

UK
TRADE &
INVESTMENT



KEY FACTS

March 2012

2012

DELIVERING BUSINESS OPPORTUNITIES THROUGH OUR GLOBAL NETWORK

UK Trade & Investment is the Government Department that helps UK-based companies succeed in the global economy and assists overseas companies in bringing their high quality investment to the UK.

This publication provides the latest comparative data from independent sources. It demonstrates the UK's competitive business environment across a range of key indicators.

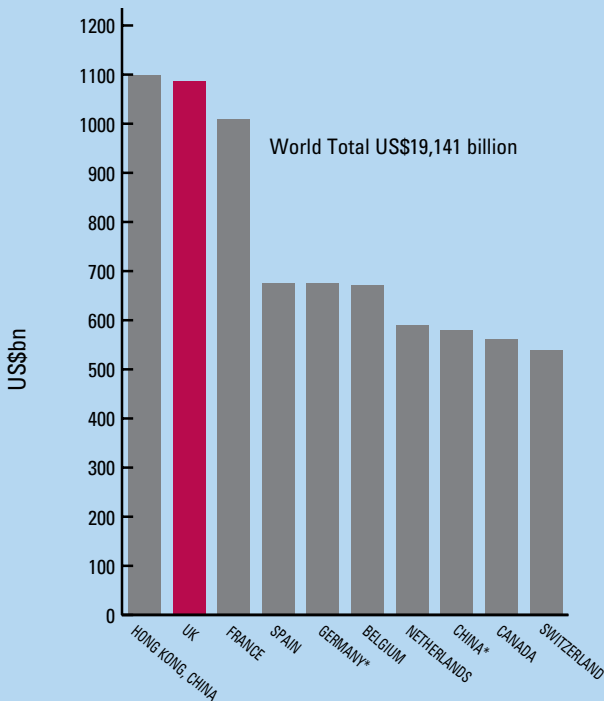
UK Trade & Investment – Winner 2010:
Best Trade Promotion Organisation in the
developed world

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TOP TEN WORLD RECIPIENTS OF FOREIGN DIRECT INVESTMENT (STOCK) 2010 (EXCLUDING THE USA)

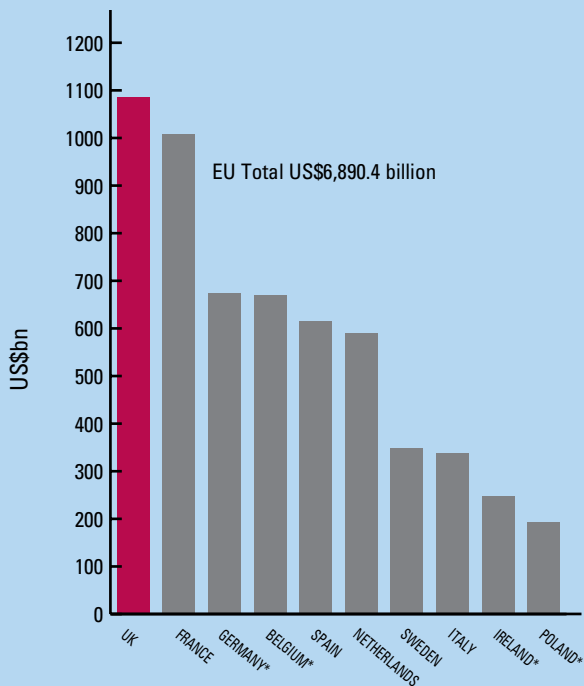


Source: UNCTAD, World Investment Report 2011 *Estimated figure

Technical Note 1: FDI stocks measure the level of cumulative FDI stock of capital investment by foreign enterprises at a single point of time. Measures of FDI stocks take account of new investment and disinvestment. They can also change due to changes in the value of the existing stock of foreign owned assets. FDI stocks are complimentary to FDI Flows which are investments by foreign enterprises made during a period of time – either by calendar or tax year. Flows measure the cross-border funds that finance FDI. They do NOT include foreign investment that is financed domestically in the host country, nor any change in valuation.

Technical Note 2: Although Hong Kong, SAR is above the UK, the Hong Kong, SAR states because 40% of their FDI is through an investment carousel with China this inflates their reported FDI figures.

TOP TEN EU RECIPIENTS OF FOREIGN DIRECT INVESTMENT (STOCK) 2010

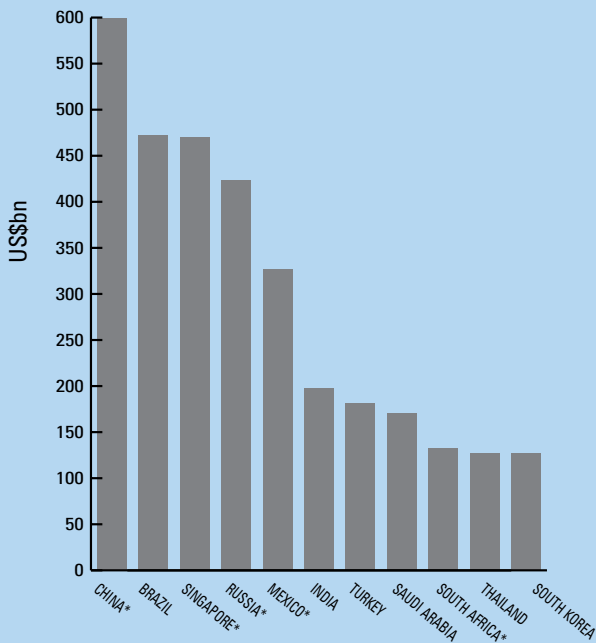


Source: UNCTAD, World Investment Report 2011

*Estimated figure

The UK holds 15.7% of FDI (stock) in the EU and 5.7% worldwide.

