



U.S. Department of State FY 2000 Country Commercial Guide: United Kingdom

The Country Commercial Guide for United Kingdom was prepared by U.S. Embassy London and released by the Bureau of Economic and Business in July 1999 for Fiscal Year 2000.

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I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at the United Kingdom's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government agencies.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank CD-ROM or via the Internet at <http://www.stat-usa.gov>; <http://www.state.gov/>; and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. Please contact STAT-USA at 1-800-STAT-USA for more information. U.S. exporters seeking general export information should contact the U.S. Department of Commerce Trade Information Center by phone at 1-800-USA-TRADE or by fax at (202) 482-4433. In the U.K., the CCG may be downloaded from the Embassy's website: <http://www.usembassy.org.U.K./usfcs.html>.

The United Kingdom (U.K.) remains attractive to U.S. exporters and investors both in its own right and as a gateway to the larger European Union (EU) market. With a similar language, legal framework and business practices, and relatively low rates of taxation and inflation, the U.K. has very few industries that limit foreign ownership, and no restriction on the repatriation of capital and profit. Within the EU, the British Government defends the rights of any company registered in Britain, irrespective of the nationality of its ultimate parent.

The U.K. is receptive to U.S. goods and services, as a result of a shared cultural heritage and the traditional flow of trade and investment. With its \$1.21 trillion GDP, the U.K. remains the United States' largest European market and fourth largest market worldwide, after Canada, Mexico and Japan. In 1998, the United States exported \$39.07 billion of goods to the U.K. and imported British goods worth \$34.79 billion.

The United States and the U.K. are the largest foreign investors in each other's country. Sixty of the U.K.'s five hundred largest companies are U.S.-owned, and historical cost investment by U.S. companies in the U.K. amounted to \$138.8 billion by 1997. Comparable British investment in the United States amounted to \$129.6 billion.

II. ECONOMIC TRENDS AND OUTLOOK

-- Major Trends

The U.K. is entering its seventh consecutive year of economic expansion, although growth has slowed in concert with the economies of other EU countries. The high sterling exchange rate against the dollar and the Euro is a contributing factor. Real GDP growth is expected to remain below 2% in 1999 and in 2000.

The Labour Government allows market forces rather than social programs to drive the economy. In a further disengagement from economic control, the Bank of England was made independent of the Treasury, and given sole responsibility for setting interest rates. The Treasury has adopted new controls on public spending in advance of any formal move to join the European Economic and Monetary Union (EMU), and any recommendation to adopt the Euro currency. This will happen during the life of the next Parliament, after May 2002, if Labour is reelected, and if the result of a promised referendum on the Euro permits the Government to proceed.

Information on the U.K.'s economic performance and prospects is published in the Bank of England Quarterly, and similar data can be obtained from many of the major U.S. banks and investment houses operating in London.

-- Principal growth sectors:

The service sector, including banking, insurance and investment management, now accounts for approximately 70% of the U.K.'s GDP. In manufacturing, productivity has continued to increase, largely due to a tax regime that supports and encourages capital investment and innovation. Public-sector procurement policies seek best value and best practice regardless of the bidders' national origin, and outsourcing of public services is encouraged at central and local government levels.

National legislation on Britain's infrastructure and the environment, privatization of state-owned assets, health care reform, and private-public partnerships have created business opportunities in Britain that equal those offered by the private sector. U.S. exporters, investors and management companies participate in public sector and private sector ventures and partnerships in virtual equality to British firms, and have established a route via Britain to the European single market.

Britain's telecommunications sector is among the most liberal in Europe. The fully installed cable and cellular networks show limited additional opportunities for the equipment manufacturers, but excellent prospects for innovative service providers. The U.K. health care sector, especially as the state-funded National Health Service (NHS) is restructured, presents significant opportunities for U.S. suppliers of cost-saving equipment and services. Growing intolerance of environmental pollution has prompted higher EU and national environmental standards, and a more rigorous enforcement of existing regulations. The introduction of U.S.-developed remedial technologies has placed our environmental firms at a distinct competitive advantage in this market.

The U.K. is a major market for U.S. agricultural products. The United States exported about \$1.3 billion in agricultural products to the United Kingdom in 1998. In addition, the U.S. exported around \$240 million in forestry products and \$86 million in seafood to the U.K. in 1998.

The U.K. Ministry of Defence (MoD) admits U.S. companies as potential suppliers in most procurement competitions, as prime contractors, as

joint-venture partners or as major sub-contractors and suppliers to the U.K. prime contractors.

-- Government role in the economy:

The British economy is largely shaped by market forces, with independent regulatory bodies providing additional direction in those sectors where private individuals are the principal users of the product or service. The regulated industries include the privatized utilities: telecommunications, electricity, water and gas supply, and passenger rail transportation. Financial services are regulated by the new Financial Services Authority, and consumer credit by the Office of Fair Trading.

Government initiatives include continued privatization, deregulation, and support for competition. Intervention is still evident, however, in some areas such as support for coal versus gas for electricity generation, the adoption of the EU's Social Chapter (statutory leave, minimum wage and maximum working hours legislation). As further evidence of economic non-intervention, the U.K. Treasury no longer participates with the Bank of England in the process of setting the prime bank interest rate. Further, the Treasury is committed to policies that reduce public debt as a percentage of GDP, in order to produce a budget surplus in each of the next three fiscal years.

-- Balance of payments:

The U.K. typically runs a deficit in its visible balance of trade, which is largely offset by a surplus in its trade in services. The trade balance deterioration of 1997 and early 1998 in response to the Asian financial crisis, and the appreciation of sterling, principally against European currencies, have been partly offset by the reduced cost of imported components and raw materials. The annual U.K. current account deficit is approximately 1.5% of GDP.

-- Infrastructure:

Private sector production, transportation, warehousing, communications, and distribution facilities in the U.K. are adequate, although some of the physical assets employed show the need for repair and replacement. Much of the responsibility for the public sector infrastructure of the U.K. has been transferred to the private sector and to independent executive agencies that are accountable to government departments.

To supplement government investment, Public-Private Partnerships (PPP) and Private Finance Initiative (PFI) schemes that create viable business entities from public assets at minimal cost to the government have been developed. These require the transfer of ownership and profit potential, the transfer of risk to the private-sector operator, and acceptance of no recourse to the government if the business fails.

Although the government has a lesser role in directing the economy and a correspondingly reduced responsibility for industrial and economic performance, it continues to exhort the business community to prepare for the future. Sponsorship of the planned year-long millennium celebrations and safeguards against the effects of the millennium bug

are high-profile business issues that have been publicly addressed by Ministers.

For Year 2000 (Y2K) IT compliance, industry and government have combined to highlight the problem and solutions. Helplines, infocenters, websites and taskforces have proliferated, sparking a mini sales boom of Y2K-compliant systems. According to industry observers, the IT systems in critical applications in Britain are inherently Y2K compliant, or can be made compliant through software updates.

III. POLITICAL ENVIRONMENT

-- Political relationship with the United States:

The Anglo-American relationship is anchored in traditions of recognized political systems and values, close trade and investment links, and a shared cultural heritage. At the government level, the strength of the relationship ensures continued cooperation on a very broad range of foreign policy and security issues.

-- Major political issues affecting the business climate:

No important local political issues affect the business climate. The Labour Government and Conservative Opposition are broadly pro-Europe. They show varying degrees of enthusiasm for joining the EU Economic and Monetary Union (EMU) and of accepting the Euro as a common currency when economic conditions and political considerations are right.

An important EU issue is the prospect of European tax unification, which is anathema to Labour and Conservative alike. Both political parties are committed to defending the tax-raising powers of individual EU member states, and will not willingly cede this power to Europe.

-- Brief synopsis of the political system:

Parliaments are elected for a five-year maximum term, although the government of the day can call an election at any time, or be forced to call one by losing a vote of confidence in the House of Commons. Since the last general election was held in May 1997, the next election must be held before May 2002.

The U.K. is governed from London, though the Blair Government supported referenda that led to the creation of a devolved Scottish Parliament, Welsh Assembly and Northern Ireland Assembly. The Scottish Parliament and Welsh Assembly were elected in 1999 and are now holding regular sessions. The Northern Ireland Assembly elected in 1998, has met although only in shadow form. As of July 15, 1999, formal devolution of powers to Belfast from London had not yet taken place. The devolved governments have limited legislative powers with, for instance, taxation, defense and foreign policy still controlled centrally.

The U.K. national government, consisting of 17 cabinet-level departments, and numerous smaller entities, is staffed by career civil servants. The three or four senior policy positions in each department (Secretary of State, Minister of State, and junior ministers) are drawn

from the ranks of the ruling party, generally from the House of Commons and the House of Lords.

The Labour Government has distanced itself from its socialist origins, and widened its popular appeal by moving steadily toward the political center. It accepts the irreversible nature of industrial privatization and, while some Members of Parliament are sponsored by the labor unions, the Labour Party is no longer reliant on union funding and goodwill.

IV. MARKETING U.S. PRODUCTS AND SERVICES

-- Distribution and sales channels:

The Commercial Service of the U.S. Department of Commerce has a range of services designed to help U.S. firms identify prospective distributors or sales and service representatives. These include the fee-based Agent/Distributor Service (ADS) and the Gold Key Program. American companies initiate the ADS at their Export Assistance Center in the U.S.; the Gold Key may be commissioned directly with the Commercial Service post. ADS applicants specify the profile of their ideal prospective representative, and the Commercial Service searches for appropriate local companies that have a specific interest in representing them. The Gold Key service schedules face-to-face meetings with business prospects, either as a follow-on to a successfully completed ADS, or as a separately organized program of meetings with prospective representatives, end-users or joint-venture partners. The achievement of mutually agreed objectives has consistently proved the value of the ADS and Gold Key programs as export promotion tools.

