U.S. Country Commercial Guides

United Kingdom

2020

U.S. Department of Commerce | International Trade Administration

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Doing Business in the United Kingdom of Great Britain and Northern Ireland

Market Overview

The United Kingdom, with a 2019 GDP of $2.9 trillion, is a major international trading power, with the fifth-largest economy in the world according to the World Bank Group. While the United Kingdom is geographically relatively small (about the size of Oregon), it has a population of more than 66 million people.

On December 31, 2020, the UK will conclude its transition out of the European Union (EU) single market and customs union. As of September 2020, the UK is still negotiating the terms of trade that will govern its economic relationship with the EU following the end of the transition period. Preparations for the transition out of the EU have been complicated by the COVID-19 global pandemic. The UK economy contracted 22% in the first half of 2020 and the UK Government projects that GDP will be down 10.8% for the full year 2020. Economists generally project growth in the range of 5.8% to 7% in 2021.

Despite any uncertainty posed by Brexit, the UK remains a critical market for American exports of goods and services. U.S. exports to the UK of goods and services combined were estimated to be worth $147.8 billion in 2019. Highly developed, sophisticated, and diversified, the UK market is the largest in Europe and the fifth-largest in the world for U.S. goods exports. The United Kingdom is the largest market in the world for U.S. service exports.

With excellent logistics and few trade barriers except in agricultural trade, the United Kingdom serves as the entry market into Europe, Middle East, and Africa for more than 43,000 U.S. exporters. That role may be tested to some extent as the UK departs the EU. More than 7,500 U.S. firms have a presence in the United Kingdom, which is also the top location in Europe for U.S. regional headquarters covering Europe, the Middle East, and Africa. A major international financial, media, and transportation hub, London is also headquarters to the European Bank for Reconstruction and Development (EBRD).

Major categories of U.S. exports include aerospace products, agricultural and agriculturally related products, cyber security, medical equipment, new build civil nuclear, smart grids and green building, design and construction.

The UK is a key destination of U.S. foreign direct investment and vice versa. The U.S.-UK investment relationship reached a cumulative bilateral stock in direct investment valued at more than $1.35 trillion in 2018. More than 2.6 million jobs have been created through year-on-year mutual investments, with UK companies employing 1.46 million people in the United States and U.S. companies creating 1.22 million UK jobs.

Market Challenges

The UK will lose its unfettered access to the EU's single market at the end of the transition period (December 31, 2020) and continues to negotiate its future relationship with the EU – including market access and determination of regulatory equivalence in financial and services industries. In the interim, regulatory uncertainty remains a deterrent to growth.

London is one of the world's most expensive cities in which to do business. Property prices, restaurants, and transportation are all expensive relative to many other European cities.

As UK and third-country suppliers represent strong competition, U.S. exporters need to offer differentiated products at competitive prices.

In 2019, the UK ranked third in overall number of people arriving to the United States (behind Canada and Mexico, respectively), and thus the UK was the number one overseas market for travel to the United States, with five million UK travelers visiting the United States. British travelers are estimated to have contributed $15.5 billion to the American economy in 2019. Covid-19 and the related travel restrictions have dramatically decreased travel between the United States and the UK and commercial aviation is not expected to fully recover until after 2021.

Market Opportunities

The United Kingdom is a highly sophisticated market with consistent demand for products and services that improve productivity, including information and communications technology (ICT) software, and services that lower costs and improve business efficiencies.

There is ongoing demand for a wide range of equipment and services related to aerospace, defense, safety/security, and, in particular, cyber security.

The United Kingdom's commitment to low-carbon targets is driving market demand for U.S. products and services in the area of renewable energy, energy efficiency, low carbon/green technologies, smart grid technologies, and e-vehicles.

The UK has a program of major, multi-billion dollar infrastructure projects in the energy and transportation sectors.

Market Entry Strategy

Demonstrate a clear value proposition and competitive advantage (i.e. price, quality, branding).

Pay close attention to both the obvious and subtle cultural differences between the United States and the United Kingdom and adjust marketing strategies accordingly.

Evaluate prospective partners carefully and choose an experienced, well-established local distributor. Be flexible working with a UK partner during this prolonged period of economic uncertainty.

Under normal circumstances, visiting the UK to meet prospective partners and customers is highly recommended as British businesspeople tend to want to get to know the people with whom they are doing business. With current travel restrictions, virtual meetings have become understandably acceptable.

Express commitment to the market with a long-term perspective.

Leading Sectors for U.S. Exports and Investment

Aerospace & Defense

Aerospace / Space / Unmanned Aircraft Systems

Overview

The UK aerospace industry is the second largest in the world, behind that of the U.S. In 2019, total UK civil aerospace turnover totaled over $45.5 billion, and the sector had approximately a 17% global market share. The UK aerospace industry is the crown jewel for UK exports and, even though the UK does not produce large civil aircraft, 90% of domestic aerospace production is exported. The UK has a reputation as a global center of excellence for the design and production of engines, helicopters, wings, structures, and aircraft systems (including landing gear). Rolls-Royce-manufactured engines power more than 35 types of commercial aircraft, and the company has over 13,000 engines in service around the world.   The UK also designs and manufactures wings for all Airbus aircraft platforms.   In addition to manufacturing, the UK has a thriving maintenance, repair and overhaul sector (MRO), that provides services to the huge numbers of military and civil aircraft that fly through and from the UK every year. It is estimated that there are over 1,300 companies involved in the MRO and logistics sector in the UK with a combined turnover of over $195 billion and employing over 57,000 people. The aerospace industry is a major market for U.S. exports in the United Kingdom.

The UK commercial space industry is rapidly growing, it produced a turnover of over $18.7 billion in 2019 and has an ambition to capture 10% of the global space market by 2030. With $714 million invested in Research and Development, the Space industry is 6 times more R&D intensive than the UK average. Accelerating growth year on year, the UK is a world leader in nano and small satellites. The commercial space sector is likely to see steady investments in new and existing space technologies and services, with funding coming primarily from industry and venture capital with government support. The market can be broken down into four main components. Over two-thirds of total market income is derived from Space Applications, followed by the smaller components of Space Operations, Space Manufacturing, and auxiliary services.

After being removed from access to the EU's Galileo system, a European Union alternative to GPS, the UK moved to create its own GNSS system. After cost estimates became too high, the British government scaled back plans for its proposed $6.3 billion sovereign satellite navigation system.   Officials are now exploring the potential for a system that would deliver the same civil and military tracking services as Galileo and GPS while operating at a lower altitude and on a different frequency.

Revenues in the commercial space market primarily come from manufacturing of satellites used for earth observation and communications. Accelerating growth year on year, the UK is a world leader in nano, small satellites and the UK space sector has an ambition to capture 10% of the global space market by 2030. In addition, in June 2020, the U.S. and the UK concluded a Technology Safeguards Agreement (TSA) associated with U.S. participation in space launches from the UK which will enable the UK to import launch technology to develop their commercial launch capability.

Drones are becoming an increasingly familiar aspect of life and work in the UK playing a growing role in areas ranging from emergency services to construction to oil and gas. The rising use of drones in business and public services is predicted to be highly impactful and deliver significant benefits to the British economy and society. Estimates have forecasted that by 2030 the impact of drones could increase the UK GDP by $53 billion and create over 600,000 new jobs. Drones have seen a significant uptake in the oil & gas industry. Drone use is also well established in the utility industry, in particular for the inspection of long, liner assets such as powerlines.

Like the internet and GPS before them, drones are evolving beyond their military origin to become powerful business tools. Drones have already made the leap to the consumer market, and now they are being put to work in commercial

and civil government applications. This is creating a market opportunity for companies that provide platforms, sensors and software.

With the UK exiting the European Union, there is uncertainty around the impact of Brexit on the aerospace and defense (A&D) sector. The relationships between the UK and other countries, especially the U.S., coupled with the future renegotiation of trade agreements, will play a major role in the challenges and opportunities facing the UK's A&D industry. UK defense spending is expected to remain steady, with a slight impact on certain defense programs due to economic uncertainty. Since the Brexit vote in June 2016, the pound sterling has depreciated in value, which is expected to boost the UK's exports as they become more cost competitive.

More than 3,000 aerospace companies operate in the UK, and the aerospace sector has the largest number of SME companies in Europe, providing over 282,000 jobs directly and indirectly. Domestic companies include BAE Systems, Cobham, GKN, Meggitt, QinetiQ, Rolls-Royce, and Ultra Electronics. Non-domestic companies with a major presence include Boeing, Airbus Group, Leonardo (including its AgustaWestland and Selex ES subsidiaries), General Electric (including its GE Aviation Systems subsidiary), Lockheed Martin, MBDA, Safran, and Thales Group.

Airbus UK in Broughton assembles the wings for all Airbus civil aircraft, including the new A350 XWB. In October 2018, Boeing opened a production facility in Sheffield, Boeing's first manufacturing site in Europe. The $50 million facility is located near the Advanced Manufacturing Research Centre with Boeing (AMRC). GKN Aerospace will also produce the new Advanced Technology Winglet for the Boeing 737 MAX. Rolls-Royce-manufactured engines power more than 35 types of commercial aircraft.

The UK government has demonstrated significant interest in developing and increasing the domestic supply chain. UK industry and government established the Aerospace Growth Partnership (AGP), which develops initiatives to encourage UK companies to cooperate closely and to address gaps and problems that affect the sector, tackle barriers to growth, and boost both UK exports and high value jobs.

Leading Sub-Sectors

Space

There are 4 primary segments of the commercial space market: Space Applications, Space Operations, Space Manufacturing, and Auxiliary Services. Space Applications have a 69.5% market share by income, including the dominant subsector of Direct-To-Home broadcasting, and smaller sections like supply of user devices and equipment and mobile sat con services. Space Operations has a 14.7% market share and includes proprietary satellite operations and ground station networks. Space Manufacturing holds a 12.7% market share and includes a diverse array of subsectors each holding a small piece of the sector.   Auxiliary Services represent the smallest part of the market, holding a 3.1% market share.

The Technology Safeguards Agreement signed in June 2020 will make it much easier for U.S. firms to bring rocket hardware into the UK. The agreement was a must-have for U.S. companies like Virgin Orbit and Lockheed Martin to start launching satellites from Britain. The U.K. Space Agency announced it will provide $9.5 million to Virgin Orbit U.K. Ltd., the U.K. branch of Virgin Orbit, for launch support equipment and mission planning activities at Cornwall Airport Newquay, also known as Spaceport Cornwall, intended to support flights by Virgin Orbit's LauncherOne air-launch system. The space agency funding is part of a broader funding package of $25 million to allow Virgin Orbit to operate from the airport in southwestern England.

The British government has been pursuing various efforts to establish a domestic launch capability in recent years. In July 2018, it announced it would fund development of a vertical launch site in northern Scotland and support two companies, Lockheed Martin and Orbex, who plan to fly small launch vehicles from the site. At the same time, the government left open the door for supporting other launch facilities, including horizontal launch sites like in Cornwall. Construction of the vertical launch site in Scotland has yet to begin, as local officials work on agreements to obtain the land and address environmental concerns. Virgin Orbit could host its first LauncherOne mission as soon as late 2021, a schedule that will depend on various regulatory approvals as well as completion of the infrastructure

improvements at the airport. Virgin Orbit is in the final phases of development of LauncherOne, a rocket that is released from a Boeing 747 aircraft and is capable of placing several hundred kilograms into low Earth orbit.

There are estimated to be 3,500 to 10,000 satellites due to be launched globally by 2025. To capture a portion of that market, a National Satellite Test Facility will be established at the Harwell Campus in Oxfordshire. The British Government is investing $125 million to establish the National Satellite Test Facility. The investment is being led by the RAL Space and will provide a set of co-located facilities for the assembly, integration and testing of space payloads and satellites. This facility will enable industry to develop next-generation launch technologies and testing capabilities needed to construct satellites and deliver payloads into orbit.

In the wake of Brexit, UK Government will face important decisions, including which space capabilities to invest in, how much to participate in international space projects, what the role should be for the UK Space Agency, and how much integration should exist between the civil and defense space efforts. Brexit could result in the UK ending its participation in EU-funded space programs, or the UK being prohibited by the EU to participate in programs similar to the Galileo program. The withdrawal from Galileo suggests the UK Space Agency, responsible for strategic decisions on the UK civil space program, may be shifting its focus from investing in international space projects to acquiring national space capabilities of its own.

Helicopters

The UK's helicopter market is dominated by Leonardo and Airbus Helicopters UK. Leonardo is the largest inward investor in the UK defense sector, the largest Italian inward investor to the UK, and one of the biggest suppliers of defense equipment to the UK MOD. Leonardo implements its helicopter division activities through a strong industrial presence in the UK. The company employs around 7,000 people in UK, while supporting a further 10,000 jobs in the supply chain including 1,550 SMEs, serving both commercial and government customers worldwide.

For over 30 years, Airbus Helicopters UK has provided products and services for both the civil and military helicopter markets. With more than 300 civil helicopters customized and delivered in the UK, Airbus Helicopters UK is the leading provider of helicopters in the UK's civil and para-public market with a 46% fleet share, and it dominates the UK security and emergency services market.

Unmanned Aircraft Systems (Drones)

In the UK, delivery drones could become business as usual by 2030. Large retail and logistics companies are investing in delivery drones with the aim of achieving increased efficiency, lower costs, and increased customer satisfaction. The scope of delivery drones could also be beyond dropping off parcels in the 'last mile' of client logistics. Drones will be ubiquitous in warehousing and able to autonomously conduct real time stock checks by scanning inventory. This will integrate seamlessly with other ground-based autonomous warehouse robotics in an end-to-end management and movement of inventory driven by AI with no human touch.

Delivery drones in the UK could also integrate with other advances in technology, for example a driverless vehicle, loaded with parcels by robotics at the warehouse that automatically dispatches multiple delivery drones when it nears the most efficient point to complete its deliveries. Such a vehicle would serve as a base station for the drones providing charging and payload swapping as required. This scenario is some way off, as current technical and regulatory challenges remain such as flying pilotless and beyond visual line of site (BVLOS) in congested urban areas and integrating with other airspace users.

Accident response drones may well be a common sight above roads in the UK by 2030 enabling live data from accident scenes to be shared in real time with emergency services so they know what to expect prior to arriving on scene. Drones would also be used to store evidence from an accident reducing the time it takes to reopen the road. Accident response drones may open up new revenue streams for the public sector by selling the data to insurance companies.

UK Search and Rescue organization will also present opportunities for companies that provide technology to assist in rescue operations. The ability to carry sensors that provide real time information during inclement weather to rescue

centers will keep rescue personnel away from dangerous situations while still providing needed information. In the construction industry, drones are already providing cheaper and more efficient solutions for mapping sites and recording construction progress. Drones are also providing 3D information and integrating it with existing building information modelling (BIM) systems.

New UK drone laws came into effect on 30 November 2019. These require anyone who flies a drone that weighs between 250g and 20kg to take a safety test consisting of 20 multiple choice questions and to register as a drone operator and flyer. The operator ID must be displayed clearly on the drone. This means it's now illegal to fly a drone in the UK without meeting these requirements, unless the drone weighs 249g or less. Police across the UK have received powers to land, inspect and seize. They also have stop and search powers around airports, prisons and other restricted locations.

Additive Manufacturing

Additive manufacturing, commonly referred to as 3D printing, is experiencing increased momentum within the UK aerospace sector. 3D printing enables weight reduction, manufacture of niche, low-volume parts and complex design parts, as well as reducing complexity of assembly processes. Components most suitable for manufacturing include low and high temperature fasteners, discs, hubs, spacers, seals, compressor blades, landing gear, and aircraft interiors.