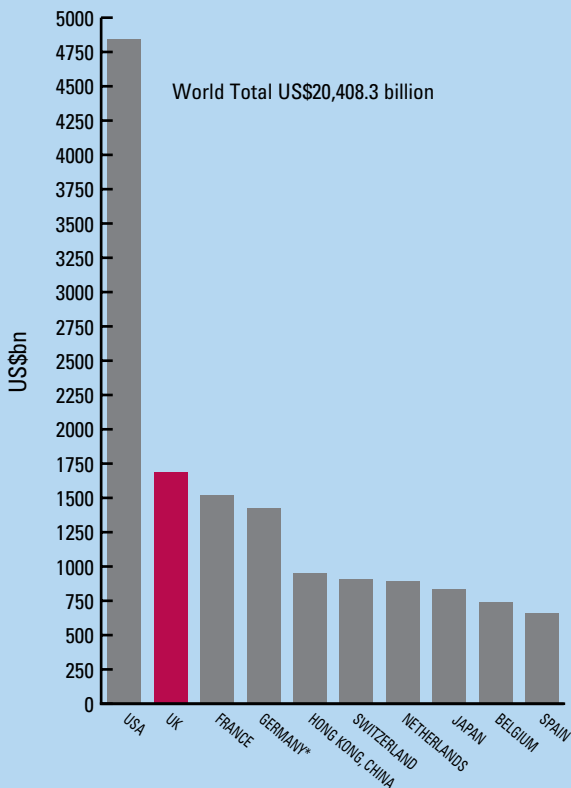
FOREIGN DIRECT INVESTMENT (STOCK) IN GROWING MARKETS 2010



Source: UNCTAD, World Investment Report 2011

* Estimated figure

TOP TEN GLOBAL OUTWARD INVESTORS (STOCK) 2010

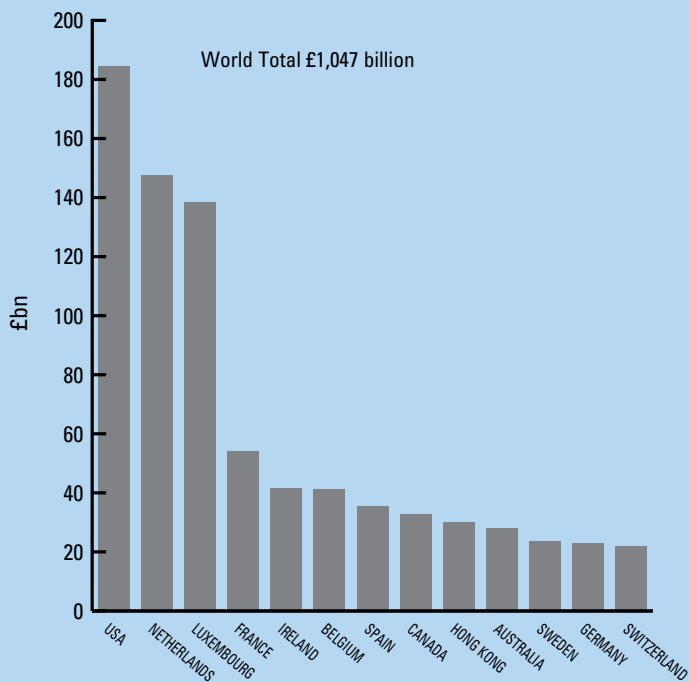


Source: UNCTAD, World Investment Report 2011

*Estimated figure

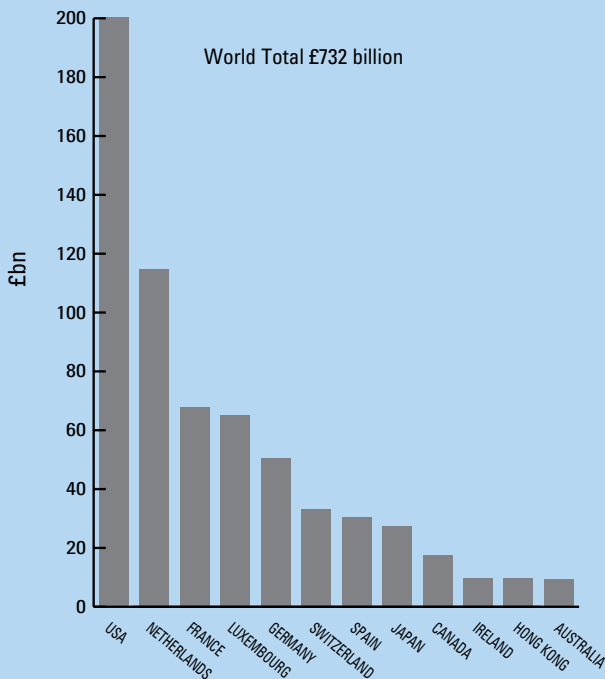
The UK is the second largest global investor, behind the USA. The UK's level of outward FDI is even greater than its level of inward FDI.

DESTINATION OF UK OUTWARD INVESTMENT (STOCK) 2010



Source: Office for National Statistics, February 2012

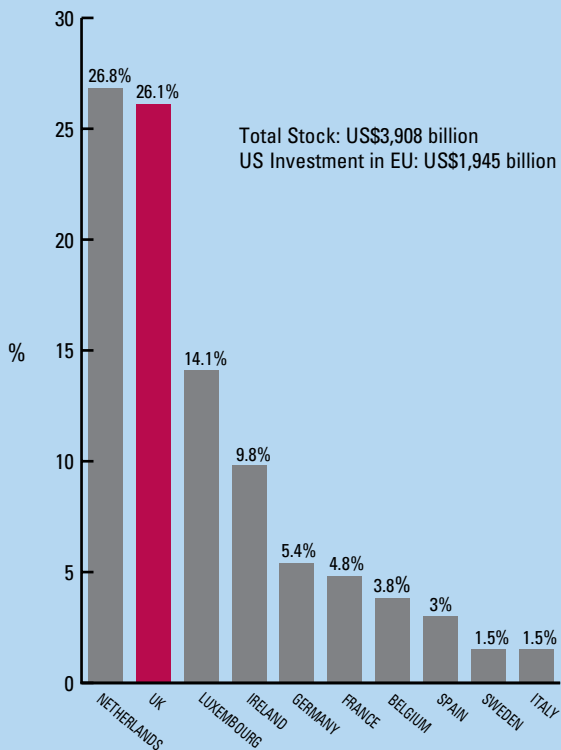
FOREIGN DIRECT INVESTMENT IN THE UK (STOCK) 2010: SOURCE COUNTRIES



Source: Office for National Statistics, February 2012

The USA holds the largest stock of inward investment in the UK.