Counseling provided by the Commercial Service to U.S. firms intending to establish a presence in the U.K. can include market research, advice on regulations, the provision of business contacts and networking opportunities, and assistance with product launches and marketing campaigns.

The U.K. has a full range of product-specific distribution and sales channels. These channels range from sales subsidiaries of foreign manufacturers to import houses that purchase and sell on their own account. Between these two extremes are resellers, commission agents, specialized importers, brokers, and importing distributors. The distinction between the various types of marketing channels is not clear cut, and a considerable variation exists for even a single group of products.

-- Typical product pricing structures:

U.S. export market prices should reflect all of the actual cost components, even for shipments to a related company. Shipping, insurance, financing charges, customs duties, storage, distribution, advertising, sales, after-sales service, ultimate profit and any other transaction costs should be examined individually, and included in the CIF price.

-- Use of agents and distributors; finding a partner:

National laws governing the relationships between agents and distributors and their suppliers are broadly harmonized throughout the EU. EU Directives establish the rights and obligations of the principal and agent, the agent's entitlement to remuneration, and the conclusion and termination clauses of agency contracts. The law appears to favor the agent rather than the principal to such an extent that most agency arrangements within the EU have been terminated in favor of distributorships.

-- Franchising:

The Commercial Service is equipped to advise U.S. exporters and new to market companies in virtually every business sector. In addition to the promotion of conventional products and services, we promote market access through various business formats including franchising, direct marketing, and licensing and joint ventures.

Franchising now accounts for approximately one third of U.K. retail sales in those sectors that host franchise operations. More than 40 North American-origin franchise systems operate in the U.K., with more than 4,000 franchised units employing 30,000 full and part-time staff, and generating a turnover of \$1.65 billion. The most popular franchise businesses are in food and beverages, hotels, car rental agencies, printing and copying, and auto services.

The Office of Fair Trading (OFT) is the regulatory body that provides consumer protection in franchise operations. The OFT seeks to ensure that the franchise promotes a genuine product or service, and is not a pyramid sales scheme. Since the major U.K. banks recognize the value of successful franchises, they evaluate the business prospects and local credit needs of franchise schemes, and can provide advice and investor leads to U.S. franchise operators considering U.K. market entry.

-- Direct Marketing and the Internet:

Affordable transatlantic telecommunications, low cost bulk mailing rates, and the use of credit cards for international transactions have made direct marketing from the United States possible. Public confidence in the accuracy of remote billing, data security, and certainty of delivery is increasing at a time when the Internet is also becoming an accepted marketing tool. These factors combine to make direct marketing of many types of goods and services worth considering.

The Advertising Standards Authority (ASA) has established a code of practice for direct mail advertising and for list and database management. The code and the supplementary rules can be obtained from the ASA, Brook House, Torrington Place, London WC1E 7HN; telephone: (44) 207-580-5555; fax: (44) 207-631-3051.

-- Joint-ventures/Licensing:

Joint-ventures and licensing are often used to maintain a competitive advantage in the British market. Joint-ventures and licensed production may be eligible for U.K. investment grants and financial assistance, and will provide for relief from import duties.

-- Steps to establishing an office:

Establishing a branch office is an inexpensive and simple procedure, involving the notification of the parent company's registration details to the Department of Trade and Industry's Registrar of Companies. There is no need to complete the registration process before commencing operations, as the branch office of a foreign parent is given a one-month grace period.

Setting up a subsidiary company is equally easy, although using a local accountant or law firm for filing purposes may make the task even easier. Inexpensive pre-registered companies can be purchased from company formation agents, allowing new-to-market companies to start trading with limited liability immediately.

-- Selling factors/techniques:

EU and national legislation govern exclusivity in agency and supply agreements, purchasing contracts, and contract terms. U.S. manufacturers and exporters are able to appoint exclusive agents, and to determine the methods used to promote the sale of their products.

Practices of regulatory concern are those that distort trade to the benefit of the suppliers and to the detriment of competitors or end-users. Recent legislation gives some exemptions to vertical agreements between manufacturers and their resellers, requires disclosure of certain types of inter-company commercial arrangements, and gives powers of investigation and enforcement to the regulatory authorities.

-- Advertising and trade promotion:

Trade promotion materials prepared for use in the U.S. market may need to be modified for local legal, cultural, and other differences. In addition to advice that the Commercial Service offers, local advertising agencies and marketing consultants can provide appropriate professional guidance. Also, the Advertising Standards Authority 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.

-- Pricing products:

The U.K. is a highly competitive but also highly receptive market for U.S. goods and services. When pricing products for sale in the U.K., U.S. exporters should be aware of the additional costs that could otherwise undermine profit margins. In addition to the EU's common external customs duty on imported goods, a local value-added tax of 17.5% is charged on the majority of goods sold in the U.K. The cost of freight, insurance and customs clearance will further diminish margins, as will commission payments made to agents.

Because the U.K. market is smaller than the U.S. market and does not benefit from the same degree of economies of scale, local retailers have tended to seek a higher profit margin than is customary in the United States. Countering this tendency toward higher prices, the availability of similar goods throughout the European Single Market introduces competitive pressure to keep prices down.

Companies trading with the Euro zone may wish to invoice and receive payment in Euros. The banking mechanisms are in place to facilitate this preference, but few British companies have opted for the Euro as their principal trading currency.

-- Sales service/customer support:

Having an advanced economy, the U.K. offers a full range of sales and after-sales support services independent of those of the original equipment manufacturers. Advice on accessing these may be obtained from the Commercial Service at the American Embassy.

-- Selling to the government:

Most U.K. Government departments are subject to the GATT Government Procurement Code, which requires that qualified foreign bidders should be given equal access to public sector contracts. Urgency or national security reasons can be used to justify procurements outside GATT rules. As there is no widely-available U.K. Government journal, procurement intentions are published in the EU Official Journal and in specialized industry-specific publications.

The Ministry of Defence (MoD) publishes information on its future projects and procurements in a biweekly Contracts Bulletin, which is available to U.S. subscribers. Nonetheless, most U.S. defense companies require more lead-time than the bulletin provides, and need detailed guidance on the complex rules and bid evaluation criteria used in this sector. To remedy this, the Embassy's Office of Defense Cooperation (ODC) has prepared a handbook of unique insights and case studies in U.K. defense marketing for U.S. companies. The handbook is updated at least yearly to incorporate changes in U.K. Ministry of Defence policy, procedures and/or organization.

The handbook is a briefing tool that supplements the practical advice that can be obtained directly from the ODC in London. This advice includes insight, guidance, status and advocacy to support U.S. defense contractors competing for sales and cooperative development programs for defense equipment and services, including missiles and defense systems, munitions, sensors, ships, planes and helicopters.

Larger defense contracts awarded to non-EU contractors require the negotiation of industrial participation (IP/offset) arrangements. The IP arrangements are separate from the procurement contracts, but supervised by the MoD's Defence Export Services Organization (DESO). Contact data for MoD and the ODC is given in Chapter XI, Appendix E. of this Guide.

-- IPR protection:

IPR protection in the U.K. conforms to the harmonized approach adopted by the EU, the World Intellectual Property Organization (WIPO) and GATT. The U.K. is a member of the Paris Union International Convention for the Protection of Industrial Property (1958 Revision), and the Bern Convention. U.K. patent, trade mark and copyright protection is afforded by the Patent Office and Trade Mark Registry, an executive agency of the U.K. Department of Trade and Industry. Britain's record

of compliance is good, and rare instances of IPR infringements are remedied by civil litigation. In the case of counterfeit goods imported into the U.K., additional safeguards are afforded by local government Trading Standards Officers, by the Office of Fair Trading, and by HM Customs & Excise.

-- Need for a local attorney:

Circumstances in which an attorney would be necessary are very similar to those in the United States. Many large U.S. law firms maintain branches in London or work in cooperation with local British lawyers. The US Embassy maintains a list of law firms with offices in the U.K.

-- Performing due diligence checks:

The Commercial Service has discontinued the preparation of International Company Profile (ICP) reports in the U.K., as good private-sector alternatives exist. Banks, accounting firms, credit agencies and risk management companies provide a full range of reporting services that U.S. companies can use. Service providers include the U.K. subsidiaries of the American-owned Dun & Bradstreet, Equifax, and Infocheck.

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

The American Embassy's website <http://usembassy.org.uk/uk.fcs> contains current market research titles.

A) Best prospects for U.S. exports of non-agricultural goods and services (in alphabetical order) are:

- Aircraft and Parts (AIR)
- Apparel - APP
- Building Products (BLD)
- Computer Hardware (CPT)
- Computer Software (CSF)
- Defense Equipment (DFN)
- Drugs and Pharmaceuticals (DRG)
- Hotel & Restaurant Equipment (HTL)
- Medical Equipment (MED)
- Oil and Gas Field Machinery (OGM)
- Professional and Technical Services (GSV)
- Renewable Energy Equipment
- Sporting Goods & Recreational Equipment - (SPT)
- Water Resource Equipment/Services (WRE)
- Tourism and Travel (TRA)

1. Aircraft and Parts (AIR)

Demand for aircraft and parts is expected to remain strong in the U.K., based on the airline industry's fifteen-year projection of growth in U.K. air passenger traffic from 130 million per year to around 300 million in 2015. Sales of new aircraft will be driven by the need to replace older planes that no longer meet new noise and environmental limits. In the short term, opportunities exist for parts and

maintenance services to enable existing fleets to be used cost effectively within an increasingly strict regulatory environment. The 1,500 aerospace companies in the U.K. continue to support the long-standing relationship between the British and American aerospace industries, and incorporate significant amounts of U.S. materials and components into local products.

