



## UNITED KINGDOM

**Capital:**

London

**Population (2010 est.):**

United Kingdom: 62.34 million

Virginia: 7.78million

**Government Type:**

Constitutional Monarchy

**Head of Government:**

Prime Minister David Cameron

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](http://www.oanda.com))

British Pound (GBP)

1US\$ = 0.63GBP (December 2010)



(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.
- Due to the lingering effects of the global recession and debt problems in Europe, U.S. exports to the United Kingdom shrank by 14% in 2009, and were valued at \$45.70 billion. The UK was the fifth largest buyer of U.S. goods in 2009.
- The UK has been the largest market for U.S. service exports for 5 consecutive years, accounting for almost 13% of all U.S. service exports. In 2007, the most recent year for available data, the UK consumed over \$60 billion in U.S. services.
- The U.S. is the UK's second largest trading partner, accounting for 9.7% of all imports. The U.S. is also the UK's largest export market, accounting for 14.7% 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.



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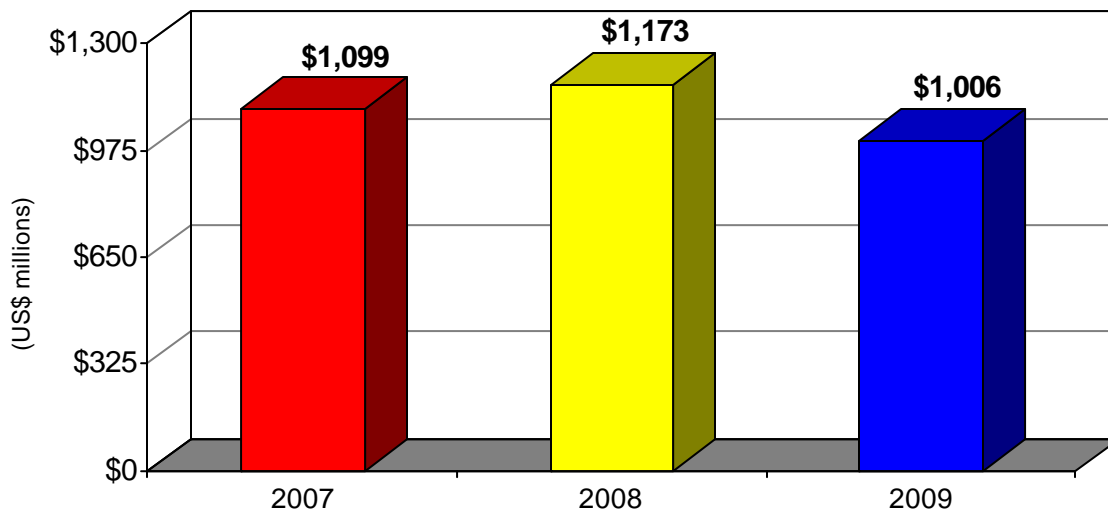
### ECONOMIC OUTLOOK

After 16 consecutive years, the UK's longest economic expansion on record came to a close 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 economic output (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 debate in the UK to adopt the Euro as the national currency has likely been shelved indefinitely as the debt crises in the European Union have destabilized the Euro and further bolstered British opposition to the Euro.

### VIRGINIA EXPORTS TO THE UNITED KINGDOM



(Source for Graph: World Trade Atlas)