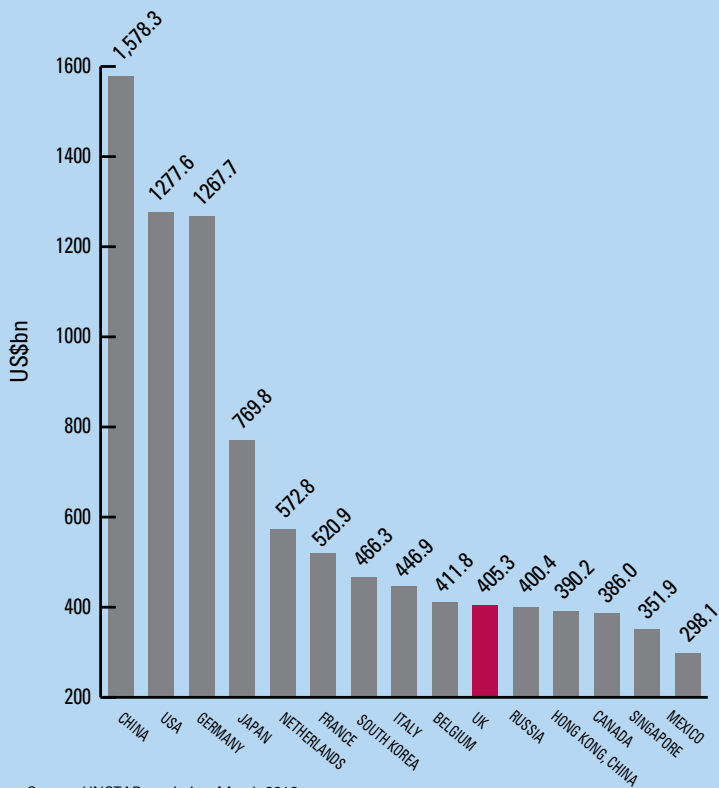
US DIRECT INVESTMENT IN EU 2010



Source: US Department of Commerce, Bureau of Economic Analysis 2011

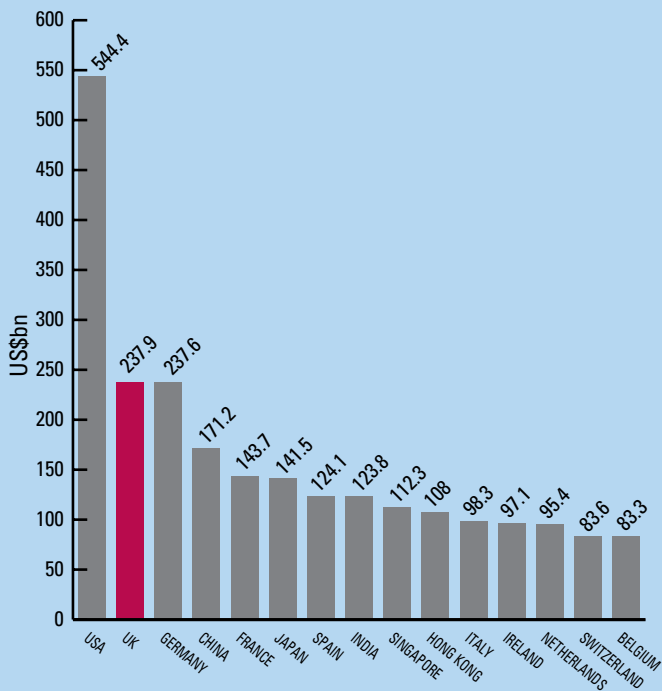
The EU receives around 49.8% of the stock of US global investment.
The UK has over 26% share of the stock of US investment in the EU.

TOP EXPORTERS OF GOODS 2010



Source: UNCTAD statistics. March 2012

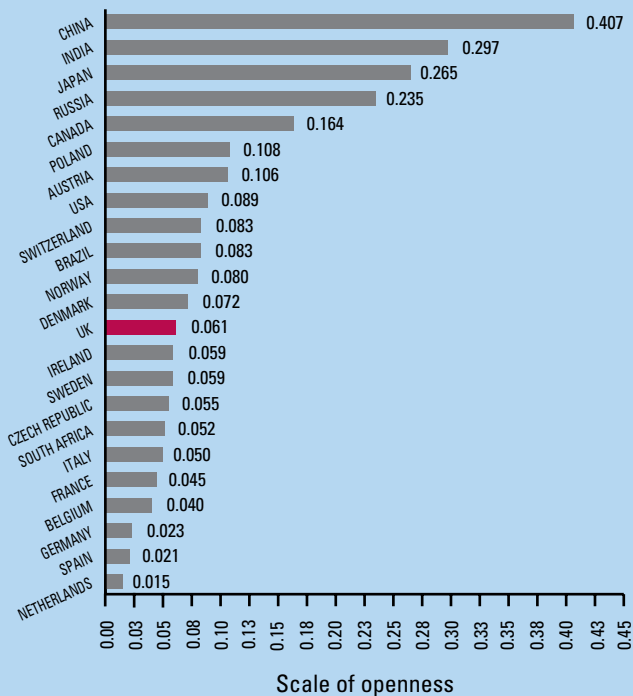
TOP EXPORTERS OF SERVICES 2010



Source: UNCTAD Statistics. March 2012

The UK has one of the highest export shares of services, as a percentage of total exports.