Lightweight materials (Composites): Lightweight materials are increasingly being adopted in the UK aerospace sector to provide enhanced properties such as high strength-to-weight ratio, superior impact and corrosion resistance, and extreme high temperature resistance. The University of Bristol received an investment of $33 million from the UK Government to develop a UK National Composites Centre for advanced research on composites used in aerospace.

Opportunities

The opportunities in this market continue to be those associated with the manufacturing of new aircraft or engine models, or for those companies that employ the latest technology such as composites or additive manufacturing. In addition, the UK aerospace industry is also seeing an increase in the use of cloud computing platforms, with innovation in integrated solutions such as flight planning tools and digital flight management systems.

The best prospects in the UK continue to include:

 Aerodynamics (e.g. wing design);

- Propulsion (e.g. rotor blades, engine assembly);
- Aero structures (e.g. fuselage & wing assembly); and
- Advanced systems (e.g. avionics, undercarriage).

The UK continues to enjoy a record backlog of orders for equipment across narrow- and wide-body aircraft, but to deliver on these orders is an increasing challenge within the UK supply chain. This backlog of orders is becoming more acute for tier 2 suppliers and below, and may cause UK companies to consider forming new alliances to create extra capacity to meet obligations. Suppliers should consider collaborating with a larger customer with an established presence in the UK which is looking to increase capacity. U.S. companies should also expect to enter the UK market at a lower tier of the supply chain than they might otherwise usually enter in the U.S. or globally. Suppliers may also need to consider using a local distributor or agent with established ties within the market.

Entering the UK aerospace market requires patience, investment, innovative products, and competitive pricing. The aerospace supply chain is well-integrated with the primes all looking to reduce the number of their suppliers. A U.S. company can expect to have to commit both time and resources to enter or expand within the UK aerospace market, especially companies providing what are known as "me too" products and services. Selling to OEMs as well as tier 1 and 2 manufacturers entails a vendor/product qualification and assessment process. All U.S. companies desiring to become a supplier will need to register with their prospective customer. In addition, AS9100 and NADCAP would

be considered minimum requirements for doing business in the aerospace supply chain in the UK. All companies desiring to become a supplier to the Ministry of Defence are required to complete Cyber Essentials accreditation.

With such a well-integrated and mature supply chain, new U.S. suppliers must demonstrate a clear competitive advantage if they are to be successful in the UK. With most of the major aerospace manufacturers in the UK looking to simplify their supply chains, there are fewer opportunities to supply and these opportunities will tend to be further down the supply chain. As long as suppliers are compliant with EU regulations/standards, they should not encounter any significant technical barriers to entry.

Web Resources

Industry Events

[Defense & Security Equipment International](#) (DSEI)
September 14-17, 2021
London, UK

One of the world's largest defense exhibitions, with 1,500 international exhibitors from 54 countries including 180 U.S. companies.

[Farnborough International Airshow](#) (FIA)

TBD July 2022
Farnborough, UK

One of world's largest aerospace exhibitions, with 1500 exhibitors from 40 countries of which around 300 exhibitors are expected from the U.S.

[Space Tech Expo](#)

November 17-19, 2020 – Bremen, Germany
Europe's largest B2B event for the space sector.

[The Commercial UAV Show](#)
November 10-11, 2020, London, UK
One of Europe's largest exhibition and conference for commercial UAV professionals.

Trade Associations

[ADS Group](#)

[UK Space](#)

[Farnborough Aerospace Consortium](#)

[British Helicopter Association](#)

[The Association of Remotely Piloted Aircraft Systems UK](#)

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Defense Equipment

Overview

The UK has the world's 6th largest defense budget and, on a rolling 10-year basis, the UK is the second largest global exporter of defense equipment. Although the UK is a major exporter of defense equipment, the UK continues to be a major importer of defense equipment and the majority of this equipment is either advanced equipment from the U.S. or weapons systems won on a competitive tender awarded to overseas firms. In addition to its sourcing of materials from the U.S., the UK also sources significant quantities of equipment from suppliers on the European continent.

The [Defence Equipment Plan](#) of the Ministry of Defence (MOD) forecasts expenditure for 10 years from 2019 at approximately $237 billion. The Equipment Plan covers the period from 1 April 2019 to March 2029 and sets out spending plans for the procurement and support of equipment for the Armed Forces. Additionally, the UK remains committed to innovation and has committed $1 billion over a ten-year period. The UK Secretary of State for Defence launched the Innovation Initiative to deliver innovation in defense through the [Defence and Security Accelerator](#) and the $1 billion Defence Innovation Fund. It will take forward the best proposals, from inside and outside of the MOD, in an open competitive process. It will not seek to favor specific areas of innovation (for example technological, procedural) but will enable as broad a scope of innovation as possible.

In 2019, the MOD set out to Parliament the Defence Prosperity Program which is designed to ensure that it grows its contribution to the UK economy and delivers defense capability at the best value. The Prosperity Program is focused upon embedding prosperity into MOD policy, processes and culture; quantifying the Defence contribution to the UK economy; sustaining an internationally competitive Defence sector for the UK; and growing exports and inward investment for money. U.S. companies desiring to supply equipment to the MOD should consider how its offer contributes to the Prosperity Program.

Leading Sub-Sectors

Specific equipment opportunities exist in:

Naval Command currently plans to spend around $38.9 billion in the Equipment Plan over the next ten years. This planned spending encompasses surface ship and maritime helicopter upgrades and procurement, in service support of maritime platforms and programs to improve availability and sustainability of equipment and capabilities.

Army Command plans to spend around $40 billion on the Army's Equipment over the next decade. Army Command is responsible for armored fighting vehicles, artillery systems, protected and support vehicles, helicopters, unmanned air systems and soldier fighting systems.

Air Command plans to spend around $40 billion on the Equipment Plan over the next decade. Air Command is responsible for three major sectors: Combat Air, Air Mobility and Command, Control, Intelligence Surveillance and Reconnaissance (ISR).

Joint Forces Command (JFC) plans to spend around $39 billion on the Equipment Plan over the next decade. JFC is responsible for four major sectors: C4ISR, Joint Logistics, Medical and Special Projects.

Ships

$24.4 billion will be spent on surface ships over the next 10 years. This includes completion of build and trials activity for HMS Prince of Wales and continued capability delivery into HMS Queen Elizabeth, continued development and initial build of the class of eight Type 26 Frigates, development and delivery into service of a new class of initially five Type 31 Frigates, completion five new Offshore Patrol Vessels and the development of a mine hunting system.

Submarines

$58.8 billion will be spent on submarines over the next 10 years. This includes the delivery of four Dreadnought Class submarines to replace the Vanguard Class, the delivery of seven Astute Class submarines to replace the Trafalgar Class and the procurement of naval nuclear propulsion systems.

Land Equipment

$24.5 billion will be spent on land equipment over the next 10 years. This includes the Warrior Capability Sustainment Program, the Challenger 2 Life Extension Program, and the Scout Specialist Vehicle and Utility Vehicle programs, which will replace a range of tracked armored vehicles reaching the end of their visible lifespan.

Weapons

$18.5 billion -will be spent on weapons systems over the next 10 years. About 75% will be used to procure guided weapon systems through the Complex Weapons Program. Within this Program, most of this is delivered through a partnering agreement with MBDA which is termed the Complex Weapons Portfolio Management Agreement. The remainder will fund the provision of various Test & Evaluation and Training Services.

Combat Air

$22.1 billion (£18 billion) will be spent on combat air over the next 10 years. This includes Typhoon enhanced capability, delivery of the F-35 Lightning II and Unmanned Air Systems. The MOD will buy 138 F-35 Lightning aircraft over the life of the program.

Air Support

$21.5 billion will be spent over the next 10 years. This includes the procurement of 9 Boeing P-8A Poseidon Maritime Patrol Aircrafts, the A400M future generation of strategic air transport, continuation of the Voyager transport and air-to-air refueling aircraft program, and the New Airseeker/Rivet Joint aircraft

Helicopters

$13.6 billion will be spent on helicopter capabilities over the next 10 years. This includes upgrades to existing airframes, investment in new airframes and longer-term rationalization to four core helicopter fleets – Chinook, Merlin, Apache and Wildcat.

ISTAR

$7.2 billion will be spent on ISTAR over the next 10 years. This investment includes spend on intelligence networks and applications; CBRN detection and countermeasures; operational surveillance systems and electronic countermeasures; air traffic management and tactical data links.

In addition, four technologies are emerging that have disruptive capability with the MOD, which are already starting to create an impact in the commercial world and will have an equally big impact on the way the MOD does business in the future:

Space

The MOD has outlined a space program and committed $38 million to fast-track the launch of a small satellite demonstrator which will be supported by a transatlantic team of UK and U.S. defence personnel, named Team ARTEMIS, that will sit alongside a host of other programs that will demonstrate the MOD's role in space. This includes the UK becoming the first partner nation to join Operation Olympic Defender, a US-led international

coalition formed to strengthen deterrence against hostile actors. The demonstrator will be designed to understand the military utility of small satellites and provide information to combat aircraft more quickly than ever, while developing the skills and knowledge base the MOD will need in the future across a range of space mission areas. The program is being led by RAF Air Staff, supported by Defence Equipment & Support and the Defence Science and Technology Laboratory. Team ARTEMIS industry partners include Airbus, Raytheon, Surrey Satellite Technology Limited and Virgin Orbit.

Autonomous unmanned vehicles

Although autonomous unmanned vehicles have been used by the MOD for a number of years, the MOD is looking to dramatically increase its use of autonomous unmanned vehicles for a variety of uses in the air, land, surface and sub-surface domains. Trials using autonomous vehicles for parcel delivery suggest they have the potential to provide logistical support in hostile environments or disaster-relief situations. The MOD and the UK Security Services have held several competitions with industry to evaluate the future use of autonomous unmanned vehicles.

3D printing and additive manufacturing

The use of 3D printing is moving from one-off production and prototyping and is now transitioning into mainstream manufacturing and production with the establishment of 3D printer farms. A key advantage of manufacturers equipped with 3D printing is the ability to quickly re-program machines to respond to frequent demand changes. The MOD is encouraging engineers to explore ways to 3D print different materials together to produce cost-efficient and sustainable parts for the aerospace and defense industry.

Virtual Reality

Virtual Reality (VR) is another technology that has been around for a number of years; flight simulators and shooting/gun houses are a prime example. However, what is different now is that VR systems are now available to anyone with a smartphone. As a result, innovation in VR has dramatically increased while the cost of VR technology has dramatically decreased. The MOD is looking to take advantage of the advancements in VR technology as well as the reduction in the cost of VR systems to modernize its training programs.

Artificial Intelligence and Big Data

The MOD is studying the use of artificial Intelligence (AI) and big data for its use in a variety of defense and security applications. The increasing availability of big data matched to intelligent systems has the ability to revolutionize the way the MOD operates. While intelligent systems evolve, however, cyber security concerns will become ever more important. Since most intelligent systems are currently networked, their susceptibility to cyber-attack remains a risk. Therefore, in the future these systems may operate more autonomously within a closed environment to minimize the vulnerability to attack.

Opportunities

The UK defense industry is sophisticated and mature. Defense suppliers looking to export into the UK can expect to find a highly competitive environment and they must demonstrate a clear competitive advantage. A company with non-British ownership or without a presence in the UK is not necessarily at a competitive disadvantage compared with British firms seeking MOD business. However, a U.S. company must expect to commit both time and resources to enter or expand within the UK defense market. Selling through an established UK company is the least risky market entry strategy for most U.S. defense providers to enter into the UK defense supply chain.

Through the Defence and Security Accelerator, the MOD frequently holds industry engagement days and competitions to evaluate equipment and technology. The best way for U.S. companies desiring to engage in meaningful dialogue with the MOD is through these MOD sponsored industry days and competitions. For announcements on MOD events

relevant to a particular defense sector, suppliers should consistently monitor announcements on the [Defence and Security Accelerator](#) website.

Web Resources

MOD Doing Business with Defence Team

The Doing Business with Defence team facilitates the entry of new, innovative and non-traditional businesses into the defence supply chain. The team provide advice and guidance to companies on how to become a defence supplier and access MOD tender and contract opportunities through a variety of channels. To contact the Team, send an email to dbscs-ecfinanceteam@mod.uk or call +44 151 242 2000.

Defence Contracts Online

MOD DCO is the official source of UK MOD contracts - giving you instant access to all of its contract opportunities in one place. [Access to DCO is completely free.](#) **Defence Science and Technology Laboratory**

The Defence Science and Technology Laboratory (Dstl) ensures that innovative science and technology contribute to the defense and security of the UK. To contact Dstl, send an email to centralenquiries@dstl.gov.uk or call +44 198 095 0000.

DVD

November 4-5, 2020
Millbrook, UK

DVD2020 is for those involved in equipment and support for the UK's Land Forces. It will showcase the equipment and technology that can support a British Army that is fit to meet future challenges and embrace the need for continuous adaptation.

Defence Procurement, Research, Technology & Exportability (DPRTE)

September 3, 2020
London, UK

DPRTE provides a platform for both MOD and industry to connect in order to explore the key challenges, programs and future opportunities that exist within the defense acquisition supply chain.

DSEI

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Agricultural Sector

Overview

The UK is a very important market for U.S. agricultural products. In calendar year 2019, U.S. exports of agricultural, fish and forestry products to the UK were $2.8 billion. There are strong historic and cultural ties between the UK and the United States, which are obvious in consumer trends in retail and foodservice markets. The UK presents market opportunities for many U.S. consumer-oriented products, including specialty food products, "healthy" food items, wine, sauces, fruit, nuts, and juices. "Health" and convenience foods are the main driving forces in the UK value-added food and beverage market. Consumers in this relatively wealthy country are looking for variety in high quality food products, especially those perceived to have health benefits and a strong provenance.

Consumer-oriented food and beverage products remain the most important sector, amounting to 34% ($970 million) of total U.S. exports of agricultural, fish and forestry products to the UK in calendar year 2019. Ranked as the thirteenth largest destination for U.S. consumer-orientated food products, the UK continues to differentiate itself from its European neighbors in this product area. U.S. wines, particularly from California, have established a high profile in the UK and remain strong with U.S. exports valued at $249 million in calendar year 2019. There has also been notable success for branded snack foods and grocery goods, largely by generating niche markets and specialist distribution based upon their quality attributes.

The UK is also a key market for U.S. fish and seafood products ($77 million in calendar year 2019). Once a predominantly canned salmon market, U.S. seafood exports to the UK for calendar year 2019 reveal that canned products continue to fall. Fish and frozen salmon, and increasingly pollock, enter the UK processing sector to compensate for the decline in harvested volumes of whitefish as a result of low levels of fish stocks in European fishing grounds.

U.S. forestry product exports to the UK ($930 million total in 2019, the highest exports to date) are driven by the use of wood pellets as biomass for the electricity sector. Other forestry product exports to the UK remain under pressure due to strong competition from low cost third country suppliers, as well as EU competitors, such as Scandinavian countries. Technical barriers with regard to differing standards and certification requirements also make trade difficult.

