



Business is GREAT

Come to the UK

You're Welcome

Doing Business in the UK

February 4th 2015

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UKTI provides services to support new investors in the UK as well as to further expand export businesses

UKTI has more than **1,200** staff in over **100** overseas markets

Investment

- Access and introductions to the right people
- Advice and support on setting up in the UK
- In-depth report tailored to your business needs
- Help selecting the best location
- Tax advice
- Ongoing government support once you've arrived
- Support with visas and entry to the UK
- Help finding top quality staff
- Tailored assistance for entrepreneurs
- UK Advisory Network access to trusted commercial providers

Exporting

- Passport to Export for new and inexperienced exporters
- Gateway to Global
- Growth for experienced exporters
- Export Marketing
- Research Scheme to investigate a potential export market.
- Overseas Business
- Risk advice
- Market visits and trade missions
- Overseas Market introduction
- Service to access research, identify contacts and plan events
- Seminars, webinars and events in the UK and overseas
- Tradeshaw Access
- Programme support to attend overseas exhibitions.
- Open to Export community-driven website for SMEs
- Export
- Communications
- Review to assess communication with overseas customers



A few executive thoughts on investing and expanding in the UK:

„UK is business-friendly and open to CEE products”

J. Kulpa, Export Director, Fakro



„In the UK there’s a highly positive approach to investment”

V. Horký, CEO, Brand Embassy



„The UK is one of the most business-friendly environments”

Z. Vasvári, CEO, BoatForRent.com



„Being in UK certainly was a springboard for us”

G. Ell, CEO EMEA, Yammer



„In UK we get support at every level: from 10 Downing Street to UKTI”

P. Grimwood, CEO, Nestlé



„The UK has been most open, free and fair area to work in”

P. Vandrevalla, CEO, Diligenta



Agenda for today:

- UK as a top destination for business expansion
- Sector opportunities – automotive, aerospace, energy
- Opportunities for start-ups
- Opportunities in the ICT sector
- The Global Entrepreneur Programme
- How can UK Trade & Investment support you?



Why UK as a top destination for business expansion?



There are many reasons for which UK is the top investment destination

1

Vast market opportunity

- 6th largest economy in the world
- Excellent international accessibility
- Robust infrastructure

2

Favourable business environment

- Enterprise zones
- Ease of set-up and operation
 - Language
 - Stable business environment & efficient legal system

3

High quality of life

- High standard of living, appreciated by relocating international executives
- Rich cultural heritage easily accessible language-wise

4

Easy access to talent

- 4 of the world's top ten universities
- Strong research base
- Educated & flexible workforce

5

Attractive tax regime

- Reduction of corporation tax to 20% by 2015
- Most competitive tax regime in G20
- R&D tax credits, Patent Box



The UK provides many advantages for investors and has become the top foreign investment location in Europe

1 Vast market opportunity



**6th largest
economy in
the world**



**1st place for
foreign direct
investment in
Europe**



**Advanced
transportation
systems (air,
rail, road, sea)**



**2nd largest
aerospace
industry in the
world**



**63 million
people**



**Hub for
Innovation
and R&D**



**Largest IT
industry in
Europe**



**Access to
500+ mil.
consumers in
Europe**



**Financial and
trade centre –
access to
funding**

















The Government intends to ensure that all UK premises have download speeds of min 2Mbit/s by 2015 & 90% of premises can access superfast broadband

The UK will have the fastest broadband of any major European country by 2015



The UK is ranked 10th place globally when it comes to ease of doing business

2 Favourable business environment - Ease of doing business

Country		Ease of Doing Business Rank
UK		10
Ireland		15
Germany		21
Netherlands		28
France		38
Poland		45
Spain		52
...		...
Slovenia		33
Slovakia		49
Hungary		54
Bulgaria		58
Romania		73
Czech Republic		75
Croatia		89

10th place globally

- Rankings are based on the average of the economy's rankings on 10 topics:
 - Starting a business
 - Dealing with construction permits
 - Getting Electricity
 - Registering Property
 - Getting Credit
 - Protecting investors
 - Paying taxes
 - Trading across borders
 - Enforcing contracts
 - Resolving insolvency
















The UK is ranked as an easier place to start a business than many other major European economies

2 Favourable business environment - Ease of set-up of operations

- The UK is ranked as an easier place to start a business than many other major European economies
- You can register your company in just 24 hours in the UK. All high street banks can offer business banking services with online comparison tools available to compare costs.