OECD FDI RESTRICTIVENESS INDEX

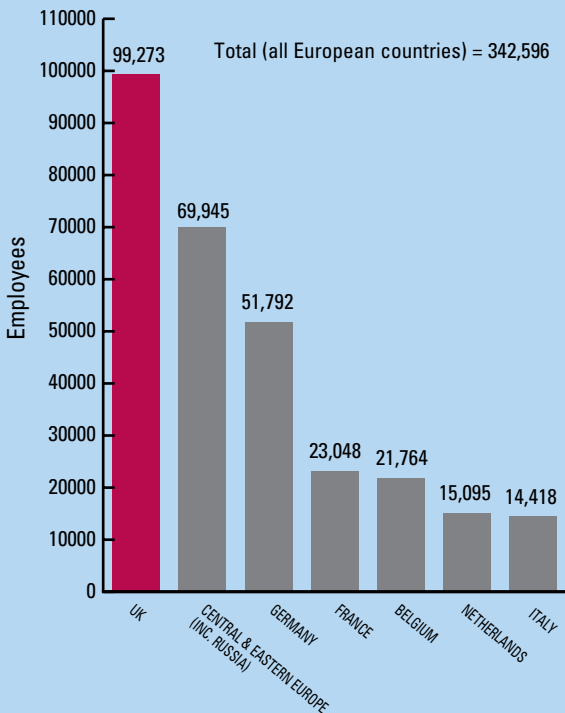


Source: OECD

The Restrictiveness Index covers regulatory restrictions on FDI. The countries which have greater openness to FDI score the lowest on the Index.

The EU countries are collectively the most open to FDI, while China and India remain two of the most restrictive for foreign investors.

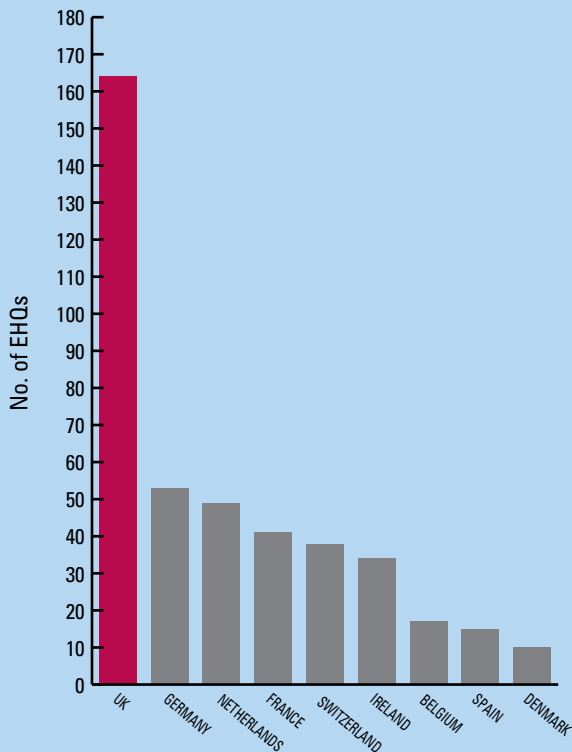
UK EMPLOYMENT BY JAPANESE COMPANIES 2010



Source: Toyo Keizai

The UK is the top location for Japanese FDI in Europe, accounting for around 29% of employment created by Japanese companies.

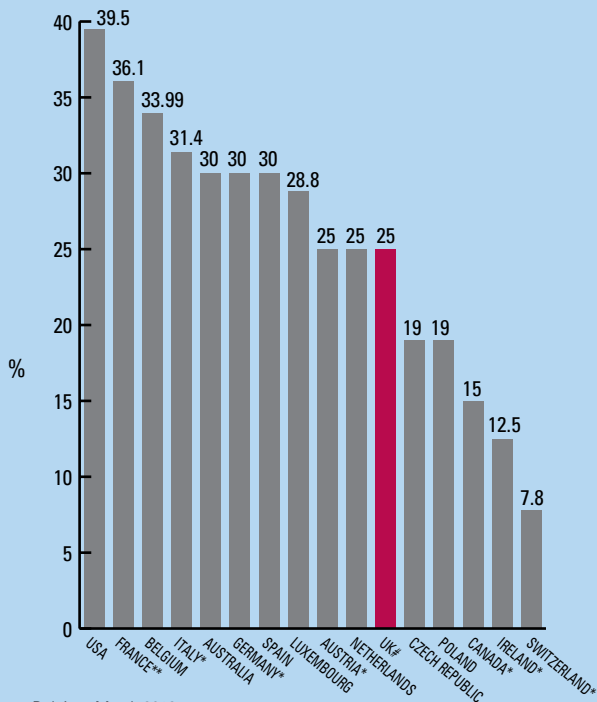
EUROPEAN HEADQUARTERS (EHQS) IN THE UK BETWEEN 2006-2011



Source: European Investment Monitor. October 2011

The attractions of the UK include its stable economic and political environment, good international transport links and communications infrastructure, sound legal and regulatory environment and ready access to finance.