Market data (\$ billion)	1997	1998	1999(est)
A) Total market size	11.2	11.5	12.0
B) Total local production	11.4	12.2	12.8
C) Total exports	8.5	8.9	9.2
D) Total imports	8.7	9.6	10.0
E) Imports from the U.S.	6.0	6.5	6.9

2. Apparel - APP

The U.K.'s fashion market has traditionally been dominated by British and European designers, but due to the label recognition of US manufacturers, it has become increasingly easy for American designers to enter the market. American brand identity is a major contributor to the success of US companies in this market.

U.K. apparel industry sales have grown on average 17% each year since 1990, and are now valued at almost \$40 billion. At 25% growth, the specialized womenswear sector shows the highest increase in sales over the same period. Consumer spending on clothing as a proportion of disposable income has dropped from 7.5% in 1986 to 5.9% in 1997, competing with other consumer goods and services, such as computers, education, entertainment, and leisure pursuits.

Opportunities for American companies lie in their ability to spot a trend or a neglected segment of the industry. In recent years, London has seen an increase in American designer stores, such as Calvin Klein and Tommy Hilfiger. These, and other American brands such as GAP, are increasing in popularity and will continue to be accepted. The areas of direct mail and direct selling offer additional opportunities for American companies.

Market Data (\$ billions)	1997	1998	1999(est)
A) Total Market Size	36.80	38.30	40.00
B) Total Local Production	33.30	33.90	34.30
C) Total Exports	5.15	5.35	6.00
D) Total Imports	9.35	9.75	10.30
E) Imports from the U.S.	0.65	0.68	0.72

3. Building Products (BLD)

Britain's construction sector output growth rate slipped from an average of 2.1% in 1997 to 0.4% in 1998. While the sector has little exposure to international competition, higher real estate prices and lack of growth in the domestic economy have depressed construction demand. Housing starts fell by 12% in 1998, although total construction orders were boosted during this period by the start of

large infrastructure projects associated with the millennium. The sector is also likely to benefit from Private Finance Initiative-funded construction and remedial projects in schools, hospitals and institutional buildings.

The U.K. has a persistent trade deficit in building materials and products. It is anticipated that demand for imported products will remain high, particularly if prices increase above the level of inflation or if local suppliers are unable to meet an increased demand fuelled by falling interest rates.

Although there is significant competition, opportunities exist for U.S. suppliers of innovative building products and materials. Products in high demand include ornamental brickwork, industrial cladding, decorative millwork, flooring products, and insulation products and systems, including windows and doors, as Britain's older housing stock is updated to meet new insulation requirements.

Market Data (\$ billion)	1997	1998	1999(est)
Total Market Size	20.1	20.3	19.9
Total Local Production	19.0	19.8	19.5
Total Exports	2.9	3.0	3.0
Total Imports	4.0	3.5	3.3
Imports from U.S.	0.3	0.3	0.3

The above statistics are unofficial estimates.

4. Computer Hardware (CPT)

The computer hardware market was worth \$17 billion in 1998, and is expected to grow by 5.1 percent during 1999. The segments displaying the fastest growth are NT servers (16 percent) and UNIX servers (12.5 percent). The personal computer market is expected to grow at a more leisurely 3.9 percent due to continued stiff competition between vendors. The computer market was boosted during late 1998 and early 1999 by organizations buying new systems to beat the millennium bug. The workstation market is in steady decline with sales falling every year for the last three years. The printer market is also expected to show a small decrease in growth this year due mainly to falling unit prices.

The home computer market has expanded rapidly in recent years. Non-business use of PCs in the home continues to increase driven by interest in the Internet and the availability of more affordable hardware.

Market Data (\$ billions)	1997	1998	1999(est)
A) Total Market size	16.25	17.09	17.96
B) Total Local Production	6.17	6.49	6.82
C) Total Exports	7.80	8.20	8.62
D) Total Imports	17.87	18.79	19.75
E) Imports from US	7.85	8.15	9.46

5. Computer Software (CSF)

Growth in the U.K. market for computer software is expected to continue at a high rate for at least the next two years. The trend is toward packaged applications running on networked client/server systems. In 1998, the fastest growing market segments were software development tools and application software, which both grew by 15 per cent. Windows applications software will continue to be in high demand. Recent figures show that the Windows operating system is installed on more than 70 percent of all PCs currently in use.

In recent years the banking and financial services sector has been the biggest spender on software, principally driven by the globalization of the sector and Y2K compliance projects.

Market Data (\$ billions)	1997	1998	1999(est)
A) Total Market Size	7.90	8.90	10.3
B) Total Local Production	2.76	3.11	3.75
C) Total Exports	1.3	1.51	1.90
D) Total Imports	6.52	7.12	8.45
E) Imports from the U.S.	3.15	3.60	4.80

6. Defense Equipment (DFN)

The recently completed Strategic Defence Review (SDR) determines how British forces are expected to fit into the post-Cold War world. No immediate cuts in total defense spending have been recommended, but the way in which resources are to be allocated has been totally revised. The \$36.6 billion U.K. defense budget is evenly split between manpower and equipment purchasing, and, as a result of the U.K. Ministry of Defence's best value for money procurement policy, the acquisition process is increasingly focussed on commercial off-the-shelf systems. This will drive the multi-billion dollar re-equipping and restocking process that British defense forces will have to undergo, to replace the missile and munitions inventory that was used during the Kosovo air campaign.

The recent award of the \$3 billion Bowman communications project to a consortium which includes U.S. interests, and the \$1.4 billion Astor (airborne stand-off radar) project to Raytheon provides additional component supply and subcontractor opportunities to U.S. industry.

Market data (\$ billion)	1997	1998	1999(est)
A) Total market size	15.3	16.1	16.6
B) Total local production	21.3	21.7	22.4
C) Total exports	8.5	8.9	9.3
D) Total imports	2.5	3.3	3.5
E) Imports from the U.S.	1.6	1.8	2.1

7. Drugs and Pharmaceuticals (DRG)

The U.K. pharmaceuticals market was valued at \$12.6 billion in 1998, and is expected to reach \$13.3 billion in 1999. U.S. companies hold 13 percent of imports, and dominate local production. In output, investment and market share, U.S. pharmaceutical interests in Britain are larger than the combined activities of their U.K. competitors.

Prescription drugs accounted for 90 percent of the market, with over-the-counter (OTC) products comprising the remainder. Consumption of prescription drugs, which has risen from 7.8 prescriptions per capita in 1990 to 9.8 per capita in 1997, is expected to further rise as the U.K. population ages and new drugs are introduced for new treatments. The OTC market has grown by less than 0.5 percent since 1996 and is expected to remain sluggish. The main distribution channels for prescription and OTC medicinal drugs are the 12,000 U.K. retail pharmacies and 1,000 U.K. hospitals.

The key requirement for selling pharmaceutical products in the U.K. is a product (marketing) license, granted by either the London-based European Medicines Evaluation Agency (www.eudra.org/emea) or the U.K.'s Medicines Control Agency (www.open.gov.U.K./mca).

Market Data (\$ billions)	1997	1998	1999(est)
A) Total Market Size	11.6	12.6	13.3
B) Total Local Production	15.3	16.7	18.1
C) Total Exports	8.9	9.7	10.8
D) Total Imports	5.2	5.7	6.4
E) Imports from the U.S.	0.75	0.73	0.83

Source: ABPI

8. Hotel & Restaurant Equipment (HTL)

City-center hotels were close to full occupancy throughout 1998, and average revenue for the year rose by around 9%. The strength of the pound may impact the hotel trade during the current year through its adverse effect on tourism, but as the corporate sector accounts for almost two-thirds of sales, the industry is confident that they will start the next century in good economic condition.

Most of the leading hotel groups have introduced branded business packages and have invested heavily in upgraded guest facilities. In addition, there has been an increase in the provision of apartment-style hotels, offering lower charges for long-stay executives.

British hotel and restaurant operators have a high regard for U.S. products and equipment, although competition from local and third-country suppliers has grown. Best subsectors for U.S. suppliers include IT products for hotel management and security systems, and specialized servery/holding cabinets for cooked and refrigerated foods, designed to meet with stringent food safety and hygiene regulations.

Market Data (\$ billion)	1997	1998	1999(est)
A. Total Market Size	5.05	5.04	5.18
B. Total Local Production	6.71	6.52	6.65
C. Total Exports	2.80	2.77	2.79

D. Total Imports	1.14	1.29	1.32
E. Imports from U.S.	.31	.28	.29

The above statistics are unofficial estimates.

9. Medical Equipment (MED)

American industry supplied 25 percent of imports and accounted for 12 percent of the total \$3.4 billion medical equipment market in Britain last year. Current market growth has been slow, and the lack of domestic investment in new product development in recent years has created a demand for imported high-tech equipment. Requirements include lasers, endoscopes, medical imagery and dental equipment.

The principal purchaser of medical equipment in the U.K. is the National Health Service (NHS), which provides about 85 percent of Britain's health care. Private hospitals and residential care currently account for almost \$400 million of medical expenditure. The private medical sector presents additional opportunities, as more U.K. consumers move toward private medical treatment.