Country	Ease of Starting a Business Rank
UK 	28
France 	41
Italy 	90
Germany 	111
Poland 	116
Spain 	142
...	...
Slovenia 	38
Hungary 	59
Romania 	60
Bulgaria 	65
Croatia 	80
Slovakia 	108
Czech Republic 	146



There are 24 Enterprise Zones across England providing a wide range of benefits

2 Favourable business environment - Enterprise zones

Industry	No of zones
Advanced manufacturing / engineering	17
Aerospace	10
Agri Food	4
Automotive	5
Business Services	8
Chemicals	1
Construction	4
Creative industries	5
Energy	14
Financial Services	3
ICT	5
Industrial biotechnology	4
Low Carbon Industry	7
Pharmaceuticals & Healthcare	10
Retail & Logistics	4
Security	1
Transport	5

Benefits

- Co-location with customers
- Business rate (property tax) discounts
- Available infrastructure
- Simplified planning and construction
- Tax relief on investments





The UK ranks among the top 36 OECD countries in the Better Life Index

3 High quality of life – Leading dimensions

Community

9.2



Health

8.4



Safety

9.8



Civic engagement

6.9



Environment











9.0





The UK is home to 7 of the top ten universities in Europe and provides access to numerous research institutions

4 Easy access to talent - Europe's top universities and research centres

1		University of Cambridge
2		University College London (UCL)
3		Imperial College London
4		University of Oxford
5		ETH Zürich
6		University of Edinburgh
7		Ecole Polytechnique Federale de Lausanne
8		King's College London
9		Ecole normale superieure, Paris
10		University of Bristol

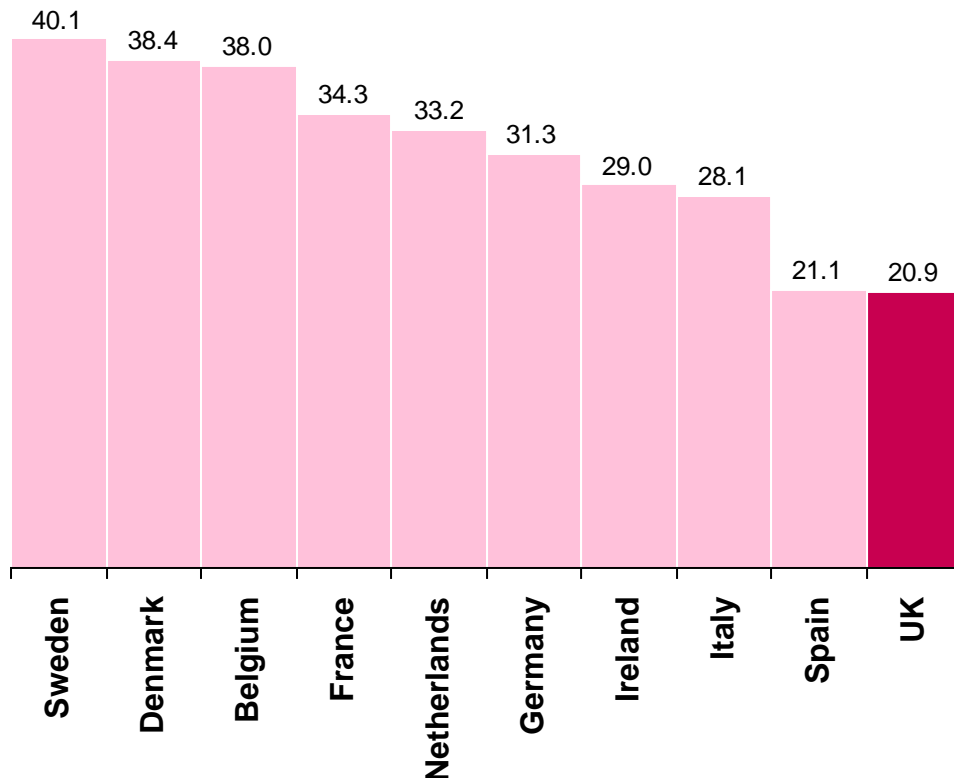




The UK has the lowest labour costs per hour out of selected Western countries including a favourable labour environment

4 Easy access to talent - Educated & flexible workforce

Labour costs (EUR per hour)



Workforce and labour environment

- UK provides :
 - One of Europe's largest workforces
 - Flexible labour regulations
 - High labour force participation
- The UK has a flexible labour environment (ranked 10th in Rigidity of employment):
 - Relatively easy to hire employees
 - Limited restrictions on adjusting the number of working hours
 - Relatively easy and cheap to dismiss a worker



By April 2015, UK's corporation tax will reach 20%, the joint lowest level in the G20

