



UNITED KINGDOM

Capital:

London

Population (2008 est.):

United Kingdom: 60.94 million

Virginia: 7.71 million

Government Type:

Constitutional Monarchy

Head of Government:

Head of Government: Prime Minister Gordon Brown

Chief of State: Queen Elizabeth II

Languages (Official):

English, Welsh, Scottish form of Gaelic

Land Size:

94,525 square miles

(Slightly smaller than Oregon)

(CIA)

Currency: (www.oanda.com)

British Pound (GBP)

1US\$ = 0.61 GBP (November 2009)



(United Kingdom Map. CIA)

DID YOU KNOW?

- The UK is attractive to U.S. companies due to common legal and business practices, the size of the UK market, as well as a commitment by the UK government to openness and fair trade. The UK and U.S. have similar intellectual property rights and relatively low rates of taxation. For many American businesses, the UK is a point of entry to the European Union market.
- U.S. exports to the United Kingdom grew by 7% in 2008 to reach \$53.77 billion. The UK was the sixth largest buyer of U.S. goods in 2008.
- The UK has been the largest market for U.S. service exports for the last five years, accounting for almost 13% of all U.S. service exports. In 2007, the UK consumed over \$60 billion in U.S. services.
- The U.S. is the UK's second largest trading partner, accounting for 8.6% of all imports. The U.S. is also the UK's largest export market, accounting for 14.2% of all UK exports.
- The U.S. is the largest foreign investor in the UK and the UK is the largest foreign investor in the U.S. Over one million citizens in each country work for a company headquartered in the other nation.
- London will be hosting the 2012 Summer Olympic games, opening a host of opportunities for American companies with expertise in security, infrastructure, transportation, and specialized services.



UNITED KINGDOM

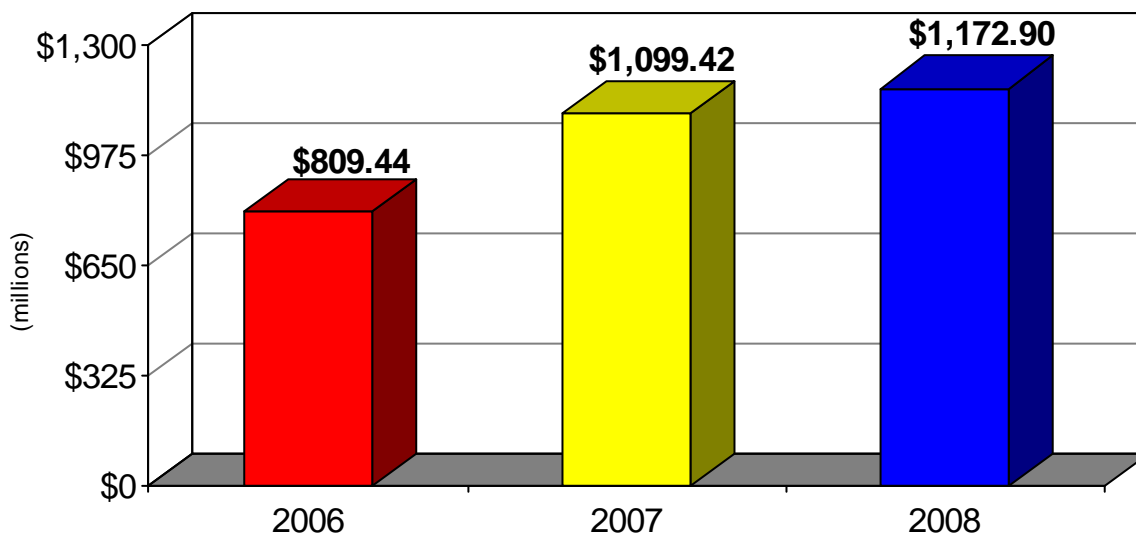
ECONOMIC OUTLOOK

After sixteen years, the party is finally over. The UK's longest economic expansion on record came to a close with two consecutive quarters of economic contraction at the end of 2008. The Bank of England -the UK's Central Bank- had been trying to stave off the global financial crisis by aggressively cutting short term interest rates, which now stand at a record low .5%.

The recent economic downturn notwithstanding, London, alongside New York City, is arguably the world's financial capital, and the UK is among the elite group of countries whose annual economic output exceeds one trillion dollars. Services, particularly banking, insurance, and business services, account for the largest proportion of Gross Domestic Product (GDP), while industry continues to decline in importance. Over the past two decades, the government has privatized many state assets and industries, and has contained the growth of social welfare programs. Agriculture in the UK is intensive and efficient by European standards, producing about 60% of domestic food needs with less than 2% of the labor force. The UK has large coal, natural gas, and oil reserves; primary energy production accounts for 10% of GDP, one of the highest shares of any industrial nation.

The strength of the British economy had been one of several factors bolstering popular sentiment against adoption of the Euro as the UK's currency. It remains to be seen if the current economic malaise will change the debate in favor of replacing the British Pound with the currency used by most members of the European Union.

