

Rödl & Partner

PRESERVING VALUES

ELEVATOR PITCH –
GREAT BRITAIN



Elevator Pitch

Great Britain

Great Britain, the biggest one of the British islands comprising England, Scotland and Wales, counts among the most crucial markets of the German economy for products and services. Closely following Germany, Great Britain represents the second biggest political economics within the European Union. The oldest industrialised country is still an important manufacturing location. Furthermore, the structural transformation has led in numerous additional sectors to develop and gain significance, e.g. the service sector, making a considerable contribution towards the Gross Domestic Product. Thanks to its convenient regional and international transport facilities, the island became an attractive location for international trade.

London, having around 8.136 million citizens, is regarded as the main financial center of Europe with not only a good infrastructure, but a modern one as well. Owing to its favourable framework conditions in a beneficial regulatory environment, London offers ideal advantages as an economic location for domestic and foreign companies.

The United Kingdom consists of Great Britain and Northern Ireland. The following depictions, figures and data refer to the United Kingdom.

However, the intention of the United Kingdom to exit the European Union has led to uncertainties and a number of questions of companies with international business relationships with the United Kingdom. As of now, it is also not quite clear in which manner the member states of the European Union will proceed with the United Kingdom in the future. For example, the exit could implicate that the protection of European investors according to union law may cease to apply and that they could probably migrate to other countries. Ultimately, the question of what impact which type of exit (“hard” or “soft” Brexit) will involve, remains unanswered as the consequences cannot be assessed conclusively. The companies affected are therefore well-advised to prepare for the possible cases appropriately.



Location	Northwest from the European continent
Head of state	Queen Elizabeth II.
Prime Minister	Alexander Boris de Pfeffel Johnson (since 23 rd July 2019)
Form of government	Parliamentary (constitutional) monarchy

Capital	London (simultaneously cultural center of the United Kingdom)
Climate	Cool summers and mild winters
Surface (km ²)	243,610 (comparison Germany: 357,386)
Population	Approximately 66 million (comparison Germany: 82.8 million)
Percentage of population below 25	29.3% (2018)
National holiday	There is no official national holiday
Official and business language	English Gaelic in Scotland and Kymric in Wales
Currency	Pound Sterling
Gross Domestic Product	EUR 2.36 trillion (comparison Germany: EUR 3.28 trillion)
Economic Growth	1.4% in 2018 (1.3% estimated in 2019)
Inflation rate	2.5% (2018)
Employment rate	4,1%
Internet users	Approximately 95% of the population

PRIVATE PUBLIC PARTNERSHIPS (PPP)

Primarily concerns the energy and transport sector

DOUBLE TAX TREATY WITH GERMANY

Effective since 30th December 2010

INVESTMENT PROTECTION TREATY WITH GERMANY

With Brexit entering into force, the bilateral investment protection treaty will cease to exist. A lot of time may pass until a new treaty is negotiated.

Ease of Doing Business 2019	Rank 9 of 190 countries
Corruption Perception Index 2018	Rank 11 of 180 countries
Hermes country category	There is no OECD-wide applicable fee category. The calculation of fees is based on a market test.
Tourists are mainly from	<ul style="list-style-type: none"> - Europe - USA

Top priority branches	<ul style="list-style-type: none"> - Financial services - Services (hotel, gastronomy) - Transport & logistics - ICT - Mechanical Engineering - Automotive engineering - Mining - Pharmaceutical and chemistry industry - Infrastructure (road and energy), building industry - Food items and beverages - Energy (atomic and wind power) - Agriculture - Fishing
Most important countries from which Great Britain imports	<ul style="list-style-type: none"> - Germany - China - USA - Netherlands - France - Belgium - Italy
Most important countries to which Great Britain exports	<ul style="list-style-type: none"> - USA - Germany - Netherlands - France - Ireland - China - Switzerland
German export goods	<ul style="list-style-type: none"> - Automobiles and parts - Machinery - Chemical products - Electronics - Food items
German import goods	<ul style="list-style-type: none"> - Chemical products - Automobiles and parts - Machinery - Electronics - Mineral oil - Electrical Engineering - Base metals - Food items
Trading volume with Germany	Around EUR 122.2 billion (Germany to USA: around EUR 172 billion)
Amount of locally registered German companies	2,000 according to Chamber of Foreign Trade

WEAKNESSES / CHALLENGES

- BREXIT causes impacts to businesses regarding the possible uncertainties
- Major business investments planned are being retained cautiously
- Possible negative effects on various branches such as mechanical engineering (owing to a sharp decline of orders), building sector (such as the new construction of offices and stores), British automotive sector (some automotive manufacturers might consider to relocate their production sites)
- The behavior of private consumption within the British household regarding expensive investments is restrained
- Bottlenecks in healthcare (lack of workforce)
- More and more retailers sense the e-commerce (displacement)

STRENGTHS / MARKET CHANCES

- Energy (offshore wind power) and infrastructure projects, particularly railway projects
- One of the leading global finance centers
- Hub for innovative start-ups, especially within the information and communication (ICT) branches
- Strong employment market
- The infrastructure is developing well (extension of railways)

MEMBERSHIP IN ECONOMIC AND INTERNATIONAL ALLIANCES (ABSTRACT)

- Still member of the European Union (EU); does belong to the Eurozone
- United Nations Organization (UNO)
- Commonwealth of Nations
- World Health Organization (WHO)
- International Monetary Fund (IMF)
- World Trade Organization (WTO)
- North Atlantic Treaty Organization (NATO)
- Organization for Economic Cooperation and Development (OECD)

MOST IMPORTANT MEDIA (ENGLISH)

- Financial Times
- The Daily Telegraph
- The Guardian
- The Times



GRIT CAMPOS NAVE

Rödl & Partner
Taunus Tower
Mergenthalerallee 73-75
65760 Eschborn
Germany

T +49 6196 7611 4722
grit.camposnave@roedl.com