Leading Sub-Sectors

Best Products/Prospects

- Natural, wholesome & healthy foods (including gluten-free, meat-free, functional foods)
- Wine
- Seafood
- Fresh fruit & vegetables
- Dried fruit & nuts
- Specialty sauces & condiments
- Snack foods
- Confectionery
- Wood pellets, and crop residues for energy production
- Beer (including micro-breweries)
- Soft Drinks

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Top 10 U.S. Agricultural Product Exports to the UK by Value & Calendar Year ($ Millions)

	2015	2016	2017	2018	2019
Other Value-Added Wood (including wood for fuel, finished wood products, builders joinery, etc)	841	750	730	847	930
Wine & Beer	305	362	265	261	249
Tree Nuts (including coconuts, brazil nuts, cashew nuts, hazelnuts, almonds, chestnuts, pistachios, etc)	206	199	211	197	211
Prepared Food	159	192	157	167	151
Distilled Spirits	231	122	186	190	111
Soybeans	77	90	0	109	100
Fresh Fruit & Vegetables	98	147	117	115	93
Processed Fruit & Vegetables	110	86	78	59	49
Snack Foods	75	66	58	49	49
Fish Products	130	104	82	49	48

Opportunities	Constraints
The scale of the U.S. food industry may offer price competitiveness on large volume orders.	Competition from EU member states (import duty payable on U.S. products).
The UK climate limits growing seasons and types of products grown.	Poultry and red meat imports are highly regulated by the EU; as are dairy product imports from the United States.
The diversity of the U.S. population creates innovative food products and concepts which are often mirrored in the UK.	Must meet strict UK/EU retailer rules on food safety, traceability, environmental issues and plant inspection.
The United States has a good brand image in the UK. The United States is a popular destination for the UK tourist and familiarity with U.S. products is widespread.	Labels, including nutritional panels, need to be changed. Pack sizes and palletization may also need changing.

A common language means that the UK is a natural gateway into Europe.	Anti U.S. lobby on food products has intensified with U.S.– UK trade agreement talks
The UK has a core group of experienced importers with a history of sourcing from the United States.	Biotech (GMO) ingredients are considered unnatural. The UK food industry has mostly managed GMO ingredients out of the supply chain except for animal feed.
Strong interest in innovative products. Particularly natural, "wholesome" and "health" food categories.	Taste buds differ, e.g. in the UK, popcorn is sweet, relishes are like jam, and spicy doesn't always mean high chili content.

Web Resources

The U.S. Department of Agriculture (USDA) is represented in the UK by the Foreign Agricultural Service (FAS) in the U.S. Embassy in London. FAS works to improve foreign market access for U.S. agricultural, fish and forestry products and operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the global marketplace.

The primary role of FAS/London is to advise U.S. exporters and to increase U.S. market presence by focusing resources on viable product categories sought after by UK buyers. The FAS office also works on detection and elimination of trade barriers; analysis of and reporting on the UK agricultural situation, outlook and market opportunities for U.S. agricultural, fish and forest products; and representation of U.S. agricultural policies to UK trade and public. FAS/London works in conjunction with marketing partners such as U.S. trade associations, State departments of agriculture, small businesses and cooperatives to implement a unified export strategy.

FAS provide a range of services (free-of-charge) to assist U.S. exporters of agricultural products in achieving export success. More detailed information can be obtained by contacting:

FAS/London
Tel: +44 20 7891 3313
Email: aglondon@fas.usda.gov
Information on FAS global services can be found at FAS Online

Energy

Overview

The UK has a thriving energy market with over $16.5bn invested in the sector over 2018. The energy sector created approx. $110bn in economic activity during the same period. The energy sector supports 620,000 jobs across the UK - equivalent to 1 in 46 jobs in the UK.

The UK has an electricity generating capacity of some 83 GW with the following mix: 39.5% gas, 33% renewable, 19.5% nuclear, 5.1% coal and 2.9% other.

The UK's determination to become a low carbon economy (in 2019 the UK became the first major economy to legislate for net zero emissions by 2050) creates many opportunities for U.S. companies to supply products and services that will help implementing sustainable, secure, low carbon energy sources.

The maturity and competitiveness of the UK energy market typically make product quality and performance, delivery timescales and costs key to market acceptance. Investing time and resources in getting to know the key stakeholders and establishing solid relationship is essential for succeeding in the UK energy market.

Leading Sub-Sectors

- **Nuclear**: Strong political support and plans for expansion mark the UK as a significant opportunity for U.S. civil nuclear exports. Prospects for services beyond new plant construction, particularly decommissioning and advanced reactor development remain positive and growing. Robust foreign competition and financing are the chief obstacles for U.S. industry. The UK has privatized power generation and liberalized its electricity market, which together make major capital investments problematic.

  The UK nuclear energy sector generates 20% of the UK's electricity. Almost half of this capacity is to be retired over the next 5 years. The first new-generation plants are expected to be online by about 2025. No restriction on foreign equity is in place. The country also has full fuel cycle facilities from fuel manufacture and reactor operation through to reprocessing and recycling of nuclear materials followed by dismantling and decommissioning. The Nuclear Decommissioning Authority (NDA), which was established to supervise decommissioning and clean-up work, will be spending around $4.5bn over the next couple of years.

- **LNG**: Gas plays a fundamental role in the UK's energy supply mix. Gas is particularly important for electricity generation where it meets around 40% of the fuel required in power stations, a figure substantially up since 2015 due to the decline of coal in power generation. It is also critical for space heating, domestically and in offices, hotels and restaurants. In 2018 gas met nearly two thirds of total domestic energy demand. About 9% of the UK's gas comes from LNG imports.

- **Smart Grids**: The UK has quickly developed into one of the most attractive markets in the world for advanced smart grid technology and applications. Thanks to a highly competitive electricity sector and recent efforts by the government and regulators, the UK market offers many prospects: UK public and private organizations are investing in grid upgrades, creating significant business opportunities for U.S. companies that have developed innovative products, services or technologies related to the smart grids ICT segment. Increasing demand, constrained supply, emphasis on energy security and challenging carbon reduction targets driving transformation in energy and utilities and smart grids technologies will play a key role in this space.

Opportunities

Nuclear

- Existing plants life extension & New Build: Existing nuclear plants include seven twin-unit AGRs and one PWR, all owned and operated by EDF Energy, a wholly-owned subsidiary of the EDF Group (headquartered in France), one of Europe's largest energy groups.

  EDF Energy spends about $800 million per year on plant upgrades to enable ongoing operation.

  EDF Energy is building two Areva (France) EPRs at Hinkley Point, Somerset. Construction at started in 2018 and EDF plans to have the first of these new reactors grid-connected by 2026. The project is valued at $25-27 bn. Hinkle Point is a joint venture of EDF (66.5%) with China General Nuclear Corporation (CGN) (33.5%).

- Small and Advances Modular Reactors: The UK Government has laid out its commitment to developing and deploying advanced nuclear technologies by providing approx. $75m for R&D for advanced modular reactors (AMRs) and setting out a new framework to support the development and deployment of small modular reactors (SMRs). In 2018, the Department for Business, Energy and Industrial Strategy (BEIS) announced that eight organizations have been awarded contracts to produce feasibility studies as part of phase 1 of the AMR Feasibility and Development project. In July 2020 BEIS has announced the winners of the phase 2 down select:
  - Tokamak Energy Ltd, Advanced Modular Fusion – The Spherical Tokamak, £9,999,999. This company was spun out of the Culham lab facility in the UK. Looking at 100MW in capacity.
  - Urenco Ltd, U-Battery, £9,999,195. This is a small high temp gas-cooled (helium) AMR design using TRISO fuel. Looking at 10MW in capacity. Urenco, Wood plc, UK Advanced Manufacturing Research Center (AMRC).
  - Westinghouse Electric Company UK, An Innovative Nuclear Solution based on Lead Fast Reactor Technology, £9,998,387. Working with Ansaldo Nucleare, ENEA, and various UK stakeholders.

  The UK Government is pushing for SMR deployment by 2029. U.S. SMR technology providers have an opportunity to expand into the UK market.

- Decommissioning: The NDA owns 19 nuclear sites across the UK and is responsible for delivering the decommissioning and clean-up of the UK's civil nuclear legacy. It aims to do this by introducing innovation and contractor expertise through a series of competitions. For the supply chain, decommissioning is a significant market with the NDA planning to spend around $4.5bn over the next couple of years.

LNG

The UK has one of the most well-established LNG import infrastructure in Europe with 3 major large-scale LNG terminals: Grain, Dragon and South Hook.

The UK received its first major U.S. liquefied natural gas shipment in July 2017: the LNG cargo from the Sabine Pass facility in the Gulf of Mexico arrived at the Isle of Grain terminal in early July 2017. U.S. LNG exports to the UK in 2018 were over 50,000 million cubic feet (all the rest of Europe combined imported 80,000 million cubic feet) totaling over $295,000,000 in export.

As the UK, as well as many other European countries, seek to reduce their reliance on Russian pipeline gas, U.S. LNG supplies could provide one alternative in the coming years amid greater focus on energy security.

Smart Grids

The development of the UK smart grid is creating opportunities for traditional energy infrastructure vendors while opening the market to new players. Traditional vendors will benefit from large-scale renewal of utility assets as customer and grid applications are deployed and will be able to differentiate their product lines through increased functionality and integration with other smart technologies. New players – IT providers, networking and telecommunications companies, and systems integrators – will benefit from major technologies investments.

Target sectors holding high potential for U.S exporters include:

- Smart meters and advanced metering infrastructure
- Communication and data management software
- Grid optimization and automation technologies
- Demand response and control systems
- Energy management for distributed generation and storage
- Cyber security software and services
- Consumer engagement platforms and services
- Opportunities

Purchasers of U.S. smart grid goods and services include generation, transmission, and distribution companies. The UK gas and electricity market is unbundled (non-vertically integrated) and the major stakeholders involved in the implementation of smart grids include:

- Suppliers: British Gas, EdF Energy, E.ON UK, RWE npower, Scottish Power and SSE (this six organizations are known as the "Big 6" and control 95% of the energy retail market);
- Transmission networks operators: National Grid, Scottish Power Transmission, Scottish Hydro Electric Transmission and Northern Ireland Electricity; and
- Distribution networks operators: Electricity North West, Northern Ireland Electricity, Northern PowerGrid, SP Energy Networks, SSE Power Distribution, UK Power Networks and Western Power Distribution.

The UK Government has committed to an $18 billion nationwide smart meter roll-out, with energy suppliers responsible for the roll-out (both in terms of implementation and ownership as well as financing). The official national smart meter roll-out began in 2016 and was originally planned to finish in 2020. However, suppliers now have an extra four years to keep installing meters. The roll-out start date was pushed back multiple times and there have been delays with many parts of the roll-out since. Completing the national roll-out is an enormous logistical and technical challenge for the energy industry, involving visits to around 30m homes and small businesses, and installing about 53m new meters.

The [Energy Networks Association Smart Networks Portal](#) lists the various UK smart grid projects and is a good resource to find information about the major players (potential buyers and partners for U.S. companies) involved in this space.

Resources

Industry Events

[World Nuclear Association Symposium](#)

September 2021 (tbc)

London

[Low Carbon Networks & Innovation Conference](#)

November 3-4, 2020 (TBC)

Liverpool

Trade Associations

[Nuclear Industry Association](#)

[UK LNG](#)

[Energy Networks Association](#)

Government Departments

[Department for Business, Energy & Industrial Strategy (BEIS)](#)

[Nuclear Decommissioning Authority](#)

[Oil & Gas Authority](#)

For further information, please contact:

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Design & Construction

Overview

The UK, the sixth largest global construction market outside the U.S., is of strong interest to U.S. exporters. U.S. building products enjoy a strong reputation for quality and reliability in the UK, while import tariffs and regulatory requirements pose challenges. U.S. architectural and engineering firms have a good reputation and track record in the UK.

The GVA of the UK construction industry was $193 billion in 2018 with 2.7 million people employed in construction in 2019. Economic input was $537 billion in 2018 (8.6% of GDP). The strongest segments in 2018 and 2019 were private housebuilding, new commercial buildings and infrastructure. This is, however, expected to change in the second half of 2020.

UK construction businesses did not expect significant slowdown due to Brexit, apart from concerns regarding supply chain of construction materials from the EU. However, as a result of the global pandemic the construction news as of June 2020 pointed to the steepest contraction in construction output since April 2009. Civil engineering activity saw the steepest decline, followed by commercial building work and residential activity.

Looking ahead, business expectations are the weakest since October 2008. The UK Construction Products Association estimates that construction output will fall by 25% in 2020, with the largest falls in activity in private housing (-42%), commercial construction (-36%), and private repair maintenance & improvement (-35%). Regardless the decline, best performing sub-sectors are still expected to remain Housebuilding and Infrastructure (rail and roads) thanks to the UK Government's support.

A series of measures are coming in force in September 2020 to streamline planning system and stimulate housebuilding. The UK Government also promised to bring forward £5.6bn of infrastructure spending. This will primarily be spent on maintenance and upgrades for hospitals (£1.5bn) and schools (£1.8bn), as well as £1bn for other local projects and smaller sums for maintenance of courts and roads. To help ensure this happens, the government has created a new infrastructure delivery taskforce ('Project Speed').

The UK Government continues to support large infrastructure projects and is expected to continue so to stimulate economic recovery. 700 projects have been announced with over $650 billion of investment in the National Infrastructure Pipeline. Planned investment also includes Government spend of $9.4 billion in housing.

The UK has proximity to European manufacturers of high-quality products, as well as access to global suppliers of competitively priced building products. U.S. suppliers must overcome transport costs and deliver on product performance and post-sales service requirements to compete in the UK. To win sales may also require regular direct engagement with buyers to distinguish specific product performance vs. competitors and highlight a product's "green" performance attributes, in areas such as energy and water savings and indoor air quality improvement.

Leading Sub-Sectors

The best prospects for products include technologies for digital construction and innovative environmentally friendly products. Trend in housebuilding goes towards modular construction.

U.S. architectural and engineering firms are well received in the UK. The UK is the third largest market for the U.S. Architectural and Engineering Services, although it should be noted that the competition in this market is very high.

Specific U.S. products that play important role in the UK's imports fall under the following categories:

- Heating Ventilation Air Conditioning and Refrigeration (HVACR) - U.S. HVACR products are highly competitive in the UK, holding the second largest share of the import market after products from Germany.

- Insulation - U.S. insulation products are strongly competitive in the UK, claiming a 20.4 percent share of this subsector's import market. As a source of imported insulation products, the U.S. ranks second only after Germany, which holds only a slightly larger share of the import market at 20.9 percent.

- Lighting - In the lighting subsector, opportunities may exist in niche products and those at the cutting edge of green attributes. This relates to the emergent recognition of the non-visual effects of light, in terms of different spectrums and intensities of light impacting well-being, productivity, and overall comfort.

Opportunities

Green building has a well-established history in the UK, and is embraced by both the public and private sectors. The voluntary Building Research Establishment Environmental Assessment Method (BREEAM) system for rating the sustainability of non-residential building designs arose decades ago. The majority of local planning authorities require that new buildings in the UK are certified and achieve high BREEAM ratings. In 2015 the Government in England has included green standards into Building Regulations and is improving the standards in regular intervals.

In June 2020 the UK government budgeted an initial £2bn for a Green Homes Grant scheme, through which homeowners and landlords will receive government grants. The hope is to upgrade 600,000 homes through this scheme and help the country to meet its net zero targets in the process. It also created a £1.1bn fund for public buildings, such as hospitals, schools or social housing, to improve energy efficiency.

The current Home Energy Efficiency Scheme also stays rigorous and requires high green standards from building products. The UK government heavily supports building of new homes which is hoped to increase UK construction activity.

In support of intelligent buildings, smart meters are being rolled out as standard across the country. The UK Government is also working to advance building performance from a perspective of resilience. By 2021, the UK Government has pledged to spend £2.3 billion for over 1,500 flood defense schemes across the country.