5 Attractive tax regime

UK corporation tax rates 2013/14	Profit (£)
Small companies' rate 20%	0-300,000
Marginal relief	300,001-1,500,000
Main rate 21%	1,500,001 or more

Country	Main corporate tax rates
France	33.33%
Germany	29.58%
Spain	30%
Italy	31.4 %
Netherlands	25%
UK (2014)	21%
UK (April 2015)	20%

There are additional schemes to decrease the tax:

- **R&D Tax Credits** (reduction of the taxable income by 225% of the R&D costs for SMEs)
- **Patent box** – lower 10% tax rate for income generated by a patent (currently under review)





Sector opportunities – automotive, aerospace, energy



The UK Automotive sector is one of the most advanced in the world and is predicted to further grow in the future

Automotive industry in the UK



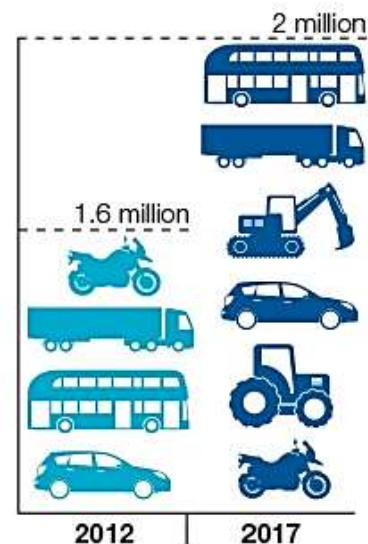
There are **129,000** people directly employed in the UK automotive sector.



A new vehicle rolls off a production line in UK every **20 seconds**.



The automotive sector is worth **£11.2 billion** to the UK economy in GVA.



The UK currently makes nearly 1.6 million vehicles each year, this is expected to **rise to over 2 million by 2017**.



Major global players like Ford, Jaguar, Nissan or Tata have a presence in the UK

Major UK automotive players

Illustrative



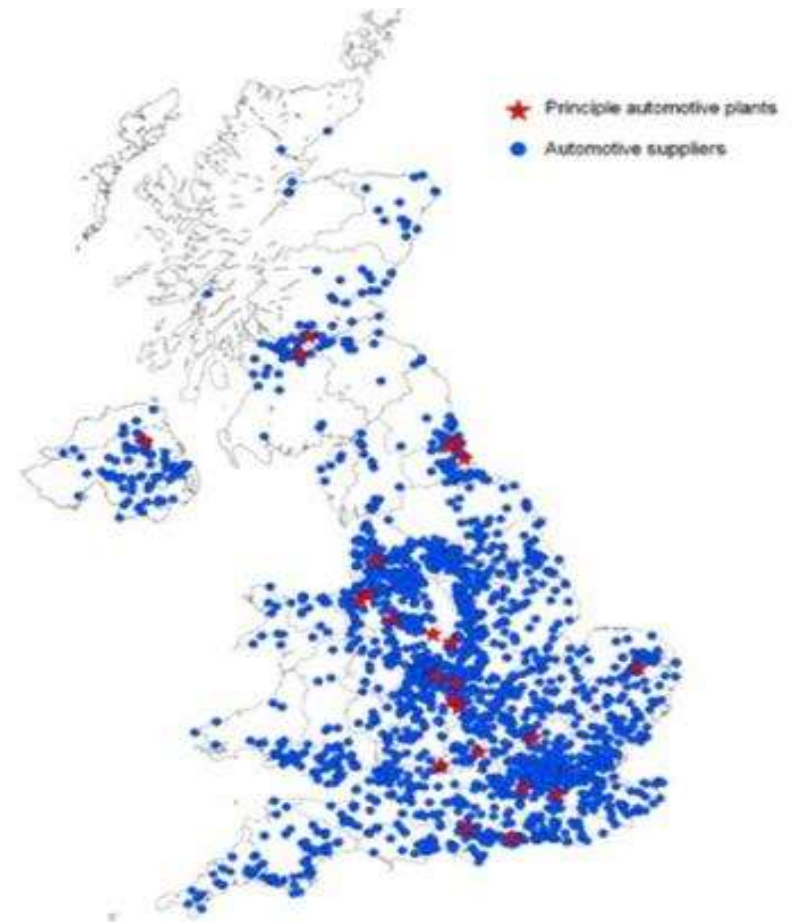
Source: The Society of Motor Manufacturers and Traders (SMMT)



Most of the automotive suppliers have a UK presence especially in the 2nd tier supplier category

