



Doing Business
With The
UK

In spite of the tough economic climate, the UK continues to grow from strength to strength, attracting investors the world over. *MillionaireAsia* profiles the UK business scene and His Royal Highness The Prince Andrew, Duke of York, the UK's Special Representative for International Trade and Investment.

In October, His Royal Highness The Prince Andrew, Duke of York, visited Singapore in his capacity as the UK's Special Representative for International Trade and Investment. In this role, his focus is on fast-moving and emerging markets across the globe, particularly the Far East, South Asia, the Gulf economies, and North Africa.

His Royal Highness' visit had multiple objectives, including promoting the UK-Singapore business relationship here, and highlighting examples of British excellence in the field of innovation and creativity.

He presented the inaugural UK Trade & Investment Award for

Innovation at the British Chamber of Commerce's annual British Business Awards, in front of over 400 local business representatives. The award recognises an organisation that has made significant contribution towards strengthening the UK's excellent reputation in innovation and creativity.

His Royal Highness' other engagements included witnessing the signing of a Research Collaboration Agreement for Neuroscience Research between the University of Warwick of the UK and the Nanyang Technological University. He also launched the new British Council Centre in Toa Payoh, presented an OBE award to prominent Singapore businessman Dr Albert Hong and met with Commonwealth Scholars at the National University of Singapore to celebrate the 50th anniversary of the inception of this prestigious scholarship programme.

HRH The Duke of York said, "The UK and Singapore have an excellent business relationship. Our economies are knowledge-driven, with innovation and creativity being core concepts valued by both."

The UK and Singapore have long enjoyed a good business relationship with the UK being the largest investor in Singapore. More than two-thirds of Singaporean investment into the EU goes to the UK. This highlights the ease of doing business in the UK through enabling factors such as historical ties, similar business and legal environment, and English as the common language. Ready access to skilled and flexible workforce, domestic demand as well as global markets are also reasons why more overseas companies set up their

European headquarters in the UK than anywhere else.

The UK maintains its position as the largest recipient of FDI projects in Europe, second only to the US globally. International businesses are continuing to use the UK as a springboard for global growth, and according to the Economist Intelligence Unit, the UK will continue to have the strongest business environment of all major European economies up to 2012.

What are some of the most discernible trends of inward investments from South East Asia (SEA) to the UK in recent years?

Several companies have embarked on the mergers and acquisitions route, leveraging on existing infrastructure and clientele in the UK as a means of entering the market. Others have set up sales & marketing offices, taking the

opportunity to build up a customer base to which they can market their products and services. Increasingly, the UK is also seeing many companies setting up "where their customers are". Such companies already have an established clientele in the UK and setting up in the UK allows them to minimise the geographical distance with their customers, which also minimises the costs involved.

In terms of investment size and the number of investment projects, which are the three most important markets in SEA for investments into the UK over the last three years?

Singapore, Malaysia and Thailand are the UK's most active markets in South East Asia, and have contributed the bulk of investments into the UK coming from this region.



OBE Presentation Ceremony, Dr Albert Hong with HRH The Duke of York

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Of the investments recorded in 2008/09, what is the breakdown of the entries into the various sectors, and the demographical breakdown of foreign investors?

The software, advanced engineering and business services industries were the top three performing industries in 2008/09, with the highest number of new and expanded investments. In terms of geographical breakdown, USA, India and France were the UK's top three investors. The UK also continues to be a leading centre for headquarters operations, with an increase of 14% in investments.

The last quarter of 2008 and the first half of 2009 has been one of the most challenging times ever. How are the investments into the UK affected by the financial crisis, and how has the crisis changed and shaped UKTI's approach in attracting investors?

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In 2008/09, UKTI recorded 1,744 foreign investments (of these 1,287 were new or expansion investments) into the UK from 53 source nations, more than the 48 countries who contributed to the UK'S FDI in the previous year.

The UK is a springboard for global growth, with unique advantages for companies as a launch pad for international expansions, particularly across Europe. It is ranked No. 1 in Europe and No. 5 in the world for ease of doing business by the World Bank and the

World Economic Forum's Global Competitiveness Report for 2009/10 concludes that the UK remains one of the most competitive places to do business in the world, thanks to its flexible labour market, world-class universities and research base, and its high-tech, innovative business community.

What are some of the new policies and plans to further attract high numbers of quality foreign investors into the UK and for them to use it as a springboard to expand globally?

UK Trade & Investment has put a particular focus on the UK Advanced Engineering capability, showcasing the excellence of British precision engineering – most recently seen here in Singapore at the SingTel Grand Prix. Low-carbon growth is another major business opportunity, especially since a number of countries have placed climate change investment at the heart of recently announced economic stimulus measures.

How important is the 2012 Olympics for trade and investment opportunities into the UK, and what are some of the plans in place to maximise the potential there?

In a few years, billions around the world will focus on the UK for the London 2012 Olympic and Paralympic Games. It will be a unique opportunity to showcase the very best of the UK on the world stage. London's successful 2012 bid is testament to the UK's expertise and creativity – and its commitment to sustainable games that will inspire tomorrow's generations.

Global sporting events are a multi-billion pound opportunity for business, and an important driver in today's global economy. It is expected that the Olympic Delivery Authority and London Organising Committee will allocate over £6 billion of contracts for the Games. And as such, global sporting events provide the opportunity for trade and investment.



HRH The Duke of York opening the new British Council office in Singapore

“The UK is a springboard for global growth, with unique advantages for companies as a launch pad for international expansions, particularly across Europe.”

Photo courtesy of British Council Singapore

BRITISH BUSINESS AWARDS

10 Years Recognising the Best of British Business in Singapore



Winners of UKTI Award for Innovation at the British Business Awards with HRH The Duke of York

Photo courtesy of British Chamber of Commerce Singapore

Already, companies are investing in the UK to capture the opportunity from the world's focus in 2012 and the UK's business expertise in hosting global sporting events is providing opportunities for UK firms to work with overseas partners. Their skills are already being sought around the world, and British businesses played a major part in the delivery of the Beijing Olympics in 2008 – from engineers of the Bird's Nest Stadium, transport and power systems to designers of Hong Kong's equestrian course, air monitoring consultants and English roses in the landscaping.

With such events happening across the world, the UK must make sure that they produce not just great sporting success but economic success. Of course, Singapore will be hosting the inaugural Youth Olympics next year. The UK and Singapore are already working together on ways to enhance the business legacies from

hosting a major global sporting event through our Host2Host collaboration.

And part of London's legacy will see the Olympic Park becoming the largest new urban park in Europe for 150 years. It will create a thriving new community that mixes high quality homes with a high-tech business park and world class sporting facilities used by the community and elite athletes.

Going forward, which are the most important business sectors in the UK for attracting overseas investors? Additionally, which are the countries/regions of focus for your upcoming activities?

It is important to understand that, whatever the last 12 months or so has thrown at the global economy, the United Kingdom is very much open for business – and open in all sectors. The UK is strong in the aerospace and automotive industries, but also in the

life sciences and, indeed, in all areas of research and development in science and technology.

The UK is a global centre of excellence for the creative industries, with UK film makers, designers, architects, advertisers, artists and fashion designers influencing global tastes. And, of course, London is still the world's hub for the financial services. With office rents down by 38%, and sterling's depreciation against the dollar, the global recession has opened an investment opportunity in London and across the UK. ■

To access free and confidential advice on investing in the UK, please contact **UK Trade & Investment (UKTI)** in Singapore at **+65 6424 4200** or email **commercial.singapore@fco.gov.uk**

For more information on **UKTI**, please go to **uktradeinvest.gov.uk**