The construction on High Speed Rail 2 (HS2), the largest transport infrastructure project (valued $72 billion) commenced in September 2018 and continues to award large contracts including a $17.5bn of civil works in June 2020. It is set to award at least $7.8bn of construction work by the end of 2022. HS2 is looking for innovation and products and services to help with the following challenges: systems integration, reduction of carbon footprint, circular economy, digital building and offsite manufacturing.

Web Resources

Construction Products Association

Construction Industry Council

Association for Consultancy and Engineering

Royal Institute of Chartered Surveyors

Office for National Statistics

Building Magazine

UK Construction Week

Ecobuild

Homebuilding and Renovating Show

Institute for Government

For further information, please contact:

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Medical Technology

Overview

The UK medical technology sector generates an annual turnover of approximately $30 billion each year. It has a strong foundation of mostly small to medium sized companies around the country, with clusters of activity in areas such as the South East of England and the Midlands. Many multi-national companies, including several leading U.S. medical technology manufacturers have head offices or subsidiaries in the UK. As a significant percentage of domestically produced products are exported, the country has a large import market making it very receptive to new and innovative international technology.

The largest purchaser of medical technology, the publicly funded National Health Service (NHS), accounts for approximately 85% of the country's healthcare provision. It receives funding from central government but is essentially managed as four separate segments: NHS Wales, NHS Scotland, HSC Northern Ireland, and NHS England, each one delivering strategy and services both centrally and locally, through regional local authorities and other public or private organizations. Within NHS England, the largest of the four administrations, there are approximately 135 general practitioner-led clinical commissioning groups (CCG's), various ambulance, mental health, and acute hospital trusts. Most medical technology procurement is carried out by the acute trusts which spend an average of $6.6 billion on clinical supplies, including medical technology, per year. They have the option of purchasing goods through centralized procurement bodies or hubs, procuring products individually, or by joining with other trusts to form consortia for procurement decisions.

The private (independent) healthcare sector is considerably smaller and funded through health insurance, self-pay patients, or NHS funded referrals. Its strengths lie in the provision of secondary and tertiary care, fields not traditionally offered by the NHS (cosmetic surgery) or where public sector service is limited (dental care). The acute hospital sector is dominated by a handful of major hospital groups such as HCA Healthcare, Circle Health, BMI Healthcare, Nuffield Health and Ramsey Healthcare. Publicly funded adult social care services (home care, nursing, or care homes etc.) are commissioned by regional government councils however typically provided by private for profit or voluntary providers.

Activity will continue to be dominated by two major events in 2020: the COVID-19 pandemic and the UK's departure from the European Union. All non-urgent elective surgeries were postponed in April to help hospitals focus on COVID-19 patients. The NHS, which has always struggled with waiting times, is now facing the task of tackling the vast backlog of surgeries and out-patient appointment, whilst working to minimize the risk of COVID-19 transmission within hospitals. It is likely approved private providers will be able to assist with the backlog by offering some NHS funded elective care services. The UK left the European Union on January 31. The sector will continue to focus on trying to determine the potential impact on the healthcare environment (regulations, clinical trials, intellectual property etc.), free movement of goods, and the workforce etc., following the end of the transition period on December 31.

Leading Sub-Sector

Digital Technology

The size, structure, and complexity of the UK's public healthcare system, the National Health Service (NHS), has created the need for a vast, efficient digital health infrastructure. Whilst successive governments have regarded digitalization as an essential component in tackling the social and economic challenges facing the NHS, the road to full digital maturity has not always been easy. Progress is being made, for example within NHS England, the current executive has committed the organization to become paperless and achieve national interoperable electronic health records. Digital innovation also forms a key part of the 2019 NHS Long Term Plan. These initiatives demonstrate a strong commitment to making the NHS a fully digitalized organization, one capable of utilizing the latest innovation. In addition, NHS adoption and integration of digital technology increased significantly during the COVID-19 pandemic. Despite the challenges, many more stakeholders are seeing digital technology as a valuable tool as the system adapts to the need for safer working practices and different, advanced models of care.

Whilst it's difficult to place an exact value of the digital health in the UK, this is already a very well developed and competitive market which plays host to numerous leading technology companies such as Cerner, IBM, Oracle, EMIS and BT. The market still offers a lot of opportunities for smaller companies and developers. Potential suppliers are advised to begin by gaining an in-depth understanding of their respective industry segment and building contacts to establish what is required within the market to determine the best method of entry. It will be necessary to adhere to relevant NHS as well as broader UK/European Union compliance rules or regulations.

Opportunities

The NHS is a large and competitive organization that has a constant need for all types of new products and services. The U.S. is a leading supplier of diagnostic, dental, orthopedic equipment, and high-quality wound care products to the UK. Within the digital segment there's demand for clinical efficiency tools, innovative apps and wearables, health analytics tools, remote consultation tools, and monitoring devices that can improve clinical outcomes and patient experience across all areas of the healthcare system.

In the UK, it is mandatory for public sector organizations to advertise procurement opportunities over £10,000 GBP on Contracts Finder. Firms can register on the Supplying to the NHS procurement portal to receive updates on business opportunities.

NHS Agencies, such as SBRI Healthcare frequently host competitions in which companies are invited to bid for funding to develop innovative solutions for particular health needs.

Under the Any Qualified Provider (AQP) initiative NHS patients with certain medical conditions, treatment of care requirements, have the choice of using the services of a range of pre-approved public or private providers. These services, regardless of provider, are funded by the NHS and remain free at the point of delivery to the respective patient. A provider must be licensed by healthcare regulator, the Care Quality Commission (CGC) before it can provide services. AQP contracts are advertised on the Contracts Finder web site.

Hospital Building Program

The UK Government announced plans for a $3.6 billion hospital building program in September 2019, which will include funding to invest in new diagnostics and technology. Funding will be split across two years. Additional information can be found here.

Web Resources

Industry Events

Healthcare Excellence Through Technology (HETT)
September 29-30, 2020, ExCel, London

Digital Health World Congress 2020 virtual conference
September 29-30, 2020, virtual conference

NAIDEX, Dementia, Care and Nursing Home Expo , European Neuro Convention
Medical Imaging Convention, Oncology Convention, and Smart Home for Assisted Living
November 9-10, 2020, NEC, Birmingham

Health+Care incorporates the Digital Healthcare Show, The Residential Homecare Show, and the IPC and Patient Safety Show.
April 27-28, 2021, ExCel, London

NHS ConfedExpo
June 16-17, 2021, Manchester Central, Manchester

Medtech Innovation Expo
June 29-30, 2021, NEC, Birmingham

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Government Departments

[Department of Health and Social Care (England)](#) & [NHS Digital](#)

[NHS Scotland](#) & [Digital Health & Care Scotland](#)

[NHS Wales](#) & [NHS Wales Informatics Service](#)

[Health and Social Care (HSC) Northern Ireland](#)

Trade Associations

[Association of British Healthtech Industries](#)

[ECHAlliance](#)

[British Healthcare Trades Association](#)

[Scottish Life Sciences Association](#)

[techUK](#)

Procurement Opportunities

[Tenders Electronic Daily](#)

[Contracts Finder](#)

[NHS Supply Chain](#)

[Digital Marketplace](#)

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Information Communication Technology (ICT)

Overview

The UK is the largest ICT market in Europe offering offers major opportunities in cybersecurity, 5G/telecoms, cloud, AI, Io and big data. The vast majority of UK enterprises realize the value of investing in newer ICT segments to accelerate their productivity and growth.

- $240bn digital tech turnover in 2018
- About 100,000 software companies in market
- Second largest ICT markets in ranking of ICT spending per head (U.S. #1)
- London second most connected place for tech, right after Silicon Valley
- No. 1 top scaling tech nation in Europe
- No. 1 destination for U.S. ICT businesses in Europe (often serving as EMEA HQ)
- Despite Brexit uncertainty, attracted over $12bn venture capital investment in 2019 more than any other European country (more than France and Germany combined)

Leading Sub-Sectors

Cybersecurity

The rapid development of digitalized services has been paralleled with significant growth in cybercrime, leading to greater spending on security in both public and private sectors and driving demand for more sophisticated and bespoke cyber solutions.

5G

5G has begun rolling out across the UK thanks to strong commitment and investment from both the UK government and the UK network operators.

Back in 2016, the UK government announced its intention to invest in a nationally coordinated program of 5G testbed facilities and trials, as part of over $1.25BN (£1BN) of funding to boost the UK's digital infrastructure. Projects funded includes urban and rural connected communities, IOT, augmented and virtual reality, transport infrastructure, enhanced manufacturing, 5G security, and many more. The UK government's significant funding to the program is being matched by private companies and network operators (there are 4 UK's core networks: EE, O2, Three and Vodafone).

Software, SaaS and Cloud Services

About 100,000 software companies operate in the UK including major U.S. firms such as Microsoft, IBM and HP. Also the UK datacenter market is the largest in Europe generating new sources of demand for ICT providers.

The rising tide of software as a service (SaaS) has created an industry of products and services that require subscription-like recurring payments and the mindset of UK customers has also shifted from one-off customers with a one-time purchase, to active, recurrent customers that adopt a recurring purchase routine.

Additionally the vast majority of UK enterprises rely on mobile connectivity of its workforce, which is an ideal setting for SaaS and cloud providers.

Artifical Intelligence (AI)

In April 2018, the UK Government unveiled an artificial intelligence deal worth over $1.3 billion, which is backed by 50 leading tech firms and nearly $400 million of private investment.

Augmented Reality and Virtual reality (AR/VR)

The UK Government has announced an investment of up to $47 million in areas including virtual reality, augmented reality and mixed reality. The announcement forms part of the Government's Industrial Strategy, which includes plan to grow artificial intelligence and data-driven economy. The UK is currently the largest market for VR/AR in Europe.

FinTech

London is one of the world's leading financial centers and a global hub for fintech innovation, advancement, and disruption. The market benefits from a major presence of financial firms from around the world and consistently attracts a high quality, diverse pool of financial services talent. The UK's regulatory bodies, including the Financial Conduct Authority (FCA) and Bank of England are praised by industry for their open, welcoming policies that foster innovation and support cutting edge, disruptive technologies.

IOT /Smart Cities

IOT technolgy and services in the UK are growing rapidly specifically in applications within the heatlcare, energy, transport, public sector and manufacturing industries. IOT/smart city projects are exceptionally well supported in the United Kingdom.

Opportunities

Opportunities exist to supply organizations of all sizes from SME to large corporations, with the most substantial opportunities to be found in organizations for which IT security is mission critical, e.g. major financial institutions, utilities and especially government departments (including Home Office, Ministry of Defence, Immigration and Border Protection, Revenue and Customs etc.).

- Large Enterprises: The bulk of the ICT market is orientated around large commercial enterprises. Financial services, utilities and transportation companies are large spenders.
- Public Sector: Central and local governments are investing heavily in ICT and data as they implement their digital transformation agenda to move more and more services online.
- Defense and Security (D&S): The D&S market is relatively niche and is focused on securing the nation's secrets; involving the security and intelligence agencies, as well as the Ministry of Defence (MoD).
- Small and Medium sized Enterprises: While all the big enterprises in the UK have already implemented adequate tech tools for a while now, small and medium-sized enterprises have also started to direct their attention towards the right digital tools to optimize their processes.

Cybersceurity is the one of the most active ICT subsectors in the market with U.S. cyber companies and technologies very well perceived in the UK. The impact of cybercrime is difficult to quantify, but is estimated to cost the UK roughly up to $30bn per year. The National Cyber Security Centre (NCSC) reports around 60 'high-level' cyber-attacks on the UK a month, many of which threaten national security. Additionally organizations' IT footprints are becoming increasingly complex, driving demand for more sophisticated and customized cyber solutions.

With regard to 5G, on July 14, the UK Government announced a ban on new Huawei equipment from end of 2020 as well as all existing Huawei equipment to be stripped from 5G networks by 2027. The U.S. sanctions introduced in May 2020 led UK security officials to conclude they could no longer assure the security of Huawei products. The exclusion of Huawei will create opportunities for U.S. tech providers to supply services to UK operators.

Cloud computing offers significant growth opportunities: almost all software companies in the UK are using cloud and opportunities exist in both the public and private sectors for companies offering cloud or linked services. The UK government has been strongly supporting the adoption of cloud technologies over the past years with the G-Cloud frameworks allowing the government to buy directly from suppliers after reaching an agreement on basic terms of use.

Artificial intelligence and machine learning also present substantial prospects with the UK being home to some of the biggest names in the business such as Deepmind, Swiftkey and Babylon.

VR is the fastest growing segment of the UK's entertainment and media sector and growth will be driven by a second wave of hardware that is easier to use, better supported and competitively priced.

FinTech is an area of growth and opportunity in the UK market, particularly in the subsector areas of blockchain and insurtech.

IOT opportunities streches across a variety of UK sectors including health and social care, power & utilities, transport, public sector, and manufacturing.

Resources

Industry Events

[Infosecurity Europe](#)

June 8-10, 2021

London

Trade Associations

[techUK](#)

[Digital Catapult](#)

Government Departments

[National Cyber Security Centre](#)

[Department for Digital, Culture, Media & Sport](#)

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Safety & Security

Overview

The UK security and resilience market is valued at approximately $15bn and is growing. In the global security export market the UK is fifth, behind the U.S., Japan, China and Germany. The market benefits from the focus on national security and counter terrorism, new post Brexit infrastructure, the need to guard against the increased threat of crime and the general demand for security products and services.

The UK physical security market only, was in 2019 worth $5.7bn. It is expected to be fairly stable over the next two years with no significant growth overall reaching $5.93bn in 2022. The sector will benefit from a strong performance of security for infrastructure whilst other aspects will see decline. The areas that will play an important role are surveillance technologies and managed services. Border security and major events are anticipated to require significant investments in security in the coming years and will outperform other subsegments *(Source Frost & Sullivan)*.

The threat from terrorism to the UK as a whole is substantial, with transport infrastructure facing especially high levels of threat. Generally higher levels of effective and visible protective security at national infrastructure sites are likely to act as a deterrent to terrorists, who increasingly favor 'soft' targets. Nevertheless, with the continual diversification of the threat, the ambition and capability of terrorist groups to target UK infrastructure is likely to continue to evolve.

The UK Government's national security technology procurement strategy emphasizes the need for commercial off-the-shelf solutions from well-established suppliers that can be deployed quickly, suggesting a good opportunity for U.S. companies with a strong existing track record in the U.S. The evolving terrorism threat raises the need for new technology and product innovation. Although the demand for security services such as consultancy, training, guarding and risk analysis is also growing, the UK market is highly competitive and can represent challenges for U.S. businesses, as the local companies are seen as one of the world leaders in this sub-sector.

All the main U.S. suppliers typically do well in the UK, but newcomers must consider the scale of the competition. There are an estimated 9,000 security companies in the UK. British companies operating in the market vary in size from small niche companies through to a handful of major UK-owned global operators such as BAE Systems and Smith Group. Major foreign players are active in the UK include Ansell, Draeger, EADS, Thales and Finmeccanica and many others.

The 2020 projectstions for the security market vary based on end users and also different sub-sectors. Public spending is expected to sustain in 2020, but private is set to contract from the second quarter of 2020. Manpower levels and are being cut and costs carefully considered given additional safety and security measures that need to be implemented as a result of the global pandemic. Spending focus in the coming period is on business continuity instead of investments in capability improvements.

The departure of the UK from the EU means investment in the UK border crossings. The UK Government allocated over $910 million for border infrastructure, technology and new staff to ensure British border systems are fully operational at the end of the transition period (see Opportunitites below).