The U.K. market is regulated by EU directives that set out the requirements for performance and safety of medical devices and procedures for ensuring compliance. The three main directives are the EU Medical Devices Directive and the Active Implantable Medical Devices Directive, which are both fully implemented, and the EU In-Vitro Diagnostic Medical Devices Directive, which will be fully implemented in December 2005. Further information is available on a website: www.medical-devices.gov.uk

Market Data (\$ billions)	1997	1998	1999(est)
A) Total Market Size	3.0	3.4	3.8
B) Total Local Production	3.1	3.4	3.6
C) Total Exports	1.33	1.36	1.4
D) Total Imports	1.25	1.37	1.5
E) Imports from the U.S.	0.41	0.44	0.45

Sources: NHS Executive, HM Customs, CS Estimates

10. Oil and Gas Field Machinery (OGM)

Increased activity in U.K. oil and gas exploration and extraction has provided additional export opportunities.

The depletion of older North Sea oil and gas fields has forced domestic firms to explore further offshore in deeper waters that require different technologies. In 1997-98 alone over 40 new projects were approved by the British Department of Trade and Industry. This shift in exploration and production emphasis prompts a demand for special machinery to operate in more extreme conditions.

The sub-sectors benefiting most from these trends are directional drilling technologies, wellhead control systems and hub-and-spoke collection systems.

Market Data (\$ billion)	1997	1998	1999(est)
Total Market Size	5.40	5.50	5.80
Local Production	4.32	4.70	4.90
U.K. Exports	2.62	2.97	3.30
U.K. Imports	3.70	3.77	3.20
Imports from the US	2.23	2.65	2.70

11. Professional and Technical Services (GSV)

70% of Britain's \$1.21 trillion annual GDP is now generated by services. Majority-owned affiliates of U.S. firms established in Britain account for close to 15% of this total, in sectors including transportation, banking, finance, insurance, telecommunications, and professional and technical services.

Transportation, telecommunications, finance, and insurance are the best-known sectors, dominated by big business and established companies. These important sectors and the leading companies within them have proved to be flexible and innovative, responding quickly to market conditions and regulatory change, but tending to exclude small and medium-sized firms. The professional and technical services sectors are more receptive to U.S. direct exporters and to newer market entrants. The most productive of those sectors are architecture and design, advertising and publicity, management consulting, research and development, and international legal and accounting services.

U.S. professional services companies generate annual fees of approximately \$13.5 billion from the U.K. With insight into market conditions, means of access, and potential for exports, U.S. firms have already achieved a significant market share.

Market Data (\$ billions)	1997	1998	1999(est)
A) Total Market Size	875	880	885
B) Locally Billed Services*	892	892	895
C) Total Services Exports	383	385	389
D) Total Services Imports	366	373	379
E) Services Supplied/Billed By U.S. Firms	13.12	13.50	13.75

* It is not possible to differentiate the services billed by majority-owned affiliates of U.S. firms established in Britain from those of British-owned firms.

12. Renewable Energy Equipment

Increased pledges of Government support earlier this year have served to make renewable energy a true growth industry in the U.K. Government plans indicate that grants of \$68.8 million will be made available over the next three years. This spending is designed to encourage the achievement of having 10% of the U.K. electrical demand met by renewable energy by 2010.

Even without these recent events, the U.K. still stands out as a leader in renewable energy. In the last two years, the U.K. renewable energy industry has grown from approximately \$20 million annually to \$160 million. In this same period, the world market has hovered around \$1.48 billion.

Despite difficulties in obtaining planning permits, the most active sub-sectors are wind turbines, and wave and tidal-derived power. The unprecedented market growth, especially when enhanced by Government promises for continued investment, has created a truly strong and sustainable market for renewable energy equipment in the U.K.

Market Data (\$ million)	1997	1998	1999(est)
Total Market Size	20.0	39.0	160.0
Local Production	18.0	35.0	142.0
U.K. Exports	2.0	4.0	11.0
U.K. Imports	4.0	8.0	29.0
Imports from the US	0.7	0.9	1.8

13. Sporting Goods & Recreational Equipment - (SPT)

The sports equipment market in Britain, worth almost \$690 million in annual sales, has followed the U.S. trend toward more healthy outdoor pursuits. The market is split 80 percent between personal equipment ownership, and 20 percent club, school, and institutional purchasing.

The most recent import/export figures reveal that in 1998, U.K. sports equipment imports were valued at \$640 million, and exports were \$370 million. The market figures reflect only sports and fitness equipment and not sports clothing and related merchandising activities, which are estimated to be worth an additional \$12 billion each year when motor sport, golf, and spectator sports are included. For active sports, imported equipment has traditionally dominated the U.K. market and there are no signs of any change in the pattern of supply.

Team sports, which are generally not equipment-intensive, have given way to fitness sports and training and to more extreme sports, most of which require both operational and safety-related equipment. This has given a different profile to the sports trade as it heads towards the millennium.

MARKET DATA (\$ millions)	1997	1998	1999(est)
A) Total Market Size	677.0	680.0	693.0
B) Total Local Production	407.0	410.0	413.0
C) Total Exports	350.0	370.0	390.0
D) Total Imports	620.0	640.0	670.0
E) Imports from the U.S.	160.0	160.0	170.0

14. Water Resource Equipment/Services (WRE)

Water and wastewater treatment equipment continues to be a high priority requirement in Britain. The privatization of water supply and the introduction of EU Directives relating to municipal wastewater have

opened entirely new markets for water quality monitoring, pollution control, and cleanup equipment.

Environmental and policy factors have converged to create an unusually high demand for water resource equipment and services. Several years of low rainfall have driven water conservation and water supply metering programs. Privatization has prompted increases in private capital investment, and the availability of new products and processes such as aeration, screening, sludge water removal, phosphorus and heavy metal removal, and anaerobic digestion stand out as excellent prospects in an already strong market.

Market Data (\$ billion)	1997	1998	1999(est)
Total Market Size	1.60	1.68	1.76
Local Production	1.32	1.71	2.11
U.K. Exports	0.62	0.97	1.33
U.K. Imports	0.90	0.94	0.98
Imports from the US	0.23	0.23	0.24

15. Tourism and Travel (TRA):

The U.K. is the second-largest source of international visitors to the U.S., representing 10% of all overseas arrivals. In 1997, 3.72 million people from Britain visited the U.S., spending an estimated total of \$5.6 billion in the United States. This represents an average export value of \$1500 per visitor, with expenditures on lodging, food, entertainment, retail and local transportation. The State of Florida leads the U.K. travel and tourism market with a 37% market share, followed by California (22%) and New York (21%). Orlando, Florida ranks as the most popular city destination among U.K. travelers holding 25.5% of the market share, while New York City is second with 19.5%.

The 150-member Visit USA Association in the U.K. promotes travel to the U.S., representing domestic and international airlines, car rental companies, cruise lines, hotel chains and other accommodation providers. The Association remains active in the U.K. market by holding a variety of ongoing promotional activities such as an automated telephone information and brochure requesting service, travel agent training programs and a quarterly newsletter.

Future prospects for U.K. travel and tourism in the United States are promising. Forecasts indicate an annual growth rate of 3-4% between 1998 and 2001. Regularly updated information can be found on the Department of Commerce's Tourism Industries website:
<http://tinet.ita.doc.gov>.

B) Agricultural Exports:

The U.S. Department of Agriculture's Foreign Agricultural Service (FAS) assists U.S. exporters of agricultural food, fiber, fishery and forestry products to enter the U.K. market through a variety of initiatives. These include a weekly trade leads program and the preparation and dissemination of market briefs on the following U.K. food market sectors:

Ethnic foods	Salsas, dips, salad dressings
Non-alcoholic beverages	Catering foods
Popcorn	Cheese
Beer	Health foods
Kosher foods	

FAS also produces a monthly newsletter promoting U.S. agricultural, fiber, fishery and forestry products, which is distributed to 1,500 U.K. importers/traders, and an annual American Food & Wine Directory for U.K. retailers and food service buyers.

FAS plans to help increase U.S. export sales for agricultural food, fish and forestry products by participating in several trade shows in the coming year. These include European Ethnic 2000 (June 2000) and a solo food showcase in late spring of 2000.

C) Significant Investment Opportunities:

The privatization of state-owned utilities is largely complete, and the few remaining government-owned enterprises or remaining HMG shares in other enterprises are also to be sold off to the private sector. The Treasury has paved the way to sell off its majority stakes in the National Air Traffic Service (NATS) and the Commonwealth Development Corporation. Also identified for future sale are HMG's remaining stake in British Energy, radio spectrum for a new generation of mobile phones, Belfast Port, the on-track horseracing betting organization (The Tote) and the Royal Mint. Additional investment opportunities result from the U.K. Government's Private Finance Initiative (PFI) and Public Private Partnership (PPP) programs. PFI and PPP have been used in health care, prisons, defense logistics and training, postal services and in air traffic control.

Local and foreign-owned companies are expected to bid for long-term franchises to run and improve existing public sector services in other fields including road traffic management, production of coins and currency, port operations, air and water monitoring and cleanup, land-use planning, and building control. Successful PFI bids have been mounted by consortia involving technical, financial, and managerial partners. Each Ministry has a PFI Unit, which advises both the government and potential investors on the practicality of applicable PFI and PPP schemes.

The government of the United States acknowledges the contribution that outward foreign direct investment can make to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. Nearly sixty percent of total U.S. exports originate with American firms with investments abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, bilateral investment treaty negotiations and business facilitation programs that support U.S. investors.

