



Foreign &  
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London

INSIGHT UK



# Industry

The UK is a leading trading power and financial centre – one of four ‘trillion-dollar economies’ of Western Europe. The fifth most important trading nation in the world.

About 250 British industrial firms each have an annual turnover of £500 million.

Small businesses account for six in ten commercial enterprises in the UK.

Foreign-owned firms with a presence in the UK provide nearly one in five manufacturing jobs.

In 2000 Gross Domestic Product (GDP) totalled £946 billion.

## TRENDS

- general reduction in public ownership of key services – water, transport and electricity
- increasing importance of service industries over traditional manufacturing industries. For example, there are more independent financial advisers than coal miners in Britain – 50,000 compared to 41,800 people
- growth in the UK economy continued for the ninth consecutive year in 2000, when GDP grew by 3%
- the UK trade in services has been in surplus since 1966
- highest proportion of UK Government research and development expenditure goes on defence
- growth of web economy – 51% of UK companies have their own websites
- the Queen’s Awards for Enterprise (formerly the Queen’s Awards Scheme) went to 133 companies in 2001. Winners included Land Rover for 4-wheel drive vehicles in the International Trade Section; EME Ltd for neonatal respiratory support in the Innovation Section; and Scottish Power in the Sustainable Development Section



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## AEROSPACE

The UK aerospace industry is one of only three in the world that has firms representing the entire spectrum of aerospace manufacture within a single national border.

**1998 turnover:  
£17.6 billion.**

### Key Manufacturers

BAE Systems – civil and military aircraft, Harrier and Hawk jets

GKN-Westland – helicopters

Rolls-Royce – aero-engines (used by 300 airlines in 100 countries)

## AGRICULTURE, FORESTRY and FISHING

Total income from farming was £2.3 billion in 1999.

**British agriculture produces 60% of the UK's food needs but employs only 1.9% of the labour force**

The UK is one of Europe's leading fishing nations with fishing limits extending 200 miles offshore.

The industry is in decline – fish stocks in the North Sea are particularly low due to overexploitation.

8% of the UK's land area is forested; half of this is managed by the Forestry Commission.

Domestic timber production meets only 15% of domestic need.

## CHEMICALS

*The UK chemical industry is the fifth largest in the world – it employs 250,000 people.*

1999 chemical sales were worth £32 billion – 70% were exported.

The biggest growth sector is the pharmaceutical industry which is the second largest exporter of medicines in the world.

12 of the world's 50 top selling drugs have been developed by UK chemical firms. These include Zantac (ulcer treatment) and AZT (Aids).

There are over 270 biotechnology firms in the UK – second only to the United States.

## CONSTRUCTION

The construction industry contributes 9% of UK gross domestic product (GDP).

In 1999 the industry's gross value output was worth £41,273 million.

Large construction firms with 80 or more employees account for 40% of the workload by value.



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*There are 200,000 contracting firms in the UK – only 10,000 employ more than seven people.*

## ELECTRONICS

*The UK computer industry is the largest in Europe.*

One third of the TV sets in the European Union come from the UK.

## ENVIRONMENT

The Environmental Protection Act 1990 created an integrated pollution control (IPC) system aimed at the industrial processes most likely to have an adverse effect on the environment.

The UK has cut greenhouse gas emissions to 1990 levels. Emissions of CO<sub>2</sub> fell by 8% between 1990 and 1998.

*Sulphur dioxide emissions have also been cut by 66% of the level for 1980.*

## FINANCIAL SERVICES

UK financial services contribute 6% to total GDP. They employ over 1 million people.

**The London Stock Exchange generated £20 billion in 1999.**

## FOOD and DRINK

A major growth industry characterised by tough competition that has squeezed profits in recent years. Diageo and Allied Domecq are two of the world's leading alcoholic drinks companies.

## INFRASTRUCTURE

**16,878 km Railways**  
**371,603 km Roads**

150 licensed civil aerodromes, with 25% handling 100,000 or more passengers each year.

In 1999 UK civil airports handled 168.5 million terminal passengers and 1.2 million passengers in transit.

*800 ports of commercial significance including Aberdeen, Belfast, Dover, Glasgow, Felixstowe, Southampton and Tyneside.*

International revenue earned by the UK shipping industry in 1999 was £3.4 billion.

## INTERNET

Government '1999 Benchmarking Study' reports that medium-sized businesses had reached computer 'saturation point' in terms on the penetration of information technology. Also, in the year 1998/99 250,000 small and medium-sized businesses wired up to the digital marketplace via the Internet.

## STEEL

Corus (created by British Steel's merger with a Dutch counterpart) is the third largest steelmaker in the world.

## MOTOR INDUSTRY

Car output dominated by overseas firms – Ford, Vauxhall, Peugeot-Talbot, Nissan, Toyota and Honda.



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*The recent threat of closure of Rover has receded with the company's sale to British Phoenix Consortium.*

## NORTH SEA OIL and GAS

Investments in the sector equal £187 billion. Tax receipts to the Treasury since 1975 – £160 billion.

200 fields producing 2.55 million barrels of oil and 10 billion cubic feet of gas each day.

The oil and gas industry provides work for 5,000 businesses employing 270,000 people – 19,000 working offshore.

UK production supplies 99% of gas consumed in Britain.

## RETAIL

Retailers employ 1 in 11 of the workforce.

The latest trend has been the development of out-of-town superstores such as 'Bluewater' in Kent – the biggest shopping centre in Europe.

Clothing and footwear prices fell by 7.1% in July 2000 – the greatest fall since records began in 1947.

## SERVICE INDUSTRIES

*In May 2001 the service industry trade surplus was £0.7 billion.*

Consumer services (hotels, bars and restaurants) are currently in period of great expansion – 22% reporting rising activity in the three months to June 2000.

There are over 44,000 restaurants in the UK and in recent times many of the 50,000 pubs (public houses) have expanded into providing food alongside the beer, wine and spirits they traditionally offer.

## TELECOMMUNICATIONS

More than two thirds of all people in the UK own a mobile telephone. The four UK networks have 34 million customers.

Turnover of the UK telecommunications market in 1999/2000 was £31.5 billion.

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# BRITAIN

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