While the UK market is substantial, mature and growing rapidly, there can be significant challenges to newcomers with no previous track record in the UK. For that reason, it is strongly advised to consider partnering with an established local partner. For UK government-related opportunities, it is often important to have a UK incorporated presence.

Leading Sub-Sectors

Leading sub-sectors are:

- Access Control and Identity Management – There has been an increase in the call for solutions that combat the growing threat of identity theft. Demand for solutions that help enhance retail, property and personal security remains. Biometrics are at the forefront of the opportunities in this sub-segment.

- Screening and Detection – As a result of the increased threats of international terrorism in Europe, there is a call for higher investments in national security and counter terrorism, which indicates steady growth for this market in the coming years. In addition, the need for increased security at high profile national locations continues to drive the demand for better and more sophisticated screening solutions from which U.S. companies offering advanced technologies in this sub-sectors can benefit.
- Surveillance – In the area of surveillance systems the demand is for innovation; increased complex risks mean that customers require more agile solutions. Customers' demand dictates that analog CCTV is replaced by IP surveillance systems with added functionalities such as facial recognition and incorporation of interface with smartphone technologies. The UK also follows the global trend of tailoring solutions for each customer of security products. The thermal imaging market is also expected to grow significantly with video surveillance representing the largest contributing growth.

Opportunities

The UK Government announced in July 2020 spending on post Brexit border crossing with the aim to create "the world's most effective border by 2025". $610 million was allocated to build infrastructure such as border control posts, with further $305m allocated for IT systems and staffing. Focus is on seamless screaning and scanning of cargo and personnel. More than $130 million is allocated to develop Her Majesty's Revenue and Customs (HMRC) systems to reduce the burden on traders, alongside additional investment in technology to ensure that new controls can be fully implemented.

Large investments in critical national infrastructure create also opportunities particularly for the following types of products: Security screening and detection (improved speed and convenience), biometric, connectivity, crowd management, hostile vehicle protection, security solution for soft targets, physical protection of assets, intelligent surveillance, anti-drone systems, blast proofing, containment, and predictive strategic security.

In the wake of the global pandemic, contactless technologies and remote controlled equipment that can combine requirements of security and safety at the same time is being in demand. Opportunities with First Responders in the UK include Personal Protective Equipment (PPE) and integration systems and platforms.

In addition, Fire Equipment is a Safety market sub-segment that is experiencing a raise in demand in the aftermath of the widely publicized Grenfell Tower fire disaster.

Web Resources

ADS

ASIS International

British Security Industry Association

Association of Security Consultants

Security and Counter Terror Expo

IFSEC International

International Security Expo

Security and Policing Expo

The Joint Security and Resilience Centre

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Financial Technology (FinTech)

Overview

The Financial Technology (FinTech) sector is revolutionizing the financial services industry by simplifying transactions, reducing costs, enabling innovation, empowering customers, and enhancing security. The UK is the third largest destination for FinTech investment, after the United States and China. The FinTech sector in the UK is comprised of over 1,600 firms, and that number is projected to double by 2030. The sector contributes and estimated $9.18 billion (£7 billion) and over 60,000 jobs to the UK economy.

In May 2019, U.S. Treasury and Her Majesty's Treasury established the U.S.-UK Financial Innovation Partnership (FIP). The FIP seeks to encourage collaboration in the private sector, to enable sharing of expertise in regulatory practices, and to promote growth and innovation. The work of the FIP has two pillars of engagement: regulatory and commercial. As part of the commercial engagement piece of the FIP, the U.S. Department of Commerce will host a U.S.-UK FinTech Trade Mission to the UK in June 2021.

The UK FinTech ecosystem is the largest in Europe. As the UK negotiates its future relationship with the European Union, Her Majesty's Government has made its FinTech sector a priority. In July 2020, the UK's Economic Secretary to the Treasury announced a review into the UK FinTech industry. The aim of the review is to identify opportunities and to support further growth.

Leading Sub-Sectors

The FinTech sector has seen steady growth and the acceleration of adoption in several sub-sectors, including payments, regulatory technology (regtech), and insurance technology (insurtech).

Opportunities

The UK FinTech industry is growing quickly and this growth has been accelerated by the COVID-19 pandemic. There are opportunities for innovative U.S. fintech solutions to be provided as disruptive technology, as well as to forge partnerships with the major incumbent financial institutions. Though concentrated in London, there are other major centers for FinTech throughout the various regions in the UK, including FinTech North, FinTech Northern Ireland, FinTech Scotland, and Fintech Wales.

Resources

U.S.-UK Financial Innovation Partnership

HMG Report (May 2019), "UK FinTech: State of the Nation"

Department for International Trade

City of London and The Lord Mayor's Role as a Financial Services Ambassador

FinTech Alliance

Innovate Finance

UK Finance

The U.S. Department of Commerce will host a Certified Trade Mission to the UK from June 21-24, 2021. Other industry events include:

FinTech Connect
November 30-December 4, 2020
Virtual Event

Innovate Finance Global Summit (IFGS)
April 2021 (TBC)
Guildhall, London

Money 2020 Europe
June 8-10, 2021
Amsterdam, Netherlands

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Customs, Regulations & Standards

As mentioned previously, the UK is in the final months of transitioning from the EU. All mention below of the UK's adherence to EU regulation is valid until 31 December 2020.

Trade Barriers

The UK has no significant trade or investment barriers and no restrictions on the transfer of capital or repatriation of profits. The few barriers that exist are almost all attributable to UK implementation of EU Directives and regulations. For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by Office of the United States Trade Representative (USTR).

To report existing or new trade barriers and to get assistance in removing them, contact either the: Trade Compliance Center or U.S. Mission to the European Union

For more information and help with trade barriers please contact:

International Trade Administration
Enforcement and Compliance
Tel: (202) 482-0063
ECCommunications@trade.gov

Import Tariffs

Customs duty is assessed on the fair market value of imported goods at the time they are landed in the UK. Import prices for products entering the UK from non-EU states generally consist of: Cost, Insurance, Freight and Duty, with standard VAT of 20% levied on the aggregate value. VAT is reduced to5% for some goods and services such as children's car seats and home energy. VAT is further reduced to 0% for certain goods such as food and children's clothing. More information on VAT can be found by visiting VAT Rates.

The commercial invoice value is usually accepted as the normal price, but if a preferential arrangement has been established between the overseas supplier and the importer, or an unrealistic value has been declared, HM Revenue and Customs (HMRC) reserves the right to assess a fair market value for duty purposes. The duty is payable at the time the goods are imported, but established importers can defer payment for, on average, 30 days. In addition to customs duties on imported goods, an excise tax is levied on in-country sales of alcohol, tobacco, and road vehicles, and on sales of oil and petroleum products.

The applicable import duty and excise tax rates can be obtained from U.S. Department of Commerce Export Assistance Centers.

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. In the UK, the Tariff database is maintained by HMRC.

Import Requirements & Documentation

An import license is not needed to import the majority of industrial goods into the UK or EU. However, some industrial goods require import licenses issued by the Import Licensing Branch (ILB) as a result of controls imposed at national, EU or UN level. ILB publicizes these restrictions by issuing Notices to Importers. The Department for

International Trade's (DIT) Import Licensing Branch is the UK licensing authority. A list of EU licensing authorities is available by contacting the DIT Import Licensing Branch import controls: enquiries.ilb@trade.gov.uk. The Department of International Trade provide further guidance on import controls.

There are numerous goods which are currently subject to import controls, whether because they are banned, subject to quotas or where the import is monitored with licenses. Examples of goods currently banned include offensive weapons (i.e. switch blades), self-defense sprays (i.e. pepper spray) and rough diamonds. The import of firearms is subject to monitoring.

Labeling/Marking Requirements

In the UK, origin, weight and dimension, chemical 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, accompanying printed material, or product literature. European and British clothing and shoe sizes are differently marked, and special provision may have to be made for apparel retail labeling. Dual labeling is strongly supported by the UK, which uses the practice as a cost-saving measure in its exports to North America.

Labeling and Marking

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling using Imperial measurements is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

An EU Directive lays down rules on nominal quantities for pre-packed products. The directive removes potential obstacles to the competitiveness and facilitates access to markets in different EU countries. The directive also liberalizes pack sizes and promotes free circulation of products in the EU single market.

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17,000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between £290 and £1555 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between £445 to £2250), with a 30% reduction for companies registered under the EU Eco-Management and Audit Scheme (EMAS) or 15% if certified under the international standard ISO 14001. Discounts are available for small and medium sized enterprises (SMEs).

U.S. Export Controls

An export license grants permission to conduct a certain type of export transaction. Most export transactions do not require specific approval in the form of licenses from the U.S. Government. It is up to the exporter to determine whether the product requires a license and to research the end use of the product.

Department of State

The U.S. Government views the sale, export, and retransfer of defense articles and defense services as an integral part of safeguarding U.S. national security and furthering U.S. foreign policy objectives. The Directorate of Defense Trade Controls (DDTC) and the International Traffic in Arms Regulations (ITAR) control the export and temporary import of defense articles and defense services covered by the United States Munitions List (USML).

Department of Commerce

The Bureau of Industry and Security (BIS) deals with items involving national security and high technology that are not covered by ITAR. BIS's activities include regulating the export of sensitive goods and dual-use technologies along with a range of other activities. Items on the Commerce Control List (CCL) - which includes many sensitive goods and technologies such as encryption software - require a permit from the Department of Commerce before they can be exported. To determine whether an export permit is required, an Export Control Classification Number (ECCN) is used:

Nuclear Regulatory Commission

The Nuclear Regulatory Commission has responsibility for licensing the export of nuclear materials and equipment.

Department of Energy

The Office of Imports and Exports, under the Office of Fossil Energy in the Department of Energy, regulates the export of natural gas and electric power:

Food and Drug Administration (FDA)

The U.S. Food and Drug Administration's (FDA) Office of International Programs provides exporters with an interpretation and understanding of the implementation of the provisions of the Federal Food, Drug, and Cosmetic Act (FD&C Act), which relates to the safety of food, drugs, and cosmetics:

Department of Agriculture

The Food Safety and Inspection Service at USDA guides exporters in exporting meat, poultry, and egg products, including packaging, labeling and other special conditions:

Re-exports from the UK and the activities of UK-based subsidiaries are subject not only to ITAR but also to UK export controls. These are managed by the Export Control Organisation (ECO), an office of the UK Department for International Trade. U.S. companies supplying certain restricted items appearing on the UK Military List, including missile and long-range UAV technology, are encouraged to consult guidance available from the ECO website.

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the Export Administration Regulations; and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, , and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a list of upcoming seminars and webinars or reference BIS provided online training.

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the BIS website or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the BIS website and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The Consolidated Screening List (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

The Carnet is a system allowing the free movement of goods across frontiers and their temporary admission into a Customs territory with relief from duties and taxes. The goods are covered by a single document known as the ATA carnet that is secured by an international guarantee system. The term "ATA" is a combination of the initial letters of the French words "Admission Temporaire" and the English words "Temporary Admission".

With this system, the international business community enjoys considerable simplification of Customs formalities. The ATA carnet serves as a goods declaration at export, transit and import. Almost everything from the ordinary to the extraordinary, the usual and unusual; computers, repair tools, photographic and film equipment, musical instruments, industrial machinery, vehicles, medial appliances and aircraft, etc.

No import duties or taxes are collected for the temporary importation of goods covered by the system since internationally valid security has been established by the national associations issuing the ATA carnets. These national

associations are approved by Customs and are affiliated to an international guaranteeing chain administered by the International Chamber of Commerce World Chambers Federation (ICC/WCF).

When showing commercial samples to customers or potential customers, demonstration of professional equipment for use at a trade fair or transporting equipment to provide a service, the ATA carnet is now the document most widely used by the business community for international operations involving temporary admission of goods.

Importing personal belongings into the UK

Prohibited & Restricted Imports

There are certain goods that cannot be brought into the UK under any circumstances, and some goods that are restricted. This is to protect the UK from crime, pests and diseases. The following goods are banned completely regardless of country of origin: illicit drugs, offensive weapons such as flick and gravity knives, self-defense sprays such as pepper and CS gas sprays, indecent and obscene material rough diamonds and personal imports of meat and dairy products from most non-EU countries. The UK government provides current and complete information on banned or restricted goods.

The UK participates in the Wassenaar Arrangement for the control of dual-use exports; the Australia Group (AG) for the control of chemical and biological weapons; and the Nuclear Suppliers' Group (NSG) for nuclear-related goods, preventing the export of restricted goods and technology to countries of proliferation concern. The UK also supports United Nations' sanctions restricting exports to certain other destinations. Although sensitive to the extraterritorial application of U.S. law in export controls, the UK authorities cooperate with the U.S. in preventing the re-export of sensitive goods and technology of U.S.-origin to unauthorized destinations, when the enforcement action is based on multilateral controls.

The UK is a signatory to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, an international agreement between governments that came into force in 1975. The import, export and use for commercial gain of certain species requires a CITES permit.

Animal and Plant Health Agency's Centre for International Trade - Bristol is the part of the UK CITES management authority responsible for dealing with CITES applications.

The UK Forestry Commision is responsible for forrestry in the UK and it controls the import of certain wood, wood products and bask.

Customs Regulations

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

A copy of the commercial invoice should accompany the shipment to avoid delays in customs clearance. It is worth noting that imprecise descriptions are a common reason for goods being held without customs clearance, meaning that a clear description of the goods is essential and should be worded in such a way as to describe the goods to an individual who may not necessarily have an understanding of a particular industry or article. A clear description of goods should satisfy three basic questions as to what the product is, for what is it used, and of what it is made.

No special form of invoice is required, but all of the details needed to establish the true value of the goods should be given. At least two additional copies of the invoice should be sent to the consignees to facilitate customs clearance. Consular documents are not required for shipments to the UK. The UK government provides guidance on imports.

Standards for Trade

Overview

Products tested and certified in the United States to U.S. regulations and standards are likely to have to be retested and re-certified to Eureopan Union (EU) requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements. The British Standards Institute is regularly active group that represents the UK in proposing new work in ISO and IEC.

To improve the Internal Market for goods and strengthen the conditions for placing a wide range of products on the EU Market, the New Legislative Framework was adopted in 2008. It is a package of measures that aim to improve market surveillance and boost the quality of conformity assessments. It also clarifies the use of CE marking and creates a toolbox of measures for use in product legislation.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards and EU law on food information to consumers

The Regulation (EU) No 1169/2011 on the provision of food information to consumers entered into application on **13 December 2014**. The Regulation provides consumer protection in relation to food information, taking into account the differences in the perception of consumers and their information needs whilst ensuring the smooth functioning of the internal market. Foreign Agricultural Service's office in the U.S. Mission to the European Union represents the interests of U.S. farmers and the U.S. food and agricultural sector in the European Union. Its main mission is to improve market access for U.S. products and provide information to U.S. exporters on how to comply with EU rules. On its website you will find information on EU regulatory actions that may affect U.S. agricultural exports, trade policy and commodity analysis, how the EU works and much more.

Standards

Standards are technical specifications defining requirements for products, production processes, services or test-methods. These specifications are voluntary. They are developed by industry and market actors following some basic principles such as consensus, openness, transparency and non-discrimination. Standards ensure interoperability and safety, reduce costs and facilitate companies' integration in the value chain and trade.

European Standards are under the responsibility of the European Standardisation Organisations (CEN, CENELEC, ETSI) and can be used to support EU legislation and policies.

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the EU member states, which have "mirror committees" that monitor and delegate experts to participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and provides some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities

by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal links to ongoing activities.