VI. Trade Regulations and Standards

-- Trade Barriers including tariffs, non-tariff barriers and import taxes:

The U.K. has no significant trade or investment barriers, or restrictions on the transfer of capital. Those few barriers that do exist are the result of U.K. implementation of EU Directives and regulations, rather than the intended result of actions of the U.K. Government.

An EU common external tariff applies to all non-EU imports, and a local valued-added tax (VAT) of 17.5% applies to most transactions including imports. VAT on business expenses paid by non-EU participants at trade fairs, exhibitions and conferences can be recovered by the foreign firm's local agent or accountant.

-- Customs regulations:

Duty is assessed on the fair market value of goods at the time of importation, negotiated under open market conditions in the United Kingdom between an independent buyer and seller. The invoice value is usually accepted as the normal price, but if a preferential arrangement has been established between the overseas supplier and the U.K. importer, HM Customs reserves the right to assess a fair market value for duty purposes.

Duty is payable at the time the goods are imported. However, importers can arrange with U.K. Customs and Excise to defer payment for a 30-day period under a bonding arrangement.

-- Tariff rates:

The applicable rates of import duty can be obtained from U.S. Department of Commerce Export Assistance Centers, and copies of the tariff can be purchased from H.M. Stationery Office, Atlantic House, Holborn Viaduct, London EC1P 1BN.

-- Import licenses:

A very limited range of goods requires import licenses, which are issued by the U.K. Department of Trade and Industry. These include firearms and explosives, controlled drugs and certain items of military equipment.

-- Temporary entry:

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. Duty-free admission, for a period of up to six months, of goods intended for unaltered re-export may be also arranged with HM Customs & Excise.

Duty-free entry is also permitted for machinery, plant, and equipment imported by lease or loan, goods imported solely for processing, repair, technical examination and testing.

Professional and demonstration equipment may be temporarily imported into the U.K. 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.

-- Special import/export requirements and certifications:

The documents required for shipments include the commercial invoice, bill of lading or air waybill, packing list, insurance documents, and, when required, special certificates of origin, sanitation, ownership, etc.

The commercial invoice should accompany the shipment to avoid delays in customs clearance. No special form of invoice is required, but all details necessary to establish the true value of the goods should be given. At least two copies of the invoice should be sent to the consignees to facilitate customs clearance. Consular documents are not required on shipments to the U.K.

-- Labeling and marking requirements:

Origin, weight and dimension, chemical constituent 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 or accompanying printed material or product literature. Although metric units of weight and dimension are required, the continued use of labels with both metric and standard U.S. units is permitted.

-- Prohibited imports:

Prohibited imports include AM citizens band radios, switchblade knives, devices that project toxic, noxious or harmful substances (e.g., CS or tear gas), counterfeit coins and currency, and certain types of pornography.

Warranty and non-warranty repairs:

Consumer legislation requires full refund or direct replacement of goods that have a material defect or faulty workmanship that make them unfit for their intended purpose. The manufacturer's warranty is usually expressed in terms that limit contingent claims. Extended warranties of two years or longer are frequently offered as sales incentives for goods which are inherently reliable, or for which extensive service networks exist.

Independent service and repair businesses have evolved as local industries in many parts of the U.K., supporting capital equipment, consumer durable and leisure industry goods. Many of these small firms welcome the opportunity of becoming service points for larger firms, for warranty and non-warranty repairs and upgrades.

-- Export controls:

The U.K. participates in the Wassenaar Arrangement for the control of dual-use exports, the Australia Group for the control of chemical and

biological weapons and the Nuclear Suppliers' Group for nuclear-related goods. The U.K. also supports United Nations' sanctions restricting exports to certain destinations. Although sensitive to the extraterritorial application of U.S. law in export controls, the U.K. cooperates closely with the U.S. in preventing the reexport of sensitive technology of U.S.-origin to unauthorized destinations.

-- Standards:

Within the EU, standards are hierarchical. The order of precedence is ISO, EU and national standards, with the higher standard superseding the lower as soon as it is issued. Although industry-specific standards and approvals have no legal standing, they are often accepted as an assurance of product quality if no relevant national standard exists. Such acceptance, though, is invalidated when a national, EU or ISO standard is adopted.

Standards information can be obtained from the British Standards Institution, 389 Chiswick High Road, London W4 4AL, Tel 011-44-208-996-9000; fax 011-44-208-996-7400. Assistance in identifying applicable foreign standards is available from the Standards Information Service Center, Technology Building 228, Room B-166, National Institute of Standards and Technology, Gaithersburg, MD. 20234; Tel (301) 975-4037. Copies of the standards can be obtained from the American National Standards Institute (ANSI), an agent for BSI, located at 11 West 42nd Street, New York, N.Y. 10036; (212) 642-4900; fax (212) 302-1286.

-- Free trade zones:

The Free Trade Zones of the U.K. are the cargo ports and freight transshipment points of Birmingham, Humberside, Liverpool, Prestwick, Sheerness, Southampton and Tilbury. These seven zones are used only for cargo storage and consolidation, and not for value-added processing of the goods concerned.

-- Membership in Free Trade Arrangements:

The U.K. participates in the Free Trade Arrangements of the European Union (EU) and European Free Trade Association (EFTA).

-- Customs contact information:

Imports and Customs procedures inquiries:

HM Customs & Excise
New Kings Beam House
21 Upper Ground
London SE1 9PS
Tel: 44-207-568-5444

Value-added tax and revenue inquiries:

HM Customs & Excise
Thomas Paine House
Angel Square
Torrens Street
London EC1V 1TA

Tel: 44-207-865-3000

Fax: 44-207-865-3171

VII. INVESTMENT CLIMATE

-- Openness to foreign investment:

The U.K. Government welcomes foreign inward investment. Once established in the U.K., foreign-owned companies are treated no differently than U.K. companies. With a few exceptions, the U.K. 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 U.K. must be ordinarily resident in the U.K.

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 U.K. particularly attractive to foreign investors. The Blair Government inherited a legacy of economic reforms, including privatization, deregulation, and support for competition. These initiatives have been continued, with the only evidence of the Labour Party's traditional interventionism in industry being evident in its on-going support of coal versus gas for electricity generation.

The U.K. imposes few impediments to foreign ownership, and no restrictions to the free flow of capital. Within the EU, HMG is a strong defender of the rights of any British-registered company, irrespective of its nationality of ownership.

The U.K. is highly receptive to U.S. investment, largely due to the British perception of a shared cultural heritage. Indeed, the U.S. and the U.K. are the largest foreign investors in each other's country. By 1997, investment by U.S. companies in the U.K. amounted to \$138.8 billion, and corresponding investment by U.K. companies in the U.S. amounted to \$129.6 billion. These figures represent historical cost, not current asset value.

U.S. companies have found that establishing a base in the U.K. is an effective means of accessing the European Single Market, and the abolition of most intra-European trade barriers enables U.K.-based firms to operate with relative freedom throughout the EU. Sixty of the U.K.'s five hundred largest companies are U.S.-owned, and, according to the Invest in Britain Bureau, all of the one hundred largest U.S. companies have established operations in the U.K.

-- Right to private ownership and establishment:

Ownership and operation of private companies is governed by the Companies Act of 1985, administered by the Department of Trade and Industry. The government has powers under the Mergers and Industry Act of 1986 to prohibit the takeover of important manufacturing undertakings by non-residents, and to prevent undue concentration of market share. Protected sectors include broadcasting, air and maritime

transport, fishing, and defense. The Department of Trade and Industry uses a transparent code of practice in evaluating bids and mergers for possible referral to the Monopolies and Mergers Commission. On March 1, 2000, the Competition Act of 1998 will come into force, strengthening competition law and enhancing the enforcement powers of the Office of Fair Trading. Prohibitions under the Act relate to competition-restricting agreements and abusive behavior by entities in dominant market positions.

There are only a few exceptions to national treatment. For example, foreign (non-EU or non-EFTA) ownership of U.K. airlines is limited by law to 49%. Registration of shipping vessels is limited to U.K. citizens or nationals of EU/EFTA member states resident in the U.K. HMG holds one special share in British Aerospace, Rolls-Royce, VSEL, Stena Sealink, Cable & Wireless, Devonport Royal Dockyard Ltd. and Rosyth Royal Dockyard Ltd., and for some of these companies, restrictions on 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 not covered by EU Directives on banking, investment services and insurance may be subject to a reciprocity requirement.

The privatization of state-owned utilities is largely complete. Presenting future investment opportunities, the few remaining government-owned enterprises or remaining HMG shares in other enterprises are also to be sold off to the private sector. The Treasury has announced that HMG will sell off its majority stakes in the National Air Traffic Service (NATS) and the Commonwealth Development Corporation. Also identified for future sale are HMG'S remaining interest in British Energy, the radio spectrum for a new generation of mobile phones, Belfast Port, horseracing's betting organization (The Tote) and the Royal Mint.

Plans for the partial privatization of London's extensive underground rail network are scheduled for completion by April 2000. In June of this year, the government decided to convert the Post Office into a public limited corporation, renewing prospects that it, too, will be partially sold off.

Under the Private Finance Initiative (PFI), British and foreign-owned companies may bid for long-term franchises to run and improve existing public sector services in sectors including education, health care, road traffic management, 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:

The U.K. legal system provides a high-level of intellectual property rights (IPR) protection. Enforcement mechanisms are comparable to those available in the United States.

Patents: Under the Patents Act of 1977, a patent application requires that an invention must be new, involve an innovative step, and be capable of industrial application. A patent cannot be granted for any

invention used for any offensive, immoral or antisocial purpose, for any variety of animal or plant, or for a biological process used in its production. Patents are granted for a term of twenty years.