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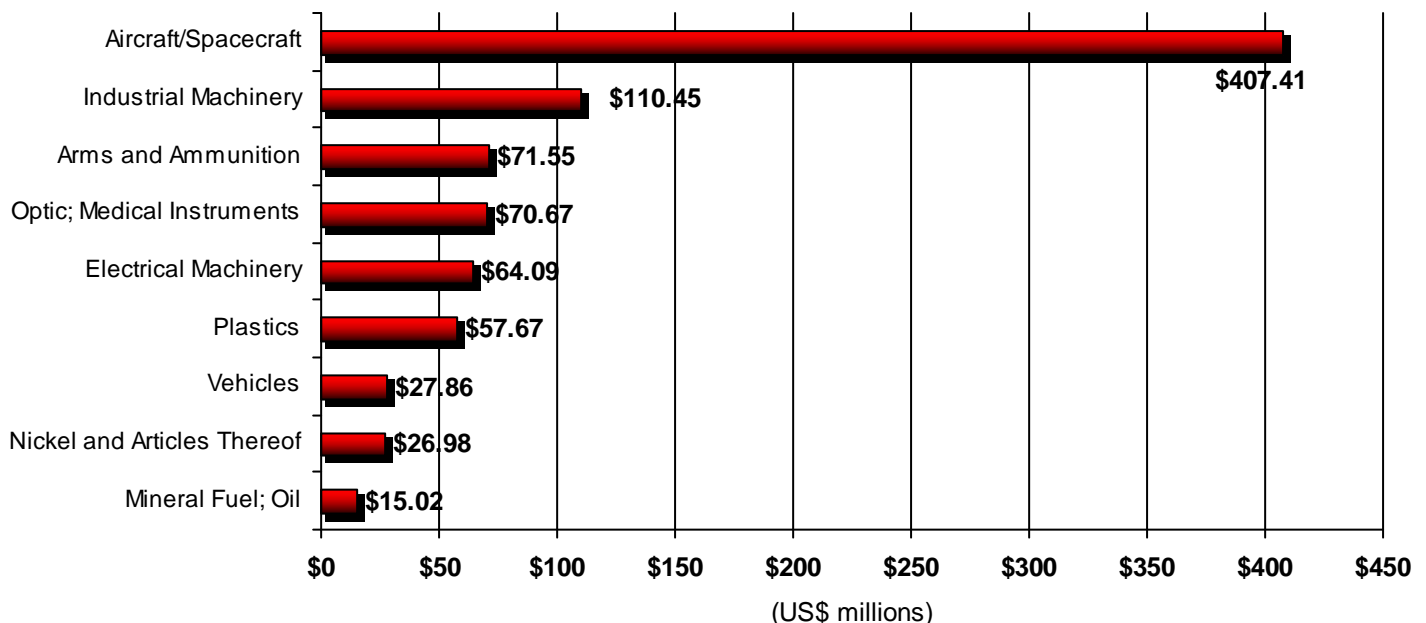
### VIRGINIA EXPORTS TO THE UNITED KINGDOM

The United Kingdom was Virginia's third largest export destination in 2009, falling from second place in 2008. The UK purchased over \$1 billion in merchandise from Virginia last year, which mirrored the overall national decline of 14% in exports to the UK.

The strong military and defense ties between the United States and the United Kingdom were evident in Virginia's export mix to the UK in 2009. Aircraft/spacecraft exports eclipsed industrial machinery as Virginia's top export to the UK. The three strongest-growing export categories from Virginia to the UK were arms and ammunition, "special other", and explosives. Arms and ammunition exports were up 109% in 2009, valued at \$71.55 million, and were led by bombs, grenades, and cartridges. "Special other" is an export category that captures products that are temporarily imported for repairs, then re-exported, as well as charity exports. It also includes exports of military apparel and equipment that are "not identified". Unidentified military exports to the UK Virginia in 2009 were valued at \$1.72 million, while exports of explosives increased 351%, were valued at \$7.96 million, and were led by ferrocium and other pyrophoric alloys.

Non military-related exports from Virginia to the UK that saw significant growth in 2009 included optic/medical instruments, plastics, vehicles, perfumery/cosmetics, paper/paperboard, and arts and antiques.

### VIRGINIA'S TOP EXPORTS TO THE UNITED KINGDOM - 2009



(Source for Text and Graph: World Trade Atlas)



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### VEDP SERVICES

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#### Group Market Visit to The United Kingdom: May 16-20

For more information contact Jordan Watkins, International Trade Manager, (757) 314-2358, [jawatkins@yesvirginia.org](mailto:jawatkins@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](http://www.exportvirginia.org).

### ADDITIONAL RESOURCES

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UK Trade Info: <http://www.uktradeinfo.com>

British Office for National Statistics: <http://www.statistics.gov.uk>

UK Trade and Investment ("UK in the USA"): <http://www.ukti.gov.uk/export.html?guid=none>

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

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

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