the right side of the road, UK traffic moves on the left. Many U.S. pedestrians are injured, some fatally, every year in the United Kingdom because they forget that oncoming traffic approaches from the opposite direction than in the United States. Extra care should be taken when crossing streets; remember to remain alert and look both ways before stepping into the street.

The maximum speed limit on highways/motorways in the United Kingdom is 70 mph. 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 (as of October 2008, approximately \$225). However, membership fees of automotive associations such as the RAC (Royal Automobile Club) 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 the United Kingdom's extensive bus, rail, and air transport networks. Roads in the United Kingdom are generally excellent but are narrow and often congested in urban areas. If you plan to drive while in the

United Kingdom, 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 United Kingdom 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. A congestion charge of £8 (as of October 2008, approximately \$15) is imposed 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 on <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 website at <http://www.dsa.gov.uk/>, or consult the U.S. Embassy in London's website at <http://www.usembassy.org.uk/>

Language

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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. Over 300 languages are spoken in London alone, which continues to be one of the most culturally diverse cities in the world.

Health

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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

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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 2009:

New Year	Thursday, January 1
Bank Holiday**	Friday, January 2
St. Patrick's Day***	Tuesday, March 17
Good Friday	Friday, April, 10
Easter Monday	Monday, April, 13
Easter Tuesday***	Tuesday, April 14
Spring Holiday**	Monday, April 20
May Day Holiday	Monday, May 4
Victoria Day**	Monday, May 18
Spring Bank Holiday	Monday, May 25
Orangeman's Day***	Monday, July 13 & Tuesday, July 14
Summer Bank Holiday**	Monday, August 3
Summer Bank Holiday*	Monday, August 31
Christmas Day	Friday, December 25
Boxing Day	Monday, December 28

* England, Wales and Northern Ireland only

** Scotland only

*** Northern Ireland only

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 Revenue and Customs. 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/>

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Chapter 9: Contacts, Market Research, and Trade Events

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Contacts

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U.S. Embassy Trade Related Contacts

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

Address for U.S. mail:

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

(XX denotes box number)

Box 33 (Commercial Service)
Box 27 (Economic Section)
Box 48 (Agriculture)
Box 55 (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
<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
<http://www.usembassy.org.uk/fas>

Office of Defense Cooperation (ODC)

Tel. 011 44 20 7894 0737

Fax 011 44 20 7894 0739

E-mail: odcuk@san.osd.mil

<http://www.usembassy.org.uk/odc>

The European Bank for Reconstruction & Development

U.S. Commercial Service

Tel. 011 44 20 7338 7491

Fax 011 44 20 7338 7493

<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

<http://www.babinc.org>

For information about the other British American Business Council chapters in the UK and the U.S., please visit: <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

<http://www.taforum.org>

British Chambers of Commerce (Enquiries regarding policy, representation, and media)

65 Petty France

St James Park

London SW1H 9EU

Tel. 011 44 20 7654 5800

Fax 011 44 20 7654 5819

E-mail: info@britishchambers.org.uk

<http://www.britishchambers.org.uk>

British Chambers of Commerce (Enquiries regarding business services, partnership, or advice on trading internationally)

4 Westwood House

Westwood Business Park
Coventry
CV4 8HS
Tel. 011 44 24 7669 4484
Fax 011 44 24 7669 5844
E-mail: info@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
<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
<http://www.cbi.org.uk>

British Bankers' Association
Pinders Hall
105-108 Old Broad Street
London EC2N 1EX
Tel. 011 44 20 7216 8800
Fax 011 44 20 7216 8811
<http://www.bba.org.uk>

Association of Foreign Banks
1 Bengal Court
London EC3V 9DD
Tel. 020 7283 8300
Fax 020 7283 8302
E-mail: secretariat@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
<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
E-mail: enquiries@asa.org.uk
<http://www.asa.org.uk>

UK Government Offices

UK government websites are readily identified and accessed via the official portal:
<http://www.direct.gov.uk>

UK Trade & Investment (UKTI)
Kingsgate House
66-74 Victoria Street
London SW1E 6SW
Tel. 011 44 20 7215 8000
Fax 011 44 20 7215 4366
<http://www.uktradeinvest.gov.uk>

UK Trade & Investment (UKTI) in the USA
UKTI has teams located in the British Embassy in Washington, D.C. and seven British Consulates General around the United States. To access UKTI's services in the US market, please contact the U.S. Services team in New York:

The British Consulate-General New York
845 Third Avenue
New York, NY 10022
Tel. (212) 745-0435
Fax (212) 745 0456
E-mail: researchusa@fco.gov.uk

Embassy of Great Britain
3100 Massachusetts Avenue
Washington, D.C. 20008
Tel. (202) 588 6500
Fax (202) 588 7870
<http://ukinusa.fco.gov.uk/>