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 1998, databases are also protected in each EU-member country by the national legislation that implements the Directive.

Trademarks: The Trademarks Act of 1938 prohibits the use of a mark identical to, or nearly resembling a trademark registered by another person or legal entity. A trademark 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 any proprietor. A trademark may be registered within more than one class, the registrations being associated or linked. The same trademark may not be registered by more than one company, irrespective of the number of classes in which it is registered.

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 registration application for pharmaceuticals or veterinary products, enjoys ten years of exclusive protection from the date of authorization, provided the product is marketed in the U.K.

-- Adequacy of laws and regulation governing commercial transactions:

Common Law prevails in the U.K. as the basis for commercial transactions, and the International Commercial Terms (INCOTERMS) of the International Chambers of Commerce are accepted definitions of trading terms. Accounting standards and audit provisions used in the U.K. are the Generally Accepted Accounting Principles of the Accounting Standards Board. U.S. exporters and investors will find little or no difference between the United States and the United Kingdom in the conduct of business.

-- Foreign trade zones/free ports:

The cargo ports and freight transshipment points at Birmingham, Humberside, 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 Areas - these are reserved for bonded storage, and for cargo consolidation and reconfiguration.

-- Major taxation issues affecting U.S. business:

Local and foreign-owned companies are taxed alike. Inward investors have access to certain regional grants and incentives that are designed to attract industry to areas of high unemployment, but no tax concessions are granted. The U.K. corporate tax rates are the standard rate of 31 percent, and a smaller companies rate (for those firms with a turnover of less than BPS. 300,000) of 21 percent. The starting tax rate for small businesses (firms with a turnover of up to BPS. 50,000) is 10 percent. An Advance Corporation Tax (ACT) levied on companies paying dividends was abolished on April 6, 1999. Tax deductions are allowed for expenditure on assets used for trade purposes, including: machinery, plant, industrial buildings and assets used for scientific research.

The U.K. has a simple system of personal income tax, and one of the lowest tax rates (40% on incomes in excess of BPS. 27,100) of any EU country.

-- Performance requirements/incentives:

Since business contracts are legally enforceable in the U.K., there is generally no need for performance bonds or guarantees in British commerce, nor is any technology transfer, joint ventures or local management participation or control requirement imposed on suppliers. Prompt payment is encouraged by government and industry, but there is no tradition of providing an additional discount to encourage early settlement of accounts.

The U.K. offers a wide range of incentives for companies of any nationality locating in depressed regions of the country, for projects generating employment. Regional Selective Assistance (RSA) is available from the central government for qualifying projects in parts of the U.K. needing investment to revitalize their economies. Grants are the main type of assistance, and are based on capital expenditure costs and expectations of job creation. In addition to RSA, local authorities in England and Wales 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 applies in Scotland and Northern Ireland. Overseas investors are also eligible for loans from the European Investment Bank for qualifying capital investment projects.

-- Transparency of the regulatory system:

The government's 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 Electricity Regulation (OFFER), the Office of Telecommunications (OFTEL), the Office of Water Regulation (OFWAT), the Office of Gas Regulation (OFGAS), the Office of Fair Trading (OFT), and Office of Passenger Rail Fare Regulation (OPRAF). The regulatory system relating to banking and finance has just started a two-year transition, after which the new Financial Services Authority will undertake the duties of a number of securities and investment management regulatory organizations.

-- Corruption:

The Prevention of Corruption Act makes bribery of both domestic and 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 BPS. 5,000. Corrupt payments are not deductible for U.K. tax purposes. While there have been isolated instances of bribery and corruption in the U.K., U.S. investors have not identified corruption of public officials as a factor in doing business in Britain.

On December 14, 1998, the U.K. formally ratified the OECD Convention on Combating Bribery. The government believes that existing common and statutory laws fully implement the Convention. However, an interdepartmental HMG working group is currently reviewing U.K. corruption laws with a view to codification for greater simplicity, clarity and effectiveness. The group is due to publish its findings in a report before the July 1999 parliamentary recess.

-- Labor:

Of the 28 million workforce, 26 million are in full-time employment. Only a small percentage of workers in low-paid occupations work while drawing unemployment benefits. Unionization of the workforce in Britain is prohibited only in the armed forces, public sector security services and police force. Manufacturing, transport and distributive trades are highly unionized, but militant unionism is no longer common, due to fragmentation of once-national industries. According to the Labour Government's Fairness at Work white paper, published in May 1998, it is government policy to require employers to recognize unions where at least half the workforce belongs to a trade union. The 1990 Employment Act makes Unions responsible for their members' industrial actions, including unofficial strikes, unless Union officials repudiate the action in writing. Unofficial strikers can be legally dismissed, and voluntary work stoppage is considered a breach of contract.

A long-awaited Employment Relations bill (following from the Fairness at Work white paper) is expected to become law this summer. Seeking to readjust the balance after successive blows to trade union influence during the Thatcher-Major era, the bill establishes minimum employment standards, makes it easier for unions to organize, and incorporates pieces of social legislation. The bill does not, however, give unions greater leverage, nor does it notably alter the core of Thatcher's prohibitions on collective action.

Women now form 44 percent of the workforce, increasingly in managerial positions. Children under the age of 16 may work in an industrial enterprise only as part of an educational course. Local education authorities can limit employment of children under 16 years old if working will interfere with a child's education. A statutory national minimum wage of BPS 3.60/hour for most workers (BPS 3.00/hour for 18-21 year-olds, rising to BPS. 3.20/hour for 18-20 year-olds in June 2000) took effect on April 1, 1999. The European Working Time Directive, applicable since October 1998, has created 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 to a minimum of three weeks annual paid holiday, rising to four weeks from November 1999.

A persistent characteristic of the British workforce is its relative lack of mobility, geographically and between trades. Successive governments have introduced retraining schemes and grants with some success in creating a workforce adapted to the changing pattern of demand. Nothing so far has had any real effect on the workers' general disinclination to move from areas of high unemployment to areas that are attracting inward investment.

-- Efficiency of the capital markets and portfolio investments:

Government policies are intended to facilitate the free flow of financial resources and to support the flow of resources in the product and factor markets. The City of London houses one of the largest and most comprehensive financial centers in the world.

Foreign investors are able to obtain credit in the local market at normal market terms, and a wide range of credit instruments is available. The principles involved in legal, regulatory and accounting systems are transparent. They are also consistent with such international standards as exist and with the nature of the markets. In all cases, regulations have been published and are applied on a non-discriminatory basis.

-- Conversion and transfer policies

The British pound is a free currency with no restrictions on its transfer or conversion.

-- Expropriation and compensation:

Expropriation of corporate assets or nationalization of an industry would require a special act of parliament. Should nationalization of any private-sector entity occur, HMG would follow customary international law, providing prompt, adequate and effective compensation.

-- Dispute settlement, including enforcement of foreign arbitral awards:

Disputes over property, contracts, and share holdings are resolved through litigation in the High Court. Takeover bid disputes are mediated by the Stock Exchange Panel on Takeovers and Mergers, 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 U.K. 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 U.K. permits local enforcement of arbitration judgements decided in other signatory countries.

-- Political Violence:

U.K. political violence stems almost exclusively from Northern Ireland. Most incidents have taken place in the Province, but despite tight security controls lapses have resulted in terrorist bombings in

mainland cities. At a lower level, animal rights activists and concerned ecologists have caused some disruption but little actual damage at U.K. laboratory facilities and construction sites. Pharmaceuticals and cosmetics test labs have been the principal animal rights targets. Airport expansion, bypass roads, offshore structures and petrochemical facilities also attract the attention of the ecologists.

-- Bilateral investment agreements:

The United States and the U.K. have no formal bilateral investment treaty relationship, though a bilateral Tax Treaty specifically protects U.S. and U.K. investors from double taxation. The U.K. has its own bilateral tax treaties with almost 90 (mostly developed) countries, and a network of double taxation agreements.

-- OPIC and other investment insurance programs

Since OPIC supports investments in emerging market economies and developing countries, its programs do not apply to the U.K. Export-Import Bank financing is traditionally used to support major capital equipment sales to the U.K., particularly oil and gas exploration machinery and wide-bodied civilian aircraft.

-- Capital outflow policy:

There are no exchange controls restricting the transfer of funds associated with an investment into or out of the U.K. All exchange controls were removed in 1979 and the enabling legislation for the controls was repealed in 1987.

-- Major foreign investors:

The importance of foreign investment in the U.K. has long been recognized. Of the \$330 billion invested in the British economy over the last five years, \$60 billion came from overseas. The percentage of foreign-owned assets in the manufacturing industry has increased from 13 percent five years ago to 20 percent today. Foreign-owned companies provide 16 percent of the country's manufacturing jobs, 22 percent of its net output, and 27 percent of its net capital expenditure. Overseas firms account for two fifths of British exports each year. The estimated stock of foreign direct investment in the U.K. amounted to approximately \$256 billion in fiscal year 1996/7. Investment flows into the U.K. reached a record \$42.6 billion in that year -- equivalent to almost five percent of GDP and 16 percent of total U.K. exports. After the United States, the U.K. remains the second most popular destination for foreign direct investment.

In 1998, the U.K. attracted one-third of all inward investment destined for Europe, and nearly 40 percent of investment projects from the Far East and the U.S. In 1997, American investors bought 48 existing British companies valued at \$6.3 billion. The U.K. government's Invest in Britain Bureau recorded 323 expansion projects by U.S. companies in the U.K. This represents an increase of 35 percent over 1996/97 levels, and more than half of the total of foreign inward investment in the U.K., bringing an additional 65,297 jobs to Britain.