The European Standardization Policy has played a leading role in creating the EU Single Market. Standards support market-based competition and help ensure the interoperability of complementary products and services. They reduce costs, improve safety, and enhance competition. Due to their role in protecting health, safety, security, and the environment, standards are important to the public. The EU has an active standardization policy that promotes standards as a way to better regulation and enhance the competitiveness of European industry.

Testing, Inspection and Certification

Conformity Assessment

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system.

To promote market acceptance of the final product, there are several voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

To sell products in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. The CE marking process is very complex and this section attempts to provide some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

UKAS is the UK's National Accreditation Body, responsible for determining, in the public interest, the technical competence and integrity of organizations such as those offering testing, calibration and certification services.

Publication of Technical Regulations

The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more. It also lists the standards reference numbers linked to EU legislation.

The (EU) 2015/1535 procedure aims to prevent creating barriers in the internal market before they materialize. Member States notify their legislative projects regarding products and Information Society services to the Commission which analyses these projects in the light of EU legislation. Member States participate on the equal foot with the Commission in this procedure and they can also issue their opinions on the notified drafts.

The Technical Regulation Information System helps you to be informed about new draft technical regulations, allows you to participate in the 2015/1535 procedure and is also a tool of dialogue between the Commission that allows interested parties to comment.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

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B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
http://www.cenelec.eu/

ETSI- European Telecommunications Standards Insitute
Route des Lucioles 650
Sophia Antipolis
F-06560 Valbonne France
Tel: 33.4.92.94.42.00
http://www.etsi.org/

SBS- Small Business Standards
4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: 32.2.285.07.27
http://sbs-sme.eu/

ANEC- European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
https://www.anec.eu/

ECOS- European Environmental Citizens Organization for Standardization
Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.68
http://ecostandard.org/

EOTA- European Organization for Technical Assessment
Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
https://www.eota.eu

British Standards Institution
389 Chiswick High Road
London
W4 4AL
United Kingdom

Tel: +44 208 996 9000
https://www.bsigroup.com/en-GB

Trade Agreements

The UK participates in the free trade arrangements of the European Union (EU) and European Free Trade Association (EFTA), and is a member of the World Trade Organization (WTO). For a list of trade agreements with the EU and its member states, as well as concise explanations, please visit the EU's Free trade agreements. However, these trade arrangements will change with the final completion of Brexit once the Transition period with the EU ends on January 1, 2021.

U.S.-UK Defense Trade Cooperation Treaty

The U.S. Senate ratified the U.S.-UK Defense Trade Cooperation Treaty on September 29, 2010. The treaty creates Approved Communities of government and private sector entities that may receive defense articles and defense services under the treaty. Under the treaty, it is possible for most U.S. defense articles to be exported into, and within, these communities without prior licenses or other authorizations pursuant to the ITAR if certain conditions are met.

Licensing Requirements for Professional Services

The recognition of skills and qualifications acquired by EU citizens in EU Member States, including the corresponding recognition procedures and charges are, in correspondence with article 165 of the TFEU, the responsibility of Member States. Similarly, recognition of skills and qualification earned in third countries is also a national responsibility.

However, the European Commission takes initiatives to facilitate recognition procedures. For example:

- Recognition of professional qualifications obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State is subject to Directive 2005/36.

- Recognition of qualifications for academic purposes in the higher education sector, including school-leaving certificates is subject to the Lisbon Recognition Convention. The ENIC-NARIC network provides advice on (cross-border) recognition of these qualifications.

Recognition in other cases is assessed and granted (or denied) by the receiving educational provider or employer. For them to be able to recognize skills and qualifications understanding of the level, content and quality is needed. The Commission currently explores the possibilities on how to better support these recognition decisions.

"Your Europe" maintains a webpage dedicated to help citizens understand what the regulated professions are and what document are needed for their recognition in each Member State.

The UK has specific licensing requirements for certain professions:

Information about acceptable overseas medical qualifications.

Information about the dental overseas registration exam and temporary registration.

Information about the Qualified Lawyers Transfer Scheme.

Information about regulations applying to financial services professionals.

Web Resources

General Regulation Inquiries:

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[Office of the U.S. Trade Representative](#)

[U.S. Mission to the EU (USEU)](#)

[Foreign Agricultural Service website, USEU](#)

[Enforcement and Compliance](#)

[U.S. Commercial Service European Union](#)

[Food labelling and packaging](#)

[Department for International Trade](#)
King Charles Street
Whitehall
London
SW1A 2AH
Tel: 011 44 20 7215 5000

Customs and Rules/Regulations for the UK

[HM Revenue & Customs](#)

[Import-Export](#)

[Webinars](#)

Selling U.S. Products & Services

Distribution and Sales Channels

Overview

The UK has well-developed sales and distribution channels, ranging from wholly-owned subsidiaries of foreign manufacturers to independent trading companies that buy and sell on their own account. Between these two extremes are independent resellers, sales agents, and stocking distributors, who have contractual relationships with their suppliers. The selection of an appropriate marketing organization depends largely on the nature of the goods and services involved. Also, increasing international e-commerce has contributed the growth of local fulfillment and delivery/return services.

Using an Agent to Sell US Products and Services

Most U.S. exporters to the UK sell their products via distributors, who purchase goods directly from the manufacturer with the intent of reselling them to third parties. Distributors position products and brands in the market through advertising and promotion and assist with after-sales service, which is increasingly important for UK customers and contributes to a positive image of U.S. firms doing business in the UK. In many sectors, one distributor can cover the entire UK market, although in certain cases U.S. companies may wish to appoint separate distributors to cover selected regions as well as to cover Scotland, Wales and Northern Ireland. Depending upon the distributor's market coverage, U.S. exporters may also benefit from access to territories beyond the UK. Sales agents are less commonly used in the UK as they tend to be small, one- person operations and may offer only limited geographic sales coverage. Sales agents might be appropriate for equipment or services that require specific technical expertise. Note that the law covering agents is different from the United States and principals should be aware of the EU Agency Directive. When deciding upon the optimal form of representation, U.S. exporters should consider pricing, distribution network, operational expenses and after-sales service. Additional information on Agreement Termination.

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts. Additional information on Rules Governing Competition.

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted (Commission Notice 2014/C 291/01). Additional information on Rules Governing Payments.

The EU also looks to combat payment delays. Directive 2011/7/EU covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain

the title to goods until payment is completed and may claim full compensation for all recovery costs. Additional information on European Ombudsman.

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Dispute Resolution

Although there are few instances that specifically require the use of a local lawyer, contracts and agreements should be vetted by a competent attorney or firm conversant with UK and EU Law. While contract coverage is often similar, specific clauses and language can be considerably different from that in the United States. Standard American contracts should not be used, as they are mostly unenforceable under UK law. Many U.S. law firms have either established their own UK offices or have links with local practices and are often the most convenient and practical sources of legal advice for American companies. The Commercial Service in London can provide lists of local law firms, including those with U.S. links.

Establishing an Office

There are several steps to consider when establishing a local office in the United Kingdom. The process is generally straightforward and can be achieved in a relatively short space of time. The steps to consider are:

Decide on legal structure

- Why: Your commercial aims will determine the type of operation that you need to establish and help define your legal and tax status.
- How: There are two options: a UK private limited company, known as a subsidiary (separate legal entity), or a UK branch of your overseas company, known as a UK establishment (no legal identity distinct from the parent company).
- Timescale: n/a.

Register at Companies House

- Why: Under the Companies Act, an overseas business in the UK must register a UK establishment when it has some degree of physical presence in the UK (such as a place of business or branch). You can only make immigration applications for inter-group transfers (Tier 2) if you've set up your UK entity as either an establishment or subsidiary.
- How: You can register online, by post, by an agent or third-party software. You will need at least 3 pieces of personal information about yourself and your shareholders or guarantors. The cost is £12 ($16). A professional advisor may also undertake this for you.
- Timescale: 1 day.

Apply for visas

- Why: If you plan to transfer a non-European employee from an overseas office to set-up and run your new UK operation, that person should apply for a sole representative visa before you start trading in the UK. Sole representative visas are usually granted for an initial period of three years.
- How: You must apply online for a Representative of an Overseas Business visa. A Representative of an Overseas Business visa costs £610 ($785). You'll need to have your fingerprints and photograph taken at a visa application center as part of your application. You may be able to get

your visa faster or other services depending on what country you're in – check with your visa application center.

- Timescale: 3 weeks.

Set up business bank accounts

- Why: If you are intending to trade in the UK, then a UK bank account will be needed. Not only does it give your business credibility in the UK, but if you have numerous transactions it will be cheaper to handle these locally, rather than through overseas bank transfer which are invariably costly. In addition, (should you need to be VAT registered), having a UK bank account accelerates the process.
- How: When setting up the business bank account you will need to bring along the following: Business customer application form, Mandate for companies registered under the Companies Act, Registration of the company, identification and verification of address, company structure chart, bank statements and audited accounts. No matter where you intend to locate your business, you should contact the central inward investment banking team, usually located in London. Do not apply through a local branch, online or a call center. Tell the bank that you have foreign shareholders and/or directors of your business and that you need a UK business bank account.
- Timescale: 3 weeks – 3 months.

Register for tax

- Why: VAT – You must register for VAT with HM Revenue and Customs (HMRC) if your business' VAT taxable turnover is more than £85,000 (about $110,000).
  Corporation Tax – Any company with a UK branch or office must pay UK Corporation Tax on company profits. You must give HMRC specific information about your company within 3 months of starting up in business.
- How: VAT – Most businesses can register online. By doing this you'll register for VAT and create a VAT online account. You need this to submit your VAT Returns to HMRC. Corporation Tax – You can do this online once you've got your company's Unique Taxpayer Reference (UTR) – sent within 14 days of the company being registered.
- Timescale: 2 weeks – 2 months.

Register for payroll and pension

- Why: As an employer, you are responsible for paying your employees' tax and you normally must operate pay-as-you-earn (PAYE) as part of your payroll. PAYE is an HMRC system to collect Income Tax and National Insurance from employment. Employers must provide a workplace pension scheme for eligible staff as soon as their first member of staff starts working.
- How: Register as an employer with HMRC and get a login for PAYE Online. You must register before the first payday. Register as an employer with The Pensions Regulator online.
- Timescale: 2 weeks.

Search for property

- Why: For companies setting up in the UK, the key property decision is whether to rent premises (known as "leasehold") or to buy premises (known as "freehold").
- How: The British Government inward investment agency, Department of International Trade (DIT) will be able to assist with a detailed property search – finding the right option that works for you.
- Timescale: Dependent on property option taken (>1 week) Signing the lease/buying the property (1-4 months).

Recruit staff

- Why: To be successful in the UK, you need to recruit and develop the best staff.
- How: Several options exist for recruiting staff in the UK. DIT can help with introductions to recruitment agencies that can assist with the recruitment process.
- Timescale: 6-16 weeks (dependent on position).

Get business insurance

- Why: In the UK, insurance protection is compulsory to cover you against a number of risks. You must arrange insurance as soon as your new company employs staff. UK law requires that you hold Employers' liability insurance and commercial motor insurance. Other insurance to consider includes assets, income, liabilities, people and other risks.
- How: Insurance can be provided from a number of operators in the UK. DIT can help with introductions to commercial partners who can process these requests.
- Timescale: 2 weeks – 1 month.

Additional information for overseas companies looking to set up in the UK should contact the Department for International Trade.

Franchising

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are broad and generally do not constrain the competitive position of U.S. businesses. The potential franchisor should take care to look not only at the EU regulations, but also at the local laws concerning franchising and specific business sectors.

The UK has no specific laws governing franchising. The British Franchise Association (bfa) operates a voluntary code of practice for franchisors.

Key Links:

The British Franchise Association

The European Franchise Federation.

Direct Marketing

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data for direct marketing activities. In May 2018, the General Data Protection Regulation (GDPR) became enforceable, replacing the Data Protection Directive of 1995. The GDPR is the EU's new framework for data protection laws and includes significant changes for businesses and bodies that handle personal information. Individuals, organizations, and companies that are controllers or processors of personal data are impacted by GDPR.

The General Data Protection Regulation (GDPR)

Detailed information on GDPR is also available on the U.S. Commercial Service Europe website.

Distance Selling Rules

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "The Directive on Consumer Rights". The provisions of this Directive have been in force since June 13, 2014, and replaced EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the relevant sections of EU Member States' Country Commercial Guides and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

In May 2013, the EU adopted rules on Alternative Dispute Resolution (ADR) and Online Dispute Resolution (ODR) which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. Only disputes regarding health and higher education are excluded. ADR and ODR legislation allows consumers and traders to resolve their disputes without going to court in an easy, fast, and inexpensive way. Under the ODR Regulation, the European Commission established an EU-wide online platform to handle consumer disputes that arise from online transactions.

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Links:

Justice and Consumers Homepage

Consumer Protection Policies, Strategies, and Statistics

The Directive on Consumer Rights

The Online Dispute Resolution (ODR) Platform

Distance Selling of Financial Services

Direct Marketing over the Internet

Electronic Commerce (EC Directive) Regulations 2002 imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The regulation stipulates that marketing communications must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the regulation does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section).

Joint Ventures/Licensing

Joint ventures may be formed as limited liability companies or as equal or unequal partnerships. Consortia of companies formed to bid or manage specific projects usually use a British-registered limited liability company as the vehicle to more easily rent or purchase local premises and assets and to hire and manage a local workforce and support staff. No ownership or control restrictions apply to joint ventures in the United Kingdom.

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information.

Government procurement in Europe is governed by both international obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation under the EU Public Procurement Directives. Until December 31, 2020, all EU directives are applicable in the UK. U.S.-based companies can bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for public contracts 4.5 years after the Public Contracts Directive 2014/24 comes into force (i.e. October 2018). For central purchasing bodies, the deadline was April 2017.

The UK public sector is currently obliged to undertake electronic invoicing initiatives. In the UK, the 2015 Small Business, Enterprise and Employment (SBEE) Act was passed and included clauses that endorse e-Invoicing as beneficial to the UK economy. Within Europe, Directive 2014/55/EU states that all EU public sector organizations must be able to accept e-invoices by 2020. Standards for e-invoicing are being developed by the European Committee for Standardisation (CEN).

There are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in EU coverage of the Government Procurement Agreement (GPA). Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive allows EU contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

- Water sector
- Airport services
- Urban transport sector, and railways in general
- Dredging services and procurement related to shipbuilding

Most UK government departments and public bodies are subject to a range of EU procurement directives and to the GPA, which gives qualified foreign bidders from signatory countries equal access to each other's public-sector contracts.

In the UK, it is now mandatory for all public-sector organizations to advertise their procurement opportunities worth over £10,000 ($13,000) on Contracts Finder.

The Procurement Pipeline lists shorter term procurements and potential upcoming procurement opportunities. Opportunities in Scotland are listed at Public Contracts Scotland, Wales publishes their public contracts on Sell 2 Wales and Northern Ireland on eSourcing NI (Northern Ireland).

Defense Procurement

The UK Ministry of Defence (MoD) publishes information on its future projects and procurements in a biweekly Defence Contracts Bulletin, which is available to U.S. subscribers online. The European Defence Agency (EDA) also maintains an online database of defense procurement opportunities with governments and leading manufacturers throughout Europe. The EDA Electronic Bulletin Board is available free and without subscription.