DEVELOPED ECONOMIES MAIN CORPORATE TAX RATES 2012



Source: Deloitte. March 2012

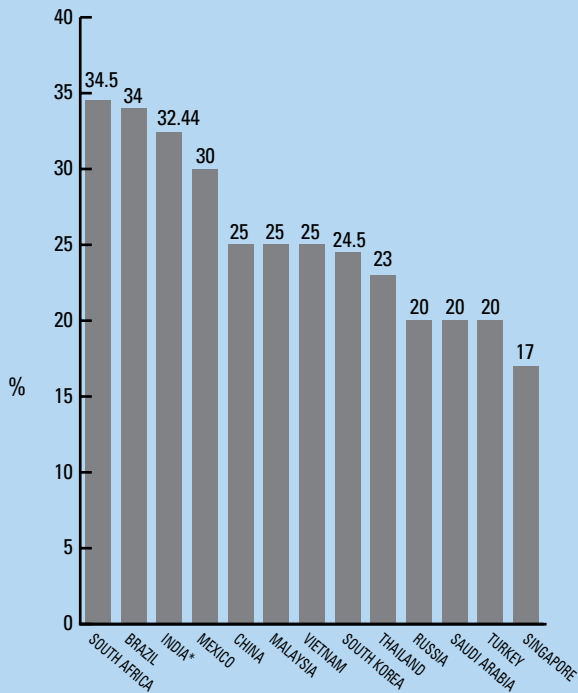
Effective tax rates are shown.

* The minimum level of tax rates applies. It excludes additional taxes such as regional taxes and resident and non-resident taxes and taxes that are applied on a sliding scale.

**Includes the temporary corporation income tax surcharge which results in a new effective rate of 36.10% for taxpayers with annual revenue in excess of €250 million.

From 1 April 2012 the rate will be reduced to 25%.

EMERGING MARKETS MAIN CORPORATE TAX RATES 2012

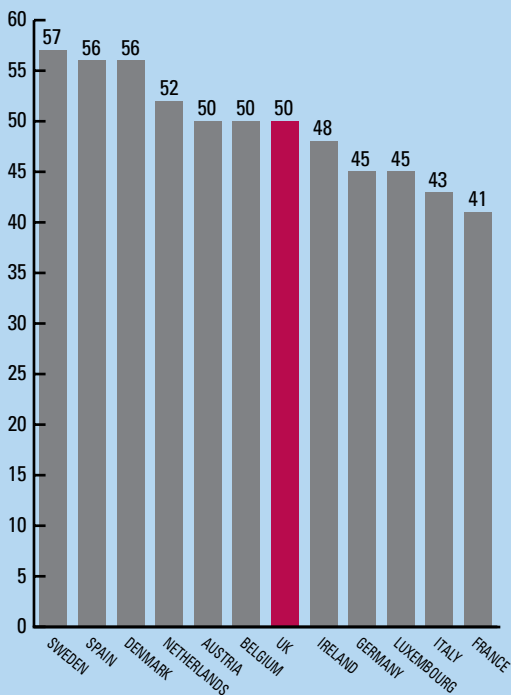


Source: Deloitte, March 2012

Effective tax rates are shown.

* The minimum level of tax rates applies. It excludes additional taxes such as regional taxes and resident and non-resident taxes and taxes that are applied on a sliding scale.

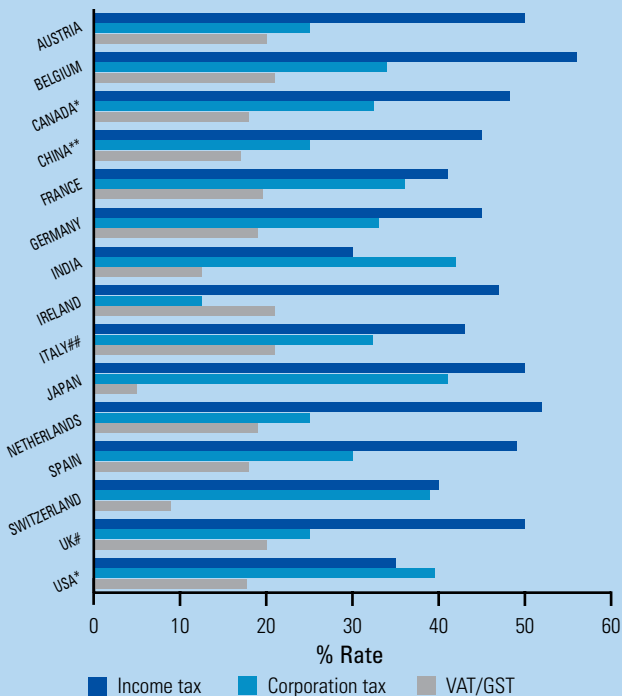
EUROPEAN PERSONAL TAX (HIGHER) RATES 2012



Source: Deloitte March 2012

Effective tax rates are shown.

MAIN EFFECTIVE TAX RATES



Source: Deloitte, 2011

Effective tax rates are shown.

The maximum level of tax applies. It includes additional taxes such as local/regional taxes or resident and taxes that are applied on a sliding scale.

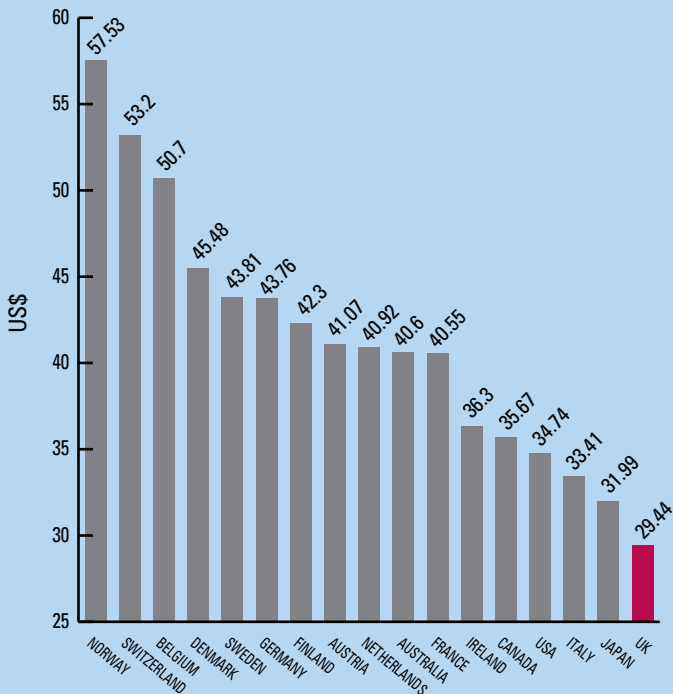
*Includes general tax plus maximum local surtax.