At almost \$140 billion, U.S. investment in the U.K. is more than the combined shares of France, Germany, Italy and the Netherlands. Nearly 7,500 of the 25,802 foreign-owned companies in the U.K. are U.S.-owned. With the exception of the construction industry, the United States is also the largest single foreign owner represented in all individual sectors of the British economy. As Britain devotes more attention toward macroeconomic stability, it is likely to remain the most favored foreign investment location for overseas firms in the years to come.

VIII. TRADE AND PROJECT FINANCING

There are many British and foreign-owned banks and financial institutions offering competitive trade and project financing, and capital equipment lease finance. Most U.S. banks have correspondent relationships with one or more of the major British banks, and those U.K. correspondents will be able to provide a wide variety of financial services for exporters and investors. Additional sources of information are the more than 37 U.S. banks which have branches in London.

Since there are no exchange controls restricting the transfer of funds into or out of the United Kingdom, payment for exports to the U.K. can be on open account, payment in advance, letter of credit, documentary drafts, or consignment sale.

IX. BUSINESS TRAVEL

-- Business Customs:

The British class structure based on property and land ownership has been eroded by 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.

Ethnic minorities constitute less than five percent of the population, but have proved to be valuable contributors to the British economy.

Some fundamental cultural differences between the United States and the U.K. remain. Variations in pace and style will be most noticeable, and sustained personal contact with potential business partners is expected. Prompt acknowledgment of correspondence, 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, and are less likely to seek legal advice and guidance than their U.S. counterparts.

-- Business Hours:

Banking hours are generally 9:30 a.m. to 4.30 p.m., Monday through Friday, except on Thursdays when banks stay open later. Offices are open from 9 a.m. until 5 p.m., while stores are open from 9 a.m. to

5:30 p.m. At traditional vacation times, many British executives are unavailable except by advance appointment. England, Scotland, Wales, and Northern Ireland are all in the same time zone, five hours ahead of U.S. Eastern Standard Time.

-- Entrance Requirements and Visas:

Every U.S. citizen entering the United Kingdom must have a valid American passport. For non-tourist stays of more than three months, visas or entry permits are required for U.S. citizens entering the U.K. Visitors intending to remain in the U.K. should check in advance with the British Embassy or the nearest British Consulate. The website of the British Embassy in the United States is <http://www.britain-info.org/embassy>.

Americans intending to seek employment in the U.K. should consult the British Embassy or a British Consulate in the U.S. to inquire about work permits. The employment of aliens in the U.K. is controlled by the Home Office and the Department of Employment. U.S. citizens wishing to extend the length of stay, obtain employment, paid or unpaid, or to set up any business or profession, must obtain permission from the Home Office Immigration and Nationality Department, Princeton House, 371 High Holborn, London WC1.

Directors and employees of existing British subsidiaries of U.S. firms have encountered little difficulty in obtaining permission to enter and remain in the U.K. Bringing the technical personnel required to install and operate a plant or business generally poses no problem, though it is necessary to establish that British subjects with the necessary qualifications are not available.

HMG has adopted the EU regulations governing the admission of non-EU business visitors and economic migrants to the U.K., which limit the ability of some foreign nationals, including American citizens, to reside in the U.K.

The categories of persons affected by the new immigration rules are self-employed persons, retired persons of independent means, business investors, and short-term business visitors. Entry may be denied to those who intend to perform productive services unless a work permit has been issued in advance to their employer. The determination of who may be admitted as a consultant is decided on a case by case basis at ports of entry.

-- American Citizen Services:

The American Citizen Services (ACS) section at the Embassy in London provides many services for U.S. citizens, including passport issuance, absentee voter registration and notarial services. The Passport Unit supplies travel advisory information on visa requirements, health, safety, and security concerns in countries around the world. For information on these and other issues, Americans should call the Embassy on (44) 207 499 9000, visit at 55/56 Upper Brook Street, London W1A 1AE, or access the Department of State's Consular Affairs homepage at: <http://travel/state.gov>. The Passport Unit is open 8.30 to 11.30am Monday through Friday mornings, and 2.00 to 4.00pm Monday, Wednesday and Friday afternoons. Notarial services are provided

Monday, Wednesday and Thursday mornings from 10.00 to 12.00, and on Wednesday afternoons from 2.00 to 4.00. The notarial service hours are subject to revision. Check on (44) 207 499-9000 to confirm notarial hours. No appointment is needed for notarial services. The Embassy is closed for all American and British holidays. More information on American Citizen Services may be obtained from the U.S. Embassy website at: www.usembassy.org.U.K.

Holidays

The following are the major U.K. public holidays:

New Year's Day	January 1
January Bank Holiday	First Monday in January
St. Patrick's Day***	March 17
Bank Holiday**	First Monday in April
Good Friday	Variable
Easter Monday*	Variable
Easter Tuesday***	Variable
May Day	First Monday in May
Victoria Day**	Third Monday in May
Spring Holiday*	Last Monday in May
Orangeman's Day***	July 12, 13
Bank Holiday**	First Monday in August
August Bank Holiday*	Last Monday in August
Autumn Holiday**	Third Monday in September
Christmas Day	December 25
Boxing Day	December 26

* Observed only in England and Wales

** Also observed in Scotland

*** Also observed in Northern Ireland.

X. ECONOMICS AND TRADE STATISTICS

Appendix A: Country Data

The United Kingdom has a total land area of 94,000 square miles. Of the 58 million inhabitants, 48 million (83%) live in England, 5.2 million (9%) in Scotland, 3 million (5%) in Wales, and 1.6 million (3%) in Northern Ireland. Four out of five people in England live in urban areas. The number of city dwellers is not as high in Scotland and Wales, while in Northern Ireland the numbers of people living in cities and rural areas are almost equal.

Profile

- Population - 58.3 Million
- Population Growth Rate - 0.3%
- Religion - Church of England (Official);
Other Christian Denominations; Islam; Jewish.
- Government System - Constitutional Monarchy
- Language - English
- Work Week - Monday-Friday, 09.00-17:30

Appendix B: Domestic Economy

Figures expressed in \$ billions except where noted. 1998 statistics are the latest official figures available

	1996	1997	1998
GDP (nominal)	920.6	944.5	1,210.0
GDP Real Growth (%)	2.7	2.6	1.9
GDP per capita in US\$	19,259	20,382	21,104
Govt spending as % of GDP	40.8	39.6	36.3
Inflation (%)*	3.6	3.4	3.3
Unemployment claimants (%)	7.6	5.7	4.8
Avg. exch. rate (BPS/\$)	0.53	0.63	0.64

(Source: Office of National Statistics)

* headline rate of inflation. Official inflation statistics record a rate approximately one percentage point less, due to the narrower basis of calculation.

Appendix C: Trade Statistics

Figures expressed in \$ billions.

	1996	1997	1998
-Total U.K. Exports	265.6	272.2	265.2
-Total U.K. Imports	287.2	293.0	291.3
-U.S. Exports to U.K.	30.9	36.4	39.07
-U.S. Imports from U.K.	28.9	32.6	34.79
-U.S. Import Share (%)	4.9	5.3	5.2

Appendix D: Investment Statistics

Table 1. U.K.'s International Investment Position
(historic stock basis, BPS billions)

Calendar Year	1996	1997	1998

Direct Investment Overseas			
by U.K. Residents	207.8	226.5	299.7
Portfolio Investment Overseas			
by U.K. Residents	535.1	626.7	727.3
Direct Investment by Overseas			
Residents in the U.K.	147.6	167.1	196.4
Portfolio Investment by			
Overseas Residents in the U.K.	429.6	590.5	681.0

(Source: Office for National Statistics)

Table 2. Annual Investment Flows
(Balance-of-Payments Basis, BPS billions)

Calendar Year	1996	1997	1998
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Direct Investment Overseas by U.K. Residents	22.5	38.9	69.0
Portfolio Investment Overseas by U.K. Residents	59.8	51.4	35.5
Direct Investment by Overseas Residents in the U.K.	16.6	22.6	38.1
Portfolio Investment by Overseas Residents in the U.K.	44.2	29.6	23.2

(Source: Office for National Statistics)

Table 3. Foreign Direct Investment by Source (BPS billions)

Fiscal year	1994/95	1995/96	1996/97
U.S.	8.3	4.3	7.8
Germany	4.4	2.5	1.5
France	3.4	2.1	0.3
Japan	3.3	2.8	1.6
Korea	1.6	0.1	7.8
Taiwan	0.5	0.2	0.1

(Source: Invest in Britain Bureau)

Table 4. Major FDI Projects During 1997 and early 1998

Foreign Investor/ Country	U.K. Company or Project	Value (BPS millions)
Coca-Cola Enterprises U.S.	U.K. Coca-Cola & Schweppes Beverage Co.	1,250
Federal-Mogul U.S.	T&N (Automotive Parts & Industrial Chemicals)	1,400
Xerox U.S. (20 percent stake)	Rank Xerox PLC (acquired additional stake)	1,000
Ciba Specialty Chemicals Switzerland	Allied Colloids	1,400
Dupont U.S.	ICI's Polyester Division	1,900
AMP Australia	Henderson (Insurer)	380

Banker's Trust U.S.	National Westminster Bank's Equity Division	n/a
CSFB (Bank) Switzerland	Barclay's Investment Banking Operations	n/a
Thermo Electron U.S.	PEEK (Traffic Light Systems)	100
Caterpillar U.S.	Perkins Engine Group	800
Baan Netherlands	CODA (Accounting/Financial Services Software)	540
Microsoft U.S.	Computer Science Lab at Cambridge University	50
Photronics U.S.	Semiconductor Plant	20
Textron U.S.	Ransomes (Garden Machinery)	n/a
Astra Charnwood Sweden	Pharmaceutical Plant Expansion	110
Ford U.K.	New Production Lines/	750
Nissan Japan	Plant Expansion	215

(Source: Invest in Britain Bureau)

Appendix E: Key Contacts

-- U.K. Government Agencies

British Trade International
Department of Trade & Industry
Kingsgate House
66-74 Victoria Street
London SW1E 6SN
Tel: 011-44-207-215-5000
Fax: 011-44-207-215-8000

Invest in Britain Bureau
Department of Trade and Industry
London SW1H 0NN
Tel: 011-44-207-215-2501
Fax: 011-44-207-215-8451

-Invest in Britain Bureau USA.