However, many U.S. defense companies require more lead-time than these sources provide and detailed guidance is often needed to understand the procedures and bid evaluation criteria. The U.S. Embassy's Office of Defense Cooperation (ODC) provides insight, guidance, and advocacy in support of U.S. defense contractors competing for sales and cooperative development programs for military equipment and services, including missiles and defense systems, munitions, sensors, ships, aircraft and helicopters. ODC may be contacted at telephone 011-44-20-7891-3737 or email odclondon@state.gov

Key Link:

U.S. Embassy London website ODC information

Digital Market Place- Information Technology (IT)

Digital Marketplace is an online procurement database for IT work, web hosting, work through the cloud, or purchasing datacenter space. Digital Marketplace uses framework agreements to award contracts. There are different framework agreements for different IT services.

- G-Cloud: Cloud technology and support

- Digital Services: IT specialist work for specific projects

- Crown Hosting Data Centers: Work on the physical datacenter for legacy systems

G-Cloud framework agreements operate slightly differently from other framework agreements. G-Cloud frameworks allow buyers to pay for services as they use them rather than being tied to long-term, inflexible contracts.

Suppliers should apply to the specific frameworks that they want to compete for work in.

Express Delivery

There are more than 4,000 express delivery firms in the UK. Service differentiation is reducing, with the lines dividing the courier, express and parcel sectors becoming blurred. Traditionally, couriers serviced the same-day market, express carriers serviced the premium (for example, next-day guaranteed) market, and parcel carriers serviced the non-premium (for example, non-guaranteed, three-day service) market. Express carriers provide premium, time-sensitive services primarily for B2B clients, although increasingly now for B2C clients, particularly as online retailers require premium delivery services to consumers. Many non-premium providers are including guaranteed delivery times, track and trace, and other 'premium' features in their services. The leading players in the industry are the four global players DHL, FedEx, TNT and UPS.

Delivery times from the U.S. to the UK vary depending on the type of delivery service used, i.e. priority or economy, and size and amount of product being sent, but can range from a couple of days to a week.

Express delivery companies can advise of the exact customs forms required for products. When products enter the UK, duty (if applicable) is added to the value stated on the customs declaration, plus cost, insurance and freight. Value Added Tax of 20% is then added to that total.

Duty rates can be found on the UK government's Trade Tariff.

The standard rate of Value Added Tax in the UK is 20%, which is for most goods and services. However, there is a reduced rate of 5% for some goods and services, including children's car seats and home energy and a 0% rate for other goods and services such as children's clothes and most food. Exempt from Value Added Tax are items including postage stamps, financial and property transactions. [Guidance VAT rates on different goods and services](#).

[VAT Guide (VAT Notice 700)](#)

Due Diligence

Banks, accounting firms, credit agencies and risk management companies provide a full range of reporting services that U.S. companies can use as part of their due diligence before signing a local partner. Service providers include the UK subsidiaries of the American-owned Dun & Bradstreet, Equifax and Infocheck. All limited companies in England, Wales, Scotland and Northern Ireland are registered with Companies House. The WebCheck service offered by Companies House enables U.S. companies to search information on UK companies free of charge including viewing a company's filing history. Copies of document images as well as a selection of [company reports are available](#) for a small fee.

The U.S. Commercial Service provides [International Company Profile (ICP) background checks](#) on UK companies that can be a valuable part of a U.S. company's wider due diligence process. The ICP is a useful tool for American companies seeking to enter international business relationships and provides a background check on UK limited liability firms.

eCommerce

Assessment of Current Buyer Behavior in Market

Internet shopping is more popular in the UK than in any other major country. Consumer eCommerce now accounts for 33% of the total retail market in the UK (up from 20% in 2019) with $2.7bn spent weekly in the UK internet retail market. This boost has been compounded by the COVID-19 pandemic.

The key digital figures for the UK in 2020 indicates:

- Population: 67.71M
- Mobile phone connections: 72.41M
- Internet users: 65M
- Active social media users: 45M

The growth of online retailing is driving a relentless pursuit of value for money. People continue to look online for the best deals and prices and this is driving the proportion of money being spent online, which has increased for the second year in a row. The internet is now the natural place for shoppers to look for fashion, health and beauty, home and garden, consumer electronics and travel services. One key trend is to physically look at or try a product in-store and then go home to buy it at a better price online or buy it via their smartphone or tablet. Click and collect is also becoming much more popular.

With the continuing rise of social networking and mobile internet access, social media marketing is a key channel in which firms are most likely to be boosting their investment in e-commerce in the next couple of years.

The strength of online sales contrasts with the gloom in bricks-and-mortar retailing, with physical stores falling into administration or bankruptcy. The top eCommerce sotes in the UK are:

1. [Amazon](#) - eCommerce, estimated monthly traffic: 362 Million visits

2. [ebay](#) - eCommerce, estimated monthly traffic: 254.5 Million visits

3. Argos - most categories excl. groceries, estimated monthly traffic: 41.9 Million visits

4. Tesco - groceries, homeware, clothing, estimated monthly traffic: 25 Million visits

5. Asda - groceries, homeware, clothing, estimated monthly traffic: 23.2 Million visits

6. Screwfix - tools and accessories, estimated monthly traffic: 21.2 Million visits

7. Marks & Spencer - groceries, homeware, clothing, estimated monthly traffic: 21 Million visits

8. Next - clothing, estimated monthly traffic: 20.5 Million visits

9. John Lewis - most categories except groceries, estimated monthly traffic: 18.5 Million visits

10. Currys - electricals, estimated monthly traffic: 16.6 Million visit

Almost all UK-based online businesses allow customers to use credit or debit cards. Visa and MasterCard are almost universally accepted, while American Express, Diners Club and JCB, less so. Many websites use Pay Pal or other similar services. UK consumers are becoming much more aware of the issue of online identity theft and will generally only conduct financial transactions on secure websites.

Ecommerce purchases made via smartphone have overtaken those made via tablets. In 2019 online sales made via smartphone represented 60% of all ecommerce salses. It is forecasted that online purchases made via smartphone will represent around 70% of all ecommerce sales by 2023.

Local eCommerce Sales Rules & Regulations

The main rules covering sales on the Internet are The Consumer Contracts Regulations 2013 and The Consumer Contracts (Amendment) Regulations 2015. These set out the rights consumers have when making purchases over the Internet in the EU.

There is a special scheme for non-EU companies selling 'downloadable software' via the Internet to clients within the EU. This type of transaction is classified by the EU as "electronically supplied services". Non-EU companies selling downloadable software to EU customers must be registered for VAT in at least one member state within the EU. There are different requirements for accounting for VAT depending on whether the customer is a corporation or an individual and depending on where the customer is physically located. This is a complex subject and companies should either engage an accountant to advise them or ensure that they are familiar with the regulations. For more information about the UK's "Electronically supplied services: Special Scheme for non-EU businesses", companies should visit https://www.gov.uk/government/collections/vat-moss-vat-on-sales-of-digital-services-in-the-eu

The UK legal system provides a high level of intellectual property rights (IPR) protection. Enforcement mechanisms are comparable to those available in the United States. The **Intellectual Property Office (IPO)** is the official UK government body responsible for intellectual property rights including patents, designs, trademarks and copyright.

Local eCommerce Business Service Provider Ecosystem

There are many UK companies that provide eCommerce services to create and run platforms. The sector is well-served by such firms given that the UK is a world leader in eCommerce.

The U.S. Commercial Service Business Service Provider (BSP) directory is designed to help U.S. companies identify professional service providers to assist them in the assessment, completion, and/or financing of an export transaction.

In-country Events

https://www.ecommerceexpo.co.uk/ece

https://internetretailingexpo.com/welcome

https://ukecommerceawards.co.uk/

Selling Factors & Techniques

Overview

Typically, U.S. companies enter the UK market through distribution, franchising or licensing agreements, or through direct foreign investment. EU law, implemented by national legislation, governs exclusivity in agency and supply agreements, purchasing contracts, and contract terms. U.S. manufacturers and exporters are generally able to appoint exclusive representatives and to determine the methods used to promote the sale of their products. Such exclusive territories are usually national in size.

Sales practices that give regulatory concern are those that could give an unfair advantage to the supplier at the expense of competitors or end users. Legislation exempts some vertical agreements between manufacturers and their resellers but requires the disclosure of certain types of inter-company commercial arrangements. It also gives powers of investigation and enforcement to the regulatory authorities.

The Trade Finance Guide provides an overview of finance techniques for U.S. exporters, from cash-in-advance to government assisted foreign buyer financing.

Trade Promotion and Advertising

Most of the same sales and advertising techniques used in the United States are used in the United Kingdom, although companies are advised to work closely with their UK partners to account for any local differences. All advertising to consumers and business must comply with UK marketing and advertising regulations and codes of practice.

A listing on a local Featured U.S. Exporters (FUSE) website gives U.S. exporters targeted overseas exposure to help find business partners in specific local markets.

The Single Company Promotion (SCP), a U.S. Commercial Service program, is designed to help promote a U.S. company or local partner's existing presence in an overseas market. The SCP provides an opportunity to promote products or services and facilitate networking opportunities. It can be customized and can take the form of events, such as business roundtables, seminars or receptions.

UK Trade Fair Venues
ExCel London

Manchester Central Manchester

National Exhibition Centre (NEC) Birmingham

Olympia London

Scottish Event Campus (SEC) Glasgow, Scotland

U.S. companies are advised to visit the U.S. Commercial Service website or work with their local partners to identify industry specific trade exhibitions or trade publications.

Newspapers
Financial Times

The Guardian

The Independent

The Telegraph

The Times & Sunday Times

TV/Cable Channels

[BBC One, Two, Three and Four](#)

[ITV](#)

[Channel 4](#)

[Sky TV](#)

[High Street TV](#)

[QVC - The Shopping Channel](#)

[Ideal World TV](#)

[A complete list of TV and cable providers can be found on the Office of Communications (Ofcom) website.](#)

Pricing

Value Added Tax (VAT), a sales tax, must be charged on most goods and services sold in the UK. The standard VAT rate for most products is 20%. A reduced rate of 5% or zero rate is applied to a small number of goods and services, such as mobility aids, books or children's clothes. U.S. suppliers may need to register for VAT in certain circumstances. HM Revenue and Customs (HMRC) Notice 700/1: [Who should register for VAT](#) offers more guidance.

Product prices on goods sold direct to consumers must be clearly labelled in sterling currency and be inclusive of VAT. Any addition fees, such as delivery or postal charges, should also be included or, if shown separately, clearly displayed.

Companies selling goods or services direct to consumer must comply with [Consumer Protection from Unfair Trading Regulations 2008](#), among other consumer rights legislation, and [Business Protection from Misleading Marketing Regulations 2008,](#) if selling to other businesses. Both statutes prohibit false or misleading pricing information.

Sales Service/Customer Support

U.S. companies and local representatives are required to comply with raft of legislation and guidance relating to [sale of goods and services](#) and customer support. Key pieces of legislation include the [Consumer Rights Act (2015)](#), which was recently updated to include rights for consumers purchasing digital content, the [Consumer Protection Act (1987)](#) for defective products, and [Consumer Contracts Regulations 2013](#) relating to online shopping rights. EU law already been incorporated into national law, such as the EU Data Protection Act 2018 (GDPR) which was implemented into national legislation through the [UK Data Protection Act (2018),](#) will be retained following the UK's departure from the EU.

Local Professional Services

Visit the UK [Business Service Provider](#) (BSP) directory for a list of professional service providers that offer legal, accounting, human resources, trade show and marketing services.

Principal Business Associations

[British American Business](#) (BAB) transatlantic trade association that consists of a network of around 400 U.S. and UK companies. It has offices in New York and London.

[British American Business Council](#) (BABC) transatlantic business network. BABC has 22 Chapters and 2,000 members across the U.S. and UK.

[Confederation of British Industry](#) (CBI) influential UK business organization that represents 700 company members and a broader network of non-members via various trade associations. CBI lobbies on behalf of its members on national and international business issues.

Institute of Directors (IOD) a business organization for of senior business owners and entrepreneurs. Members must be company directors.

The Federation of Small Businesses (FSB) represents and supports small to medium-sized businesses. Membership is open to international businesses that have operations in the UK.

Trade Financing

Methods of Payment

Many UK importers are carefully considering their purchases and may seek special trade finance arrangements.

Normal practice has been for payments to be made on open account, payment in advance, letter of credit, documentary draft, or consignment. British buyers will typically ask for credit on 60, 90, or 180 day terms, depending on what is accepted practice in the industry. For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters.

Banking Systems

There are many British and foreign-owned banks and financial institutions based in London. There are more U.S.-owned banks operating branches and subsidiaries in London than there are on Wall Street. In addition, many of the smaller U.S. banks have correspondent relationships with one or more of the major British banks, and those UK correspondents can provide financial services for exporters and investors.

Foreign Exchange Controls

There are no exchange controls restricting the transfer of funds into or out of the UK, although anyone carrying the equivalent of €10,000 or more in cash when they enter the UK must declare it.

US Banks & Local Correspondent Banks

The many U.S. banks operating in the UK are generally members of **UK Finance and the Association of Foreign Banks**

Protecting Intellectual Property

The UK legal system provides a high level of intellectual property rights (IPR) protection and enforcement mechanisms that are comparable to those available in the United States. The UK is a member of the World Intellectual Property Organization (WIPO). It is also a member of the major intellectual property protection agreements: the Bern Convention for the Protection of Literary and Artistic Works, the Paris Convention for the Protection of Industrial Property, the Universal Copyright Convention, the Geneva Phonograms Convention, and the Patent Cooperation Treaty. The UK has signed and, through implementing various EU Directives, enshrined into UK law the WIPO Copyright Treaty (WCT) and WIPO Performance and Phonograms Treaty (WPPT), known as the internet treaties.

The Intellectual Property Office (IPO) is the official UK government body responsible for intellectual property rights including patents, designs, trademarks and copyright. Its web site contains comprehensive information on UK law and practice.

The British government tracks and reports seizures of counterfeit goods and regards the production and subsequent sale as a criminal act. The IPO's annual IP Crime and Enforcement Report highlights the incidence of IPC and the harm caused to the UK economy.

The Special 301 Report is an annual, congressionally-mandated review of the global state of intellectual property rights protection and enforcement. It is conducted by the Office of the U.S. Trade Representative to identify countries with commercial environments possibly harmful to intellectual property. The UK is not on the list.

IP lawyers are abundant in the United Kingdom; virtually every major U.S. law firm operates in the London market. For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles.

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on Protecting Intellectual Property and Stopfakes.gov for more resources. Please also view the Stopfakes European Union IPR Resources which includes the EU IPR Toolkit or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

IP Attaché Contact European Union

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Selling to the Public Sector

Selling to the Government

On January 31, 2020, the UK departed the European Union and entered into a transition period while it negotiates its future relationship with the EU. During the transition period, all EU directives for procurement are applicable. The transition period ends on December 31, 2020.

At the time of writing this document, Government procurement in the UK is governed by both international obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation under the EU Public Procurement Directives. U.S.-based companies can bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for public contracts 4.5 years after the Public Contracts Directive 2014/24 comes into force (i.e. October 2018). For central purchasing bodies, the deadline was April 2017.

The UK public sector is currently obliged to undertake electronic invoicing initiatives. In the UK, the 2015 Small Business, Enterprise and Employment (SBEE) Act was passed and included clauses that endorse e-Invoicing as beneficial to the UK economy. Within Europe, Directive 2014/55/EU states that all EU public sector organizations must be able to accept e-invoices by 2020. Standards for e-invoicing are being developed by the European Committee for Standardisation (CEN).