Automotive supply chain

- Most of the suppliers are located in Southern England and in the Midlands
- 97% of suppliers are small to medium sized companies
- 74% of UK-based suppliers manufacture in the UK, from which:
 - 65% of 1st tier suppliers are in the UK
 - Almost all 2nd tier suppliers are in the UK
- The automotive supply chain includes machine manufacturers, materials handling, transport, agency workers, catering and security

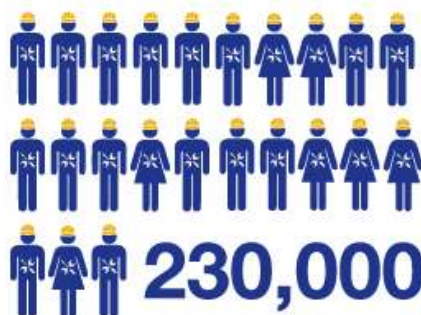




UK offers vast market opportunities for the Aerospace industry

Aerospace industry in the UK

Supports 230,000 jobs across the breadth of the UK



Every 2.5 seconds an aircraft takes off or lands, powered by a Rolls-Royce engine



Contributes £24billion to the economy every year



Potential growth by 2031 for civil aerospace market is in excess of \$4.4trillion

UK has a world leading aerospace industry, second only to the United States



The UK aerospace industry is well positioned for future growth including a strong supply chain supporting

Aerospace industry – overview and growth drivers

- Boeing, Airbus and others have strong supply chains within the UK
 - E.g. around 400 companies supply for the Airbus A380, 25% of the Boeing 787 Dreamliner is made in the UK
- The UK grew its export to the EU to £7.5 billion and exports to non-EU countries are £6.9 billion
- New supplier entry opportunities:
 - In rotorcraft, Unmanned Aircraft Systems (UAS) and UK-based R&D
 - Greener and more sustainable aircrafts (engines, air frames, air traffic control, fuel efficiency)

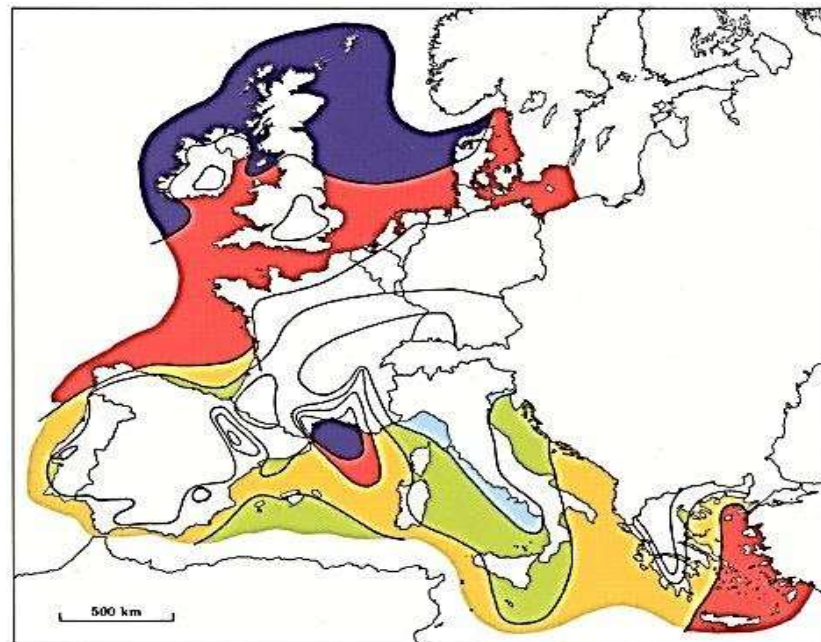





Offshore wind represents one of the biggest energy sectors opportunities in the UK with certain future growth potential

Offshore wind energy

- Largest offshore wind potential in Europe
- Employs 10,000 people
- By January 2013, 18 offshore wind farms had been built (796 turbines, 2,679 MW)
- Wind farms are expected to deliver 40GW by 2030
- Estimated £10 billion investment until 2020 justifying long term manufacturing investments