** Excludes business tax for the supply of services.

Corporation tax rate reduced to 25% from 1 April 2012.

Excludes real estate and company assets taxes.

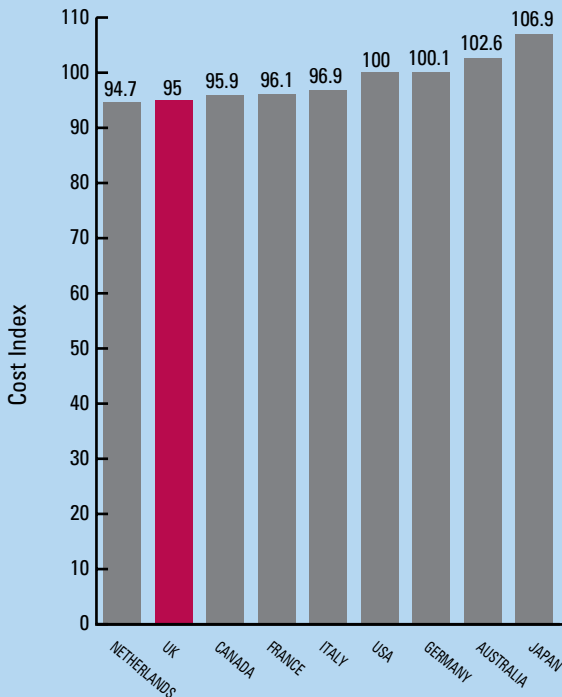
INTERNATIONAL COMPARISONS OF HOURLY COMPENSATION COSTS MANUFACTURING 2010



Source: US Bureau of Labor Statistics, December 2011 (Latest Data)

Compensation costs in the UK are below less than most of the Western European countries.

KPMG COMPETITIVE ALTERNATIVES PHARMACEUTICAL PRODUCTION



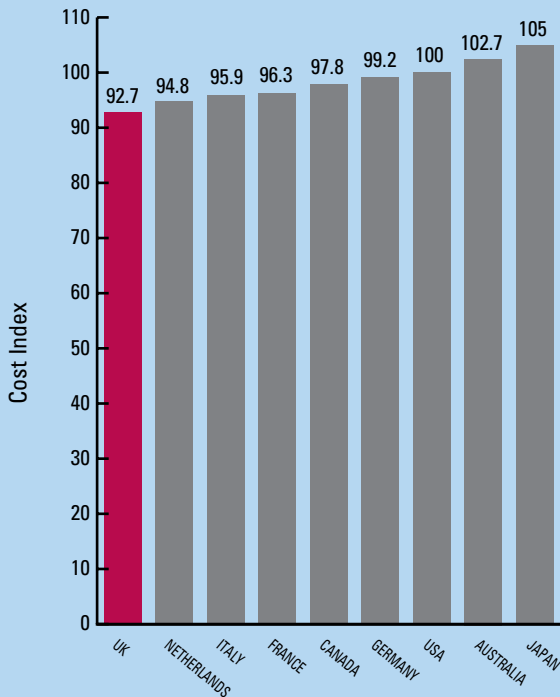
Source: Competitive Alternatives 2012 Edition, KPMG's Guide to International Business Location

In the 2012 edition the emerging economies were ranked separately from the mature economies.

Technical Note 1: Total business costs in each country are expressed as an index, with the baseline index of 100.0 being assigned to the United States of America.

Technical Note 2: These results are gathered from selected cities within a country.

KPMG COMPETITIVE ALTERNATIVES FOOD PROCESSING MANUFACTURING



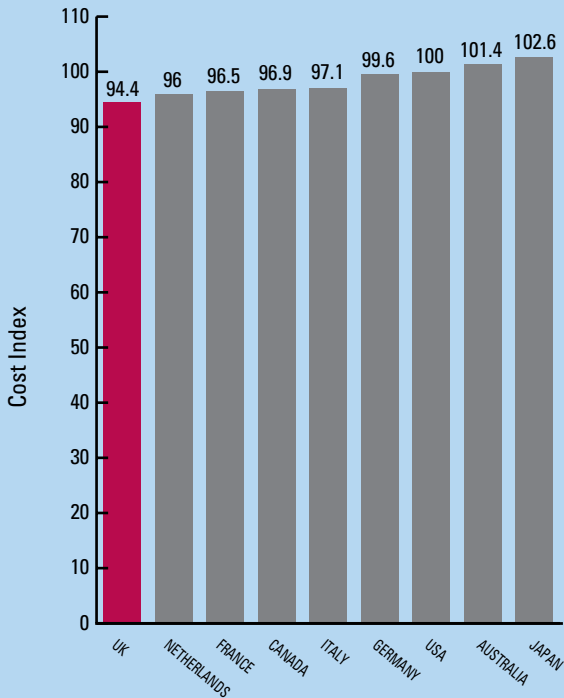
Source: Competitive Alternatives 2012 Edition, KPMG's Guide to International Business Location