VIRGINIA EXPORTS TO THE UNITED KINGDOM



(Source for Graph: World Trade Atlas)



UNITED KINGDOM

VIRGINIA EXPORTS TO THE UNITED KINGDOM

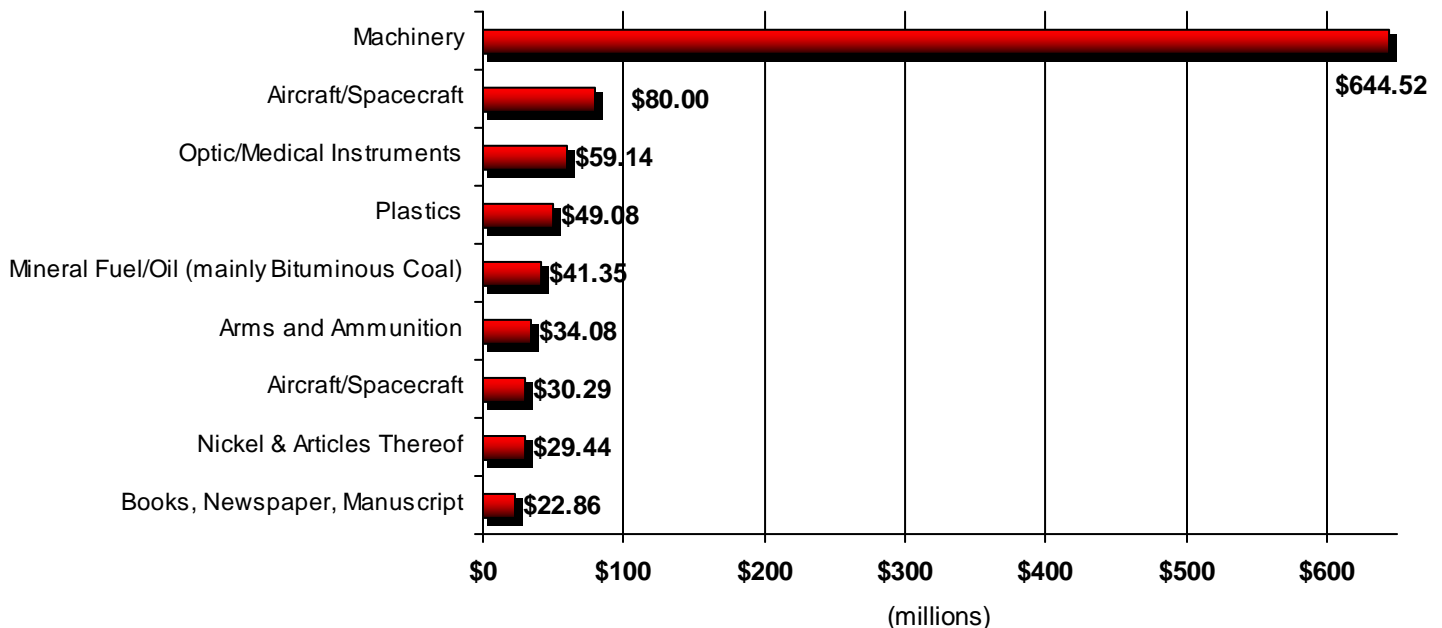
The United Kingdom was Virginia's second largest export destination in 2008, moving up from fifth place in 2007. The UK purchased over \$1.17 billion in merchandise from Virginia last year, an annual increase of 7%.

Industrial machinery remained the top export at \$644.52 million, an annual increase of 26%, and included gas turbines, computers and components, and pneumatic hand tools. Electrical machinery was the second strongest U.S. export via Virginia in 2008, and was valued at almost \$80 million. Top products in that commodity group were telephony apparatus, sound recording equipment, and electrical switching apparatus.

The fastest growing exports via Virginia to the UK included optic/medical instruments, arms and ammunition, articles of nickel, beverages, and aluminum products.

Due to extensive cooperation between the U.S. and British militaries and defense industries, aircraft/spacecraft and arms/ammunitions are typically strong exports for Virginia and the U.S. in general, especially during times of war. Export commodities in these two export groups in 2008 included bombs/grenades/cartridges, and parts for arms and aircraft like planes and helicopters.

VIRGINIA'S TOP EXPORTS TO THE UNITED KINGDOM - 2008



(Source for Text and Graph: World Trade Atlas)



UNITED KINGDOM

VEDP SERVICES

Group Market Visit to The United Kingdom: April 26-30

For more information contact Knox Hubard, Senior International Trade Manager, (804) 545-5758, khubard@yesvirginia.org.

Other Services: The VEDP offers a number of export-related services to Virginia businesses, including independent market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters. For more information, please visit our website: www.exportvirginia.org.

ADDITIONAL RESOURCES

- UK Trade Info: <http://www.uktradeinfo.com>
- British Office for National Statistics: <http://www.statistics.gov.uk>
- UK Trade & Investment ("UK in the USA"): <http://www.uktradeinvestusa.com>

WORKS CITED

BBC News. UK Economy Contraction Confirmed. February 25, 2009.

<<http://news.bbc.co.uk/2/hi/business/7909687.stm>>

FX Currency Converter. <<http://www.oanda.com/convert/classic>>

Global Trade Information Services. World Trade Atlas. U.S. State Export Edition. Available by subscription at <<http://www.gtis.com>>

United States Central Intelligence Agency (CIA). World Fact Book. UK. 2009.

<<https://www.cia.gov/library/publications/the-world-factbook/geos/uk.html>>

United States Department of Commerce. Country Commercial Guide 2008: UK.

<<http://www.stat-usa.gov/>>

Last Revised: December 2009

**Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.*