There are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in EU coverage of the Government Procurement Agreement (GPA). Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive allows EU contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:
- Water sector
- Airport services
- Urban transport sector, and railways in general
- Dredging services and procurement related to shipbuilding

Most UK government departments and public bodies are subject to a range of EU procurement directives and to the GPA, which gives qualified foreign bidders from signatory countries equal access to each other's public-sector contracts.

In the UK, it is now mandatory for all public-sector organizations to advertise their procurement opportunities worth over £10,000 ($13,000) on Contracts Finder.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the

U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult Advocacy for Foreign Government Contracts for additional information.

Defense Procurement

The UK Ministry of Defence (MoD) publishes information on its future projects and procurements in a biweekly Defence Contracts Bulletin, which is available to U.S. subscribers online. The European Defence Agency (EDA) also maintains an online database of defense procurement opportunities with governments and leading manufacturers throughout Europe. The EDA Electronic Bulletin Board is available free and without subscription.

However, many U.S. defense companies require more lead-time than these sources provide and detailed guidance is often needed to understand the procedures and bid evaluation criteria. The U.S. Embassy's Office of Defense Cooperation (ODC) provides insight, guidance, and advocacy in support of U.S. defense contractors competing for sales and cooperative development programs for military equipment and services, including missiles and defense systems, munitions, sensors, ships, aircraft and helicopters. ODC may be contacted at telephone 011-44-20-7891-3737 or email odclondon@state.gov

Key Link:

U.S. Embassy London website ODC information

Digital Market Place- Information Technology (IT)

Digital Marketplace is an online procurement database for IT work, web hosting, work through the cloud, or purchasing datacenter space. Digital Marketplace uses framework agreements to award contracts. There are different framework agreements for different IT services.
- G-Cloud: Cloud technology and support
- Digital Services: IT specialist work for specific projects
- Crown Hosting Data Centers: Work on the physical datacenter for legacy systems

G-Cloud framework agreements operate slightly differently from other framework agreements. G-Cloud frameworks allow buyers to pay for services as they use them rather than being tied to long-term, inflexible contracts.

Suppliers should apply to the specific frameworks that they want to compete for work in.

Financing of Projects

London is a major source of international project financing. The UK is seen as a safe haven and has attracted substantial amounts of investment for some key infrastructure projects. London's future as a major financial services center will greatly depend on the post-Brexit arrangements the UK is able to negotiate with the EU and other trading partners.

UK importers are carefully considering the volume and price of their purchases. Therefore, U.S. exporters should consider offering very competitive prices and should coordinate closely with their UK business partners to explore available opportunities to finance trade transactions.

Multilateral Development Banks

London is home to the headquarters of the European Bank for Reconstruction and Development (EBRD), an international financial institution whose single largest shareholder is the U.S. Government. The EBRD supports projects from central Europe to central Asia. Investing primarily in private sector clients whose needs cannot be fully met by the market, the EBRD offers debt, equity and local currency financing with tenors not usually obtained from commercial banking sources. The Commercial Service (CS) maintains a presence at the EBRD to represent the interests of U.S. firms.

U.S. Export-Import Bank financing is available to support major capital equipment sales to the UK.

Financing Web Resources

[EU Project Financing](#)

[U.S. Government International Financing Programs](#)

[Exim BankCountry Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

[European Bank for Reconstruction and Development (EBRD)](#)

Business Travel

Business Customs

UK business customs are similar to those in the United States, as the British class structure, based on family history, profession, as well as property and land ownership, continues to erode through 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. The 2011 Census demonstrated that England and Wales have become more ethnically diverse, with minority ethnic groups continuing to rise since 1991.

Some fundamental cultural differences between the U.S. and the UK remain. Variations in pace and style may be most noticeable and sustained personal contact with potential business partners is expected. Prompt acknowledgment of correspondence, longer lead time for appointments, adherence to appointment schedules and a greater formality in the conduct of business is the norm.

British executives communicate typically by phone and e-mail. The British are less likely to seek legal advice and guidance than their U.S. counterparts, although a litigation culture is developing along the lines of the U.S. model – i.e. no win, no fee cases have recently been permitted.

Travel Advisory

The State Department's Consular Information Sheet for the United Kingdom provides information for travel to the United Kingdom.The State Department's Travel Alerts provides information on travel warnings.

The U.S. Embassy London website has information for both U.S. visitors to the UK and for UK citizens seeking to travel to to the United States.

Visa Requirements

UK Visa Information can be found on the UK Visas and Immigration website, as well as the British Embassy in Washington website

The UK uses electronic gates at the border for UK citizens, EEA nationals, and citizens of Australia, Canada, Japan, New Zealand, Singapore, South Korea, and the United States.

For nationalities not already using the e-gates upon entry, Registered Traveller is a fee-based service to expedite entry into the UK.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links:

- State Department Visa Information
- U.S. Visa Information

Currency

The UK's currency is the pound sterling £/GBP. Despite formerly being in the European Union the UK has not adopted the euro. The pound is generally a stable currency. Banknotes are issued in England and Wales by the Bank of England. There are four different denominations of banknote. They are £5, £10, £20 and £50. There are 100 pence (p) in a pound. UK coins come in 1p, 2p, 5p, 10p, 20p and 50p denominations. There are also £1 and £2 coins.

Seven banks in Scotland and Northern Ireland are authorized to issue banknotes.

Three banks are authorized to issue banknotes in Scotland:
- Bank of Scotland plc;
- Clydesdale Bank plc; and

The Royal Bank of Scotland plc.Four banks are authorized to issue banknotes in Northern Ireland:
- Bank of Ireland (UK) plc
- AIB Group (UK) plc (trades as First Trust Bank in Northern Ireland);
- Northern Bank Limited (trades as Danske Bank); and
- Ulster Bank Limited.

Businesses in England and Wales generally accept the Scottish and Northern Irish notes, but are not obliged to.

The Channel Islands, Gibraltar, British Overseas Territories and the Isle of Man also issue their own banknotes, but these are not accepted on the UK mainland or for foreign exchange purposes. It is imperative you exchange these before your return to the UK mainland or the U.S. They can be exchanged at banks in the UK. Some places in the Channel Islands have ATMs side by side, one for English notes and the other for Island notes.

Credit cards, especially Visa and Mastercard are widely accepted in London's restaurants, bars, cafés and shops. American Express and Diners Club are less commonly accepted.

There are many cash machines, also known as cashpoints or ATMs located across the UK. Most accept international cards with the Visa, Plus, Mastercard, Cirrus or Maestro symbols. Some other systems are also recognized though it is a good idea to check with your bank or card company before you travel. If you have a non-UK account, you will most certainly be charged when you withdraw cash.

You may see cash machines in some corner shops and small supermarkets. Please check before using them as they are likely to charge a fee for transactions. In more rural areas, cash machines are rarer and tend to be located near supermarkets or at the odd bank, if this is open.

If you are using your debit card and are accustomed to entering your PIN alphabetically, please make sure that you also know its numeric equivalent. Most UK cashpoints have only a numeric keypad.

Contactless payment systems using a card or mobile phone are becoming more prevalent, especially in metropolitan areas. There is a £30 (approx. $40) limit on contactless transactions, slightly higher than most European countries.

With wide availability and use of cash machines/ATMs, traveler's checks are less commonly used and some shopkeepers may be reluctant to accept these for modest purchases. It is advisable to take a variety of payment methods when you travel.

Telecommunications/Electronics

The telecommunications system in the United Kingdom is comparable to that of United States. A direct-dial telephone system links the UK to the U.S. and the rest of the world. Calls on landlines can be charged to international telephone cards such as AT&T, MCI and Sprint. The UK has a highly developed mobile network with a 4G signal widely available. Visitors from the U.S. can readily rent or buy pre-pay mobile (cell) phones.

To call the UK from the United States, you should dial: 011 44 followed by the number of the individual or organization whom you are calling, but without the leading 0. For instance, the phone number for the U.S. Commercial Service in London is: 020 7891 3419. To call from the U.S., you should dial: 011 44 20 7891 3419.

To call the United States from the UK, dial: 00 1 then the number of the receiving party, including their area code.

Internet access is available to businesses and home users in various forms, including cable, DSL, and wireless. Wireless internet (Wi-Fi) has become increasingly common in the UK whether this be free or paid for. Most hotels will offer in-house wireless internet, though will likely charge rather high amounts for access. However, many guest houses offer this for free to their guests. In larger cities, simply sitting in a café and checking for Wi-Fi will work, though visitors must be aware of the following safety points when considering Wi-Fi:

- It is an offence in the United Kingdom to use wireless internet without being given the express permission of the administrator. Check for "Free Wi-Fi" or "Wi-Fi Access Here" signs before logging on.
- Connecting to a Wi-Fi network without an adequate firewall poses a security risk to your device.
- Attempting to connect to a person's private Wi-Fi router is known as "freeloading" and is an offence, punishable by law.

In the UK the standard voltage is 230 V. The standard frequency is 50 Hz. The power sockets that are used are of type G. Traveler adapters and power/voltage converters can be purchased throughout UK stores or ordered online.

Transportation

Road conditions in the UK can differ significantly from those in the U.S. UK penalties for driving under the influence of alcohol or drugs are stiff and often result in prison sentences. In contrast to U.S. traffic, which moves on the right side of the road, UK traffic moves on the left. Visitors uncomfortable with or intimidated by the prospect of driving on the left side of the road may wish to use the United Kingdom's extensive bus, rail, and air transport networks.

Roads in the UK are generally excellent though are narrow and often congested in urban areas. If you plan to drive while in the UK, you may wish to obtain a copy of the Highway Code, available for purchase at most UK bookstores.

It is illegal to use a hand-held cell phone or similar device while driving in the United Kingdom. Only hands-free phones may be used.

The speed limit on highways/motorways in the United Kingdom is 70 mph, or lower when posted. Motorways generally have a hard shoulder (breakdown lane) on the far left, defined by a solid white line. It is illegal to stop or park on a hard shoulder unless it is an emergency. In such cases, you should activate your hazard lights, get out of your vehicle, and go onto an embankment for safety.

Emergency call boxes (orange telephone booths with "SOS" printed on them) may be found at half-mile intervals along the motorway. White and blue poles point in the direction of the nearest call box. Emergency call boxes dial directly to a motorway center. It is best to use these phones rather than a personal cell phone, because motorway center personnel will immediately know the location of a call received from an emergency call box.

Roadside towing services may cost approximately £150 (approximately $220). However, membership fees of automotive associations such as the RAC (Royal Automobile Club) or AA (Automobile Association) often include free roadside towing service.

Travelers intending to rent cars in the United Kingdom should be aware that the steering wheel will be on the right side of the car and the driver will use the left hand to operate the gear shift. Travelers should make sure they are adequately insured. U.S. auto insurance is not always valid outside the United States, and travelers may wish to purchase supplemental insurance, which is generally available from most major rental agents.

Authorities impose a daily congestion charge of £15.00 (about $20) on all cars entering much of central London from 7:00 a.m. to 10:00 p.m. everday, except Christmas Day (December 25). The easiest way to pay is by registering for Congestion Charge Auto Pay. Exemptions and discounts are available. You can pay in advance or on the day of travel. If you don't pay by midnight, on the following charging day after you drove in the zone, you'll get a Penalty Charge Notice (PCN).   The penalty charge is £160 or discounted to £80 if paid within 14 days. Information on the congestion charge can be found on the Transport for London website.

Non-UK-resident drivers charged with motoring offenses are often unable to provide a verifiable address for delivery of a summons (subpoena) to appear in court, or fail to return for court if released on bail. U.S. citizens may be detained and arrested if they cannot provide a UK address to receive a subpoena or are about to depart the United Kingdom and have to be brought to court quickly for a motoring offense. If alleged offenders attend court and are found not guilty, the deposit is returned.

To help improve air quality, an Ultra Low Emission Zone (ULEZ) operates 24 hours a day, 7 days a week, every day of the year, except Christmas Day, within the same area of central London as the Congestion Charge. Most vehicles, including cars and vans, need to meet the ULEZ emissions standards or their drivers must pay a daily charge to drive within the zone. This is £12.50 (circa $17) for most vehicle types, including cars, motorcycles and smaller vans (up to and including 3.5 tons). For heavier vehicles, including lorries (over 3.5 tons) and buses/coaches (over 5 tons), the charge is £100 (circa $132). Like the Congestion Charge, ULEZ charges can be paid automatically by setting up Auto Pay.

Public transport in the United Kingdom is extensive. London has a comprehensive bus network, the London Underground (the Tube) and public bicycles for hire (Santander Cycles). Fares on buses and the Tube should be paid for with an Oyster contactless card or with a contactless debit or credit card. Tickets are not available. Cash is not accepted on buses. Information on disruptions to London transportation services can be found on the Transport for London website. Information about the status of National Rail Services can be found on the National Rail Enquiries website. Other cities such as Manchester and Edinburgh have trams. It is against the law to ride bicycles on the pavement (sidewalk).

London black taxis are licensed by Transport for London. All drivers must take The Knowledge showing that they have a comprehensive knowledge of the streets of London and the routes from points A to B. Black cabs have meters to calculate the fare. Apps such as mytaxi can be used to hail black cabs. Uber and other apps are available to call public-hire vehicles.

Many U.S. citizen pedestrians are injured, some fatally, every year in the United Kingdom because they forget that oncoming traffic approaches from the opposite direction than in the United States. You should exercise extra care when crossing streets; remember to remain alert and look both ways before stepping into the street. Be aware that pedestrians generally do not have the right of way and should not expect vehicles to stop for them.

Driving in Gibraltar is on the right side of the road, as in the United States and continental Europe. Persons traveling overland between Gibraltar and Spain may experience long delays in clearing Spanish border controls. There are no entry tax or other fees payable to enter Gibraltar.

Key links: Transport For London and national rail.

Language

English is the official language of the United Kingdom. Welsh is spoken by a significant minority in Wales. Gaelic is spoken by a small minority in Scotland. In addition, there are many large communities in the UK whose first language is not English. Over 100 languages are spoken in London alone, which continues to be one of the most culturally diverse cities in the world.

Health

While medical services are widely available, free care under the National Health System (NHS) is allowed only for UK residents, certain EU nationals, and some visa holders. An NHS surcharge is assessed on certain visa applicants at the time of application. Tourists and short-term visitors will not be assessed the surcharge though will be charged 150% of the cost of any medical treatment they receive from the NHS. Unpaid balances of £1,000 or more, can result in being barred from return to the UK. The U.S. Government does not pay medical bills and U.S. Medicare is not valid overseas. Travelers to the United Kingdom should ensure their health insurance plan provides coverage overseas.

Information about health matters in the United Kingdom

Local Time, Business Hours and Holidays

England, Scotland, Wales, and Northern Ireland are all in the Greenwich Mean Time Zone which is five hours ahead of U.S. Eastern Standard Time. The clocks go forward in spring to British Summer Time and back to GMT in the fall. The dates of the time change are different from those in the U.S.

Opening times for banks in the UK often vary from town to town, city to city and from bank to bank. Standard banking hours are generally, however, 9:00 a.m. - 9:30 a.m. until 3:30 p.m. or 4:00 p.m., Monday through Friday. Some banks stay open late once per week as well as being open on Saturdays for a limited number of hours.

Offices hours are typically from 9:00 a.m. until 5:00 p.m., Monday through Friday. Stores are generally open from 9:00 a.m. to 5:30 p.m., Monday through Saturday, and Sunday 10:00 a.m. to 4:00 p.m. or 11:00 a.m. to 5:00 p.m. Some grocery stores open 24 hours a day for 6 day a week. At traditional vacation times, many British executives are unavailable except by advance appointment.

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of Department of State's Investment Climate Statement website.

Political Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State website