Export Opportunities in the UK

In 2017, the United Kingdom ranked 5th among U.S. export destinations and 4th among Virginia export destinations. Some of the top opportunities for U.S. exporters in the UK include:

- Aerospace
- Agricultural Products
- Cybersecurity
- Medical Equipment
- Media and Entertainment
- Pet Products
- Travel and Tourism

Top Virginia Exports to the UK

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$919.5</td>
<td>3%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$185.1</td>
<td>3%</td>
</tr>
<tr>
<td>Aircraft &amp; Spacecraft</td>
<td>$137.8</td>
<td>56%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$126.5</td>
<td>4%</td>
</tr>
<tr>
<td>Wood Products</td>
<td>$94.4</td>
<td>-20%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$77.1</td>
<td>42%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$34.7</td>
<td>-37%</td>
</tr>
<tr>
<td>Special Classifications</td>
<td>$32.7</td>
<td>32%</td>
</tr>
<tr>
<td>Printed Books</td>
<td>$31.5</td>
<td>-27%</td>
</tr>
<tr>
<td>Fats &amp; Oils</td>
<td>$26.5</td>
<td>84%</td>
</tr>
<tr>
<td>Mineral Fuels &amp; Oils</td>
<td>$22.7</td>
<td></td>
</tr>
</tbody>
</table>

(ExportVirginia.org)

U.S. Exports to the United Kingdom

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (In US$ Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$56.1</td>
</tr>
<tr>
<td>2016</td>
<td>$55.2</td>
</tr>
<tr>
<td>2017</td>
<td>$56.3</td>
</tr>
</tbody>
</table>

(Trade Atlas)
## FAST FACTS

### Opportunities in the United Kingdom for Exporters

#### Cybersecurity

The UK market for information security solutions, valued at just over $5 billion, is strong across all sectors of the economy. The government issued a five-year cybersecurity strategy in 2016 that commits $2.4 billion to deter cyber-criminality and defend critical national infrastructure. SMEs are encouraged to adopt basic cyber hygiene standards.

Top prospects for U.S. exporters include:
- Identity and access management
- Cloud security
- Network-Based Security

#### Agricultural Products

In 2017, U.S. exports of agricultural products to the UK were $1.9 billion. Health and convenience foods are the main driving forces in the UK’s food and beverage market. Fresh fruit, vegetables, and nuts perform well among healthy options. Forestry products are also rising because of the use of wood pellets as biomass for the electricity sector.

Top prospects for U.S. exporters include:
- Natural, wholesome, and healthy foods
- Wood pellets
- Seafood
- Beer, wine, and soft drinks

#### Aerospace

The UK aerospace industry is the second largest in the world (behind the U.S.) and is a major market for U.S. aerospace exporters. Total UK civil aerospace turnover in 2016 amounted to $41 billion – although the country does not produce any large civil aircraft. In 2016, the UK aerospace industry sector had a 17% global market share and directly employed 128,300 people.

Top prospects for U.S. exports include:
- Engines and propulsion
- High-quality composites
- Landing gear systems
- Avionics and undercarriage

#### Media and Entertainment

The UK Media and Entertainment industry is forecast to reach $106 billion by 2019. The UK has over 48 million smartphone connections, 2 million smart TVs, and 14 million tablets in use. International film productions contributed 81% of the film expenditure in the UK, spurring the government to incentivize domestic feature films.

Top prospects include:
- Over-the-top (OTT) streaming
- Video game consoles and app-based games
- Electronic books, especially in education

(US Commercial Service)
FAST FACTS

Economic Overview

The United Kingdom, a leading trading power and financial center, is the third largest economy in Europe, after Germany and France. The UK has large coal, natural gas, and oil resources, but its oil and natural gas reserves are declining, and the UK has been a net importer of energy since 2005.

In 2008, the global financial crisis hit the economy particularly hard, due to the importance of its financial sector. Falling home prices, high consumer debt, and the global economic slowdown compounded Britain’s economic problems, pushing the economy into recession in the latter half of 2008.

Market indicators for housing and consumption have improved significantly, although deficits and debt are high. The UK has extensive trade relations with EU members, which depend on successful post-Brexit negotiations over access to the single market. The official leave date is March 29, 2019.

(CIA World Factbook)

GDP Growth Rate

Over 300 languages are spoken in London alone, one of the most culturally diverse cities.

Cultural Guide

- The United Kingdom is comprised of four countries: England, Scotland, Wales, and Northern Ireland. It is important not only to be aware of these geographical distinctions, but also the strong sense of identity and nationalism felt by the populations of these four regions.
- The British can be quite formal and sometimes prefer to work with people and companies they know or who are known to their associates. Most British look for long-term relationships with people they do business with and will be cautious if you appear to be going after a quick deal.
- A firm handshake is the norm. People shake upon meeting and leaving. Maintain eye contact during the greeting but avoid anything prolonged.
- Most people use the courtesy titles or Mr. Mrs. or Miss and their surname. Wait until invited before moving to a first-name basis.

(Kwintessential)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources

- United Kingdom Overview
  Global Edge - Michigan State University
- Guidance for Overseas Business
  United Kingdom Trade & Investment
- UK Taxation for Overseas Business
  Gov.uk
- Ease of Doing Business in the U.K.
  World Bank
- United Kingdom Country Commercial Guide
  U.S. Commercial Service