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
E-mail: enquiries@berr.gsi.gov.uk
<http://www.berr.gov.uk>

The House of Commons
House of Commons Information Office
Norman Shaw North
London SW1A 2TT
Tel. 011 44 20 7219 4272
E-mail: hcinfo@parliament.uk

<http://www.parliament.uk/commons>

The House of Lords
Information Service
House of Lords
London SW1A 0PW
Tel. 011 44 20 7219 5979
E-mail: hinfo@parliament.uk
<http://www.parliament.uk/lords>

General Enquiries

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

Statistical Information

Office for National Statistics
Customer Contact Centre
Room 1.015
Cardiff Road
Newport NP10 8XG
Tel. 011 44 845 601 3034
Fax 011 44 1633 652 747
E-mail: info@statistics.gov.uk
<http://www.statistics.gov.uk>

Work Permits, Consular Matters

UK Border Agency (UKBA)
Croyden Public Enquiry Office
Lunar House
40 Wellesley Road
Croydon, CR9 2BY
Tel. 011 44 870 606 7766
<http://www.ukba.homeoffice.gov.uk>

Environmental Regulations

Department for Environment, Food & Rural Affairs (DEFRA)
Customer Contact Unit
Eastbury House
30 - 34 Albert Embankment
London SE1 7TL
Tel. 011 44 20 7238 6951
Fax 011 44 20 7238 2188
E-mail: helpline@defra.gsi.gov.uk
<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
E-mail: enquiries@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
E-mail: enquiries@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
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
DPO, AE 09498-0033
Tel. 011 44 20 7338 7491
Fax 011 44 20 7338 7493
<http://www.buyusa.gov/ebd>

U.S. Department of Commerce

UK Desk Officer – Office of the European Union
Market Access and Compliance (MAC)
International Trade Administration
Room 3515
Washington, D.C. 20230
Tel. (202) 482-3748
Fax (202) 482-2897
<http://www.trade.gov>

Trade Information Center
International Trade Administration
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, D.C. 20230
Tel. 1-800-USA-TRADE
Fax (202) 482-4473
E-mail: TIC@ita.doc.gov
<http://www.export.gov/exportbasics/ticredirect.asp>

U.S. Department of Agriculture

Foreign Agricultural Service
1400 Independence Ave., S.W.
Washington, D.C. 20250
<http://www.fas.usda.gov/contactus.asp>
<http://www.fas.usda.gov>

Export-Import Bank of the U.S.

Washington D.C. Office
811 Vermont Ave., NW
Washington, D.C. 20571

Tel. (202) 565-3946
 E-mail: info@exim.gov
<http://www.exim.gov>

Market Research

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The U.S. Commercial Service in London plans to complete the following reports in 2009.

SECTOR	TITLE	PUBLICATION DATE	CONTACT
Aerospace/ Defense	Defense Market Overview	Apr 24, 2009	Jestyn.Cooper@mail.doc.gov
	Business Aviation	Nov 6, 2009	Jestyn.Cooper@mail.doc.gov
Apparel	Teenage Fashion Wear	Apr 30, 2009	Marcella.Marcheso@mail.doc.gov
Automotive	Automotive Services	Jul 31, 2009	Sara.Jones@mail.doc.gov
	Motorcycles, Mopeds and Scooters	May 29, 2009	Sara.Jones@mail.doc.gov
Books & Periodicals	Children's Publishing	May 29, 2009	Stewart.Gough@mail.doc.gov
Computer Software	UK Computer Market Overview	Oct 30, 2009	Andrew.Williams@mail.doc.gov
Cosmetics & Toiletries	Haircare Products	Sept 30, 2009	Sara.Jones@mail.doc.gov
Forestry	The UK Timber Market	Nov 27, 2009	Cheryl.Withers@mail.doc.gov
Healthcare	The UK Healthcare IT Market	Aug 28, 2009	Cheryl.Withers@mail.doc.gov
Hotel & Restaurant Equipment	Catering Equipment	Aug 31, 2009	Marcella.Marcheso@mail.doc.gov
Packaging Equipment	Packaging – Paper & Board	Nov 30, 2009	Marcella.Marcheso@mail.doc.gov
Telecoms	UK Telecommunications Market Overview	May 29, 2009	Andrew.Williams@mail.doc.gov
Tourism/ Entertainment	Business Travel Market	Jul 31, 2009	Stewart.Gough@mail.doc.gov
	Cruise Industry Overview	Aug 31, 2009	Stewart.Gough@mail.doc.gov

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.

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

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

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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>

Trade Disputes

The U.S. Commercial Service addresses trade complaints to promote U.S. exports and to protect U.S. business interests overseas. Our work on trade complaints is generally limited to conciliatory efforts and 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.