Atlanta Tel: (404) 524-8823
Boston Tel: (617) 248-9555
Chicago Tel: (312) 346-1810

Cleveland Tel: (216) 621-7674
Houston Tel: (713) 659-6275
Los Angeles Tel: (310) 477-3322
New York Tel: (212) 745-0495
Seattle Tel: (206) 622-9255
Washington D.C. Tel: (202) 462-1340

Embassy of Great Britain
3100 Massachusetts Avenue
Washington, D.C. 20008, USA
Tel: (202) 462-1340
Fax: (202) 898 4255

Department of Trade and Industry
123 Victoria Street
London SW1H 0NN
Tel: 011-44-207-215-5000
Fax: 011-44-207-215-6739
- General Inquiries

Consumer Affairs Division 1A
Department of Trade and Industry
10-18 Victoria Street
London SW1H 0NN
Tel: 011-44-207-215-0332
Fax: 011-44-207-215-0315
- Packaging and Labeling Requirements

HM Board of Customs and Excise
Tel: 011-44-207-620-1313
Fax: 011-44-207-865-4944
- Customs and Rules/Regulations for the U.K.

HM Stationery Office Bookshop
49 Holborn
London WC1V 6HB
Tel: 011-44-207-873-0011
Tel: 011-44-1603-695767
(U.K. equivalent of the U.S. Government Printing Office)
U.S. Representative: Kraus-Thompson Publishers,
Tel: (914) 762-2200

Central Office of Information
Hercules Road
London SE1 7DU
Tel: 011-44-207-928-2345
Fax: 011-44-207-928-5037

Central Statistical Office
Great George Street
London SW1P 3AQ
Tel: 011-44-207-270-3000

Department of Employment
Caxton House
12 Tothill Street
London SW1H 9NA

Tel: 011-44-207-273-3000
 - Work Permits, Consular Matters

Department of the Environment
 2 Marsham Street
 London SW1P 3EB
 Tel: 011-44-207-276-0900 or 276-3000
 - Environmental Regulations

Department of Health
 Richmond House
 79 Whitehall
 London SW1
 Tel: 011-44-207-210-4850
 - Medicinal Licenses and Regulations

Patent and Trademark Office
 Concept House
 Cardiff Road
 Newport NP9 1RH
 Tel: 011-44-1645-500505
 - U.K. Patents

Bank of England
 Threadneedle Street
 London EC2V 8DQ
 Tel: 011-44-207-601-4444
 - Central Bank

The House of Commons
 Houses of Parliament
 London SW1A 0AA
 Tel: 011-44-207-219-3000

-- U.K. Trade Associations/Chambers of Commerce

The U.K.'s trade associations and chambers of commerce are too numerous to list in a report of this nature. Some notable, multi-sectoral business associations are listed below:

American Chamber of Commerce in the U.K.
 75 Brook Street
 London W1Y 2EB, U.K.
 Tel: 011-44-207-493-0381
 Fax: 011-44-207-493-2394

Association of British Chambers of Commerce
 9 Tufton Street
 London SW1P 3QB
 Tel: 011-44-207-565-2000
 Fax: 011-44-207-565-2049

British American Chamber of Commerce
 8 Staple Inn, Holborn
 London WC1V 7QH
 Tel: 011-44-207-404-6400

Fax: 011-44-207-404-6828

International Chamber of Commerce
14-15 Belgrave Square
London SW1X 8PS
Tel: 011-44-207-823-2811
Fax: 011-44-207-235-5447

British Standards Institution
389 Chiswick High Road
London W4 4AL
Tel: 011-44-208-996-9000
Fax: 011-44-208-996-7400.

Confederation of British Industry
Centre Point
103 New Oxford Street
London WC1A 1DU
Tel: 011-44-207-379-7400
Fax: 011-44-207-240-1578

-- U.S. Embassy Contacts

American Embassy
24/31 Grosvenor Square
London, W1A 1AE England
Tel: 011-44-207-499-9000
Fax: 011-44-207-491-4022
<http://usembassy.org.U.K.>

Address for U.S. mail:
American Embassy (London)
PSC 801
Box 27 (for Economic Section) or
Box 33 (for Commercial Section) or
Box 48 (for Agriculture) or
Box 54 (for Defense)
FPO AE 09498-4033

Economic Minister
Tel: 011-44-207-408-8011
Fax: 011-44-207-409-1637

The Commercial Service
Tel: 011-44-207-408-8019
Fax: 011-44-207-408-8020

The International Marketing Center (IMC)
Tel: 011-44-207-409-2927
Fax: 011-44-207-495-2944
E-Mail: olondon@mail.doc.gov
<http://usembassy.org.U.K./U.K.fcs.html>

The Office of Agricultural Affairs
Tel: 011-44-207-408-8063
Fax: 011-44-207-409-2019
<http://fasU.K.@fasU.K.demon.co.U.K.>

Office of Defense Cooperation (ODC)
Tel: 011-44-207-894-0737
Fax: 011-44-207-514-4634

The European Bank For Reconstruction & Development
Office of the Senior Commercial Officer
Tel: 011-44-207-588-4027 and 4028
Fax: 011-44-207-588-4026

-- Washington DC-based USG Contacts (U.K.-specific)

U.S. Department of Commerce
U.K. Country Desk Officer Robert McLaughlin
Washington, DC 20230
Tel: (202) 482-3748
Fax: (202) 482-2897
<http://www.doc.gov>

Multilateral Development Bank Office
Janet G. Thomas - Director
Tel: (202) 482 3399
Fax: (202) 273-0927

US&FCS Regional Director (Europe):
Tel: (202) 482-1599
Fax: (202) 482-3159

Bureau of Export Administration
Tel: (202) 482-8547

State Department
U.K. Desk
Tel: (202) 647-8027
- Political relations

Agriculture Department - food exports
Foreign Agriculture Service
European Area Officer
Tel: (202) 720-2144
Fax: (202) 690-2909

Treasury Department
U.K. Desk
Tel: (202) 622-0166
- Financial matters

American National Standards Institute
Tel: (212) 642-4900
Fax: (212) 302-1286
- Information on U.K. standards

National Institute for Standards and Technology (Washington D.C.)
Tel: (301) 975-3058

-- Relevant U.S.-based Multipliers

British American Chamber of Commerce
 275 Madison Ave.
 New York, NY 10016
 Tel: (212) 661-4060
 Fax: (212) 661-4074

Appendix F: Market Research

Recent market research reports produced by the US Embassy in London are available from U.S. Dept. of Commerce Export Assistance Centers, and the National Trade Data Bank. A listing of these report titles, for both Industry Sector Analyses (ISA) and International Market Insight (IMI) reports can be found at <http://usembassy.org.U.K./U.K.fcs.html>. Information on the U.K. Agricultural/Food Market can be obtained from the Office of Agricultural Affairs at the Embassy in London. Also available are Commodity and Marketing Reports for the U.K. covering Dairy, Horticultural & Tropical Products, Livestock, Poultry, Grains, Oilseeds, Tobacco and Wood Products.

Appendix G. Trade Event Schedule for FY 2000: Partial list of U.K. exhibitions and conferences, October 1999 - September 2000.

Information on the key food and beverage trade shows scheduled in the U.K. is available from the Foreign Agricultural Service at the Embassy in London (see above for address).

Oct 1999

INTERPLAS	NEC Birmingham
Hospitality/Restaurant Shows	Olympia, London
IWEX (Water/Effluent)	NEC Birmingham
Manufacturing Week	NEC Birmingham

Nov 1999

AUTOTECH (Automotive)	NEC Birmingham
World Travel Market	Earls Court, London
TMA	Metropole, Brighton

Dec 1999

Railtex '99	Earls Court, London
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Jan 2000

London International Boat Show	Earls Court, London
Autosport International	NEC Birmingham
Lighting 2000	NEC Birmingham

Feb 2000

Hotelympia	Earls Court, London
Pure Womenswear/40 Degrees	Earls Court, London
International Food Exhibition	Earls Court, London
Smartcard 2000	Olympia, London

Mar 2000

ELECTREX 2000	NEC Birmingham
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Foodex Direct Marketing Fair	NEC Birmingham Wembley, London
Apr 2000 MACH (Machine Tools) PETINDEX	NEC Birmingham NEC Birmingham
May 1999 INTERBUILD	NEC Birmingham
June 1999 IFE Food Fair	Olympia, London
July 2000 Int'l Aerospace Exhibition	Farnborough, Hampshire
Aug 2000 Premier Womenswear	NEC Birmingham
Sept 2000 Infrarail Railway	Wembley, London

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