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KPMG COMPETITIVE ALTERNATIVES PRECISION COMPONENT MANUFACTURING



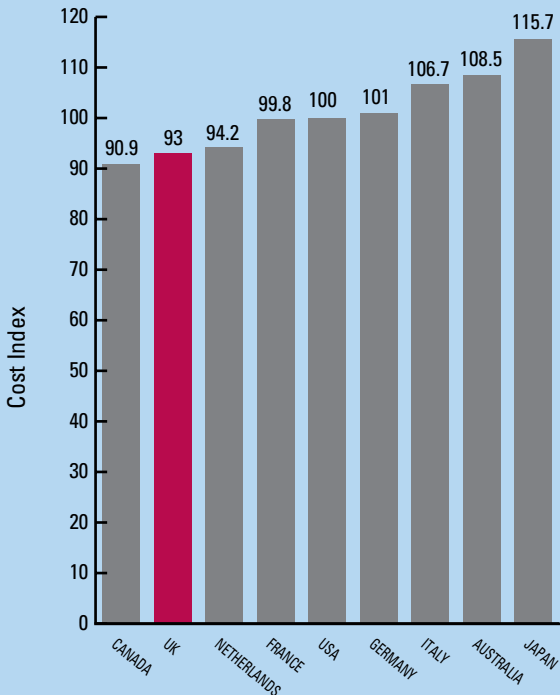
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KPMG COMPETITIVE ALTERNATIVES SOFTWARE DEVELOPMENT



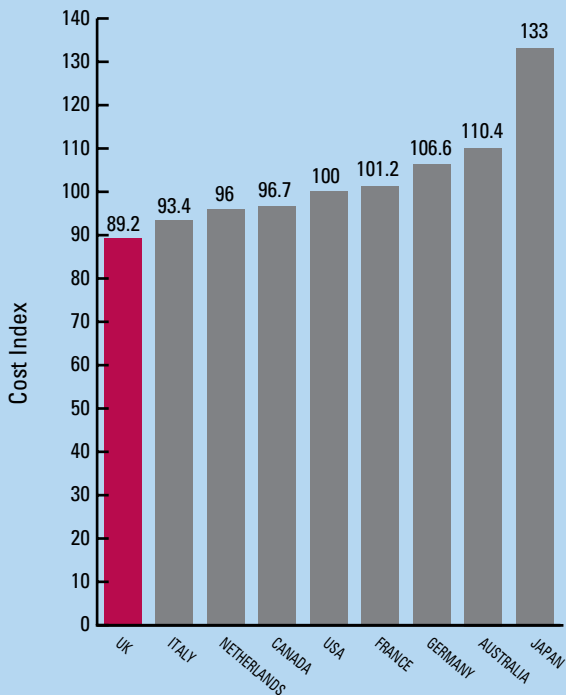
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KPMG COMPETITIVE ALTERNATIVES SUPPORT SERVICES



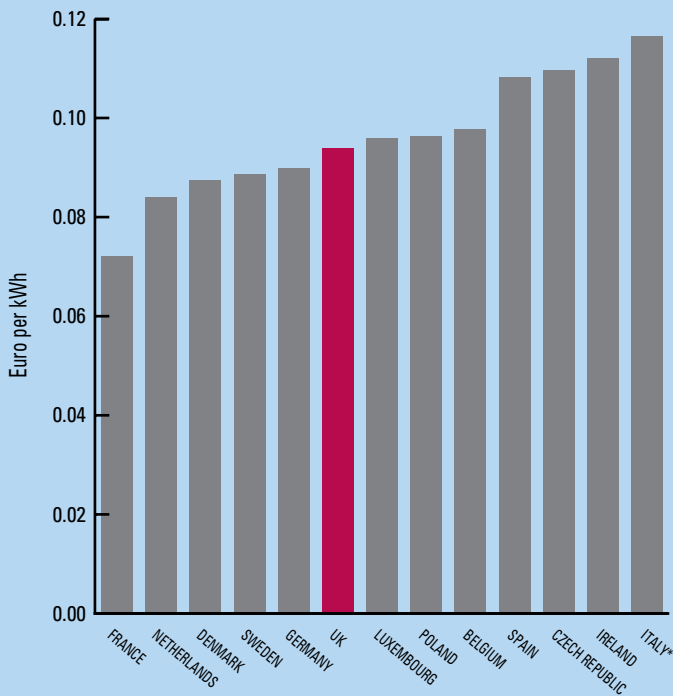
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EUROPEAN ELECTRICITY PRICES 2011

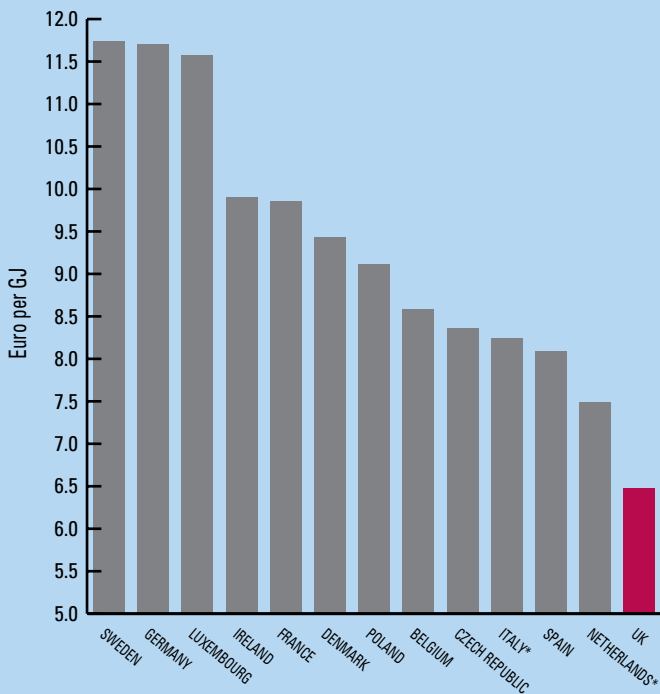


Source: Eurostat, March 2012

Electricity prices in Europe and the UK are subject to fluctuation.
The figures indicate the charge to medium-sized industries.

*Provisional values

EUROPEAN GAS PRICES 2011

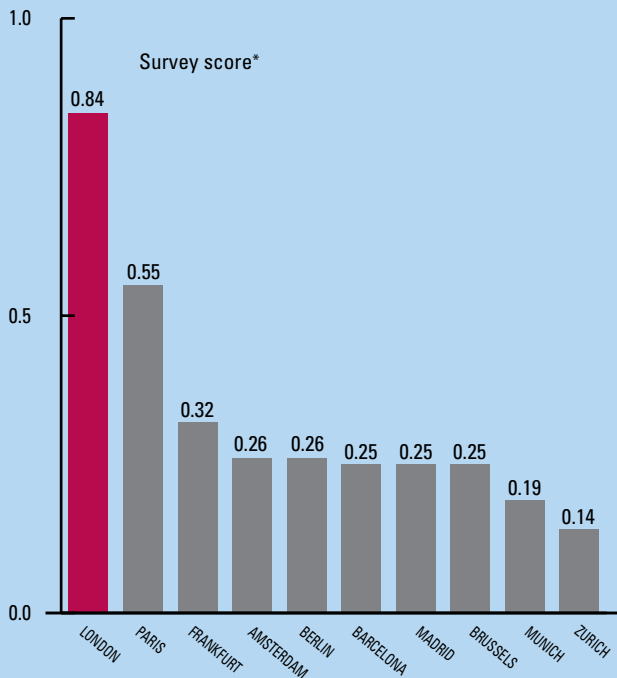


Source: Eurostat, March 2012

Natural gas prices in Europe and the UK are subject to fluctuation.
The figures indicate the charge to medium-sized industries.

*Provisional values

TOP TEN BEST BUSINESS CITIES IN EUROPE TO LOCATE A BUSINESS

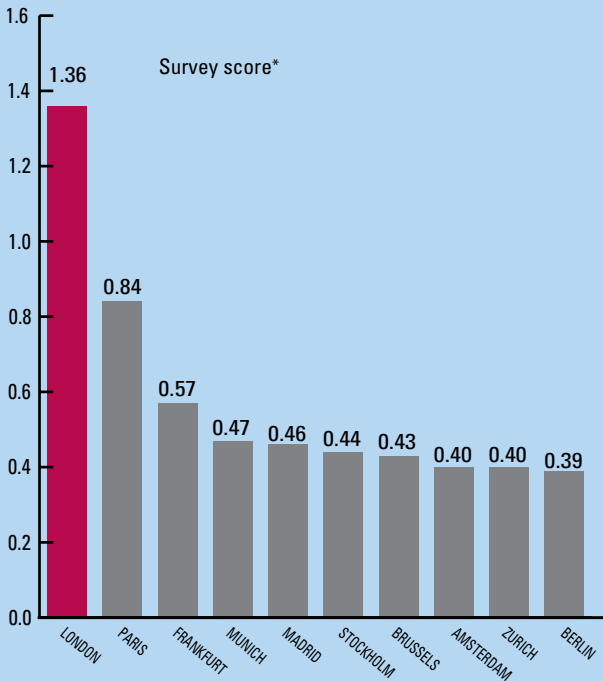


Source: Cushman & Wakefield, European Cities Monitor: October 2011

London has been ranked first among Europe's cities for the last 15 years. The survey polled over 500 European companies, asking their opinions on a wide range of locational factors.

*Survey score is the weighted score based on first, second and third nominations of more than 500 senior executives in European companies.

TOP TEN EUROPEAN CITIES IN TERMS OF RECRUITING QUALIFIED STAFF



Source: Cushman & Wakefield, European Cities Monitor October 2011

*The survey score was derived from the nomination for first, second and third nominations of over 500 senior executives when asked which city they thought was best in terms of recruiting staff.

TOP TEN EUROPEAN CITIES IN TERMS OF LANGUAGES SPOKEN

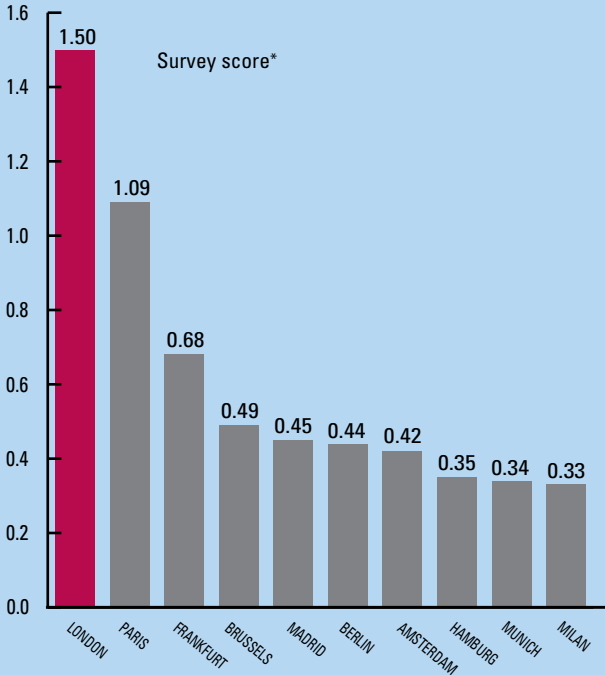


Source: Cushman & Wakefield, European Cities Monitor October 2011

In terms of the range of languages spoken, the UK, and particularly London, has a very large supply of fluent foreign-language speakers.

*Survey score is the weighted score based on first, second and third nominations of more than 500 senior executives when asked which city they thought was best in terms of languages spoken.

TOP TEN EUROPEAN CITIES IN TERMS OF EASY ACCESS TO MARKETS



Source: Cushman & Wakefield, European Cities Monitor October 2011

For the seventh year running, London has been ranked the top city in Europe for ease of access to markets.

*Survey score is the weighted score based on first, second and third nominations of more than 500 senior executives in European companies.

Note:

This publication is issued quarterly in electronic form. If you are in possession of the paper booklet (which is printed once a year) then please check the UK Trade & Investment website for updated editions.

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We can provide your business with:

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- thorough regional analysis and informed advice to help you choose the right location, and
- a route into government to help your business grow further, faster.

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