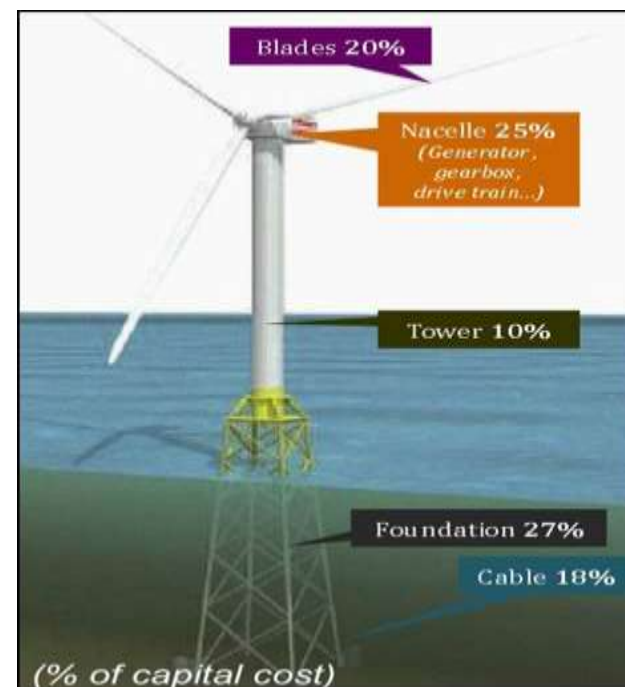
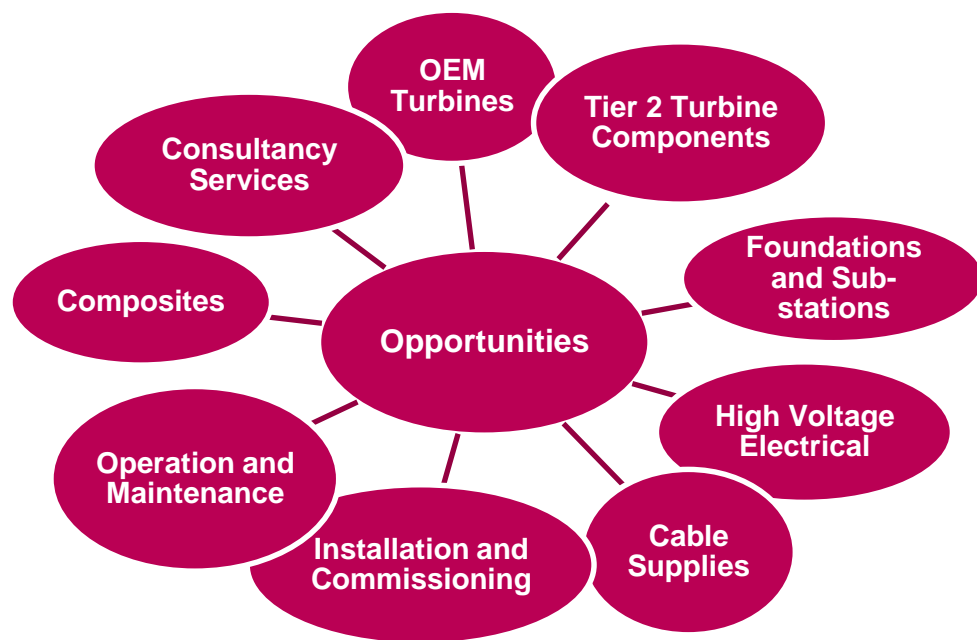
Wind energy potential: Low  High

Source: 1. Renewable Energy Roadmap Update Dec 2012 DECC
2. Renewable UK Wind Energy Database
3. Photographs sourced from UK Offshore Wind Report 2011; Crown Estate



Many opportunities within the whole offshore wind energy supply chain enable foreign companies to enter the market

Offshore wind energy



The Department of Energy and Climate Change works together with the Crown Estate, BIS and UKTI to support the development of offshore wind project



UK opportunities for start-ups



The Investment Services Team (IST) delivers inward investment support to overseas entities



The Investment Services Team (IST) delivers inward investment support to overseas entities. With HQ, IST support the 'UK First' proposition: identifying location opportunities across the 39 LEPs, London, Scotland, Northern Ireland and Wales.



UK Start-up killer facts:

Over £10bn financing provided by UK-based VC funds in 2013. Average amount invested in start-ups by VC funds in 2013 was £711,000

Strongest VC environment outside of United States

Vibrant Business Angel Community

Business angels are UK's main source for early-stage investment and invest mostly in digital, internet and innovative technologies businesses

Companies in the UK Technology Sector received £841m in VC funding in 2013.

Fast-growing start-up clusters, incubators, co-working spaces

Well-developed accelerator programmes

In 2013 the UK had 33 accelerator programmes – more than a third of all Europe's - including: Seedcamp, Ignite 100, Tech Stars, Entrepreneurial Spark, Entrepreneur First, Healthbox, Wayra

UK-based start-ups receive considerable support from the government bodies such as Department of Business, Innovation & Skills and can benefit from UK-wide, as well as regional incentives and funding

Support of the government



UK has a strong VC environment with £11.2bn in 2013 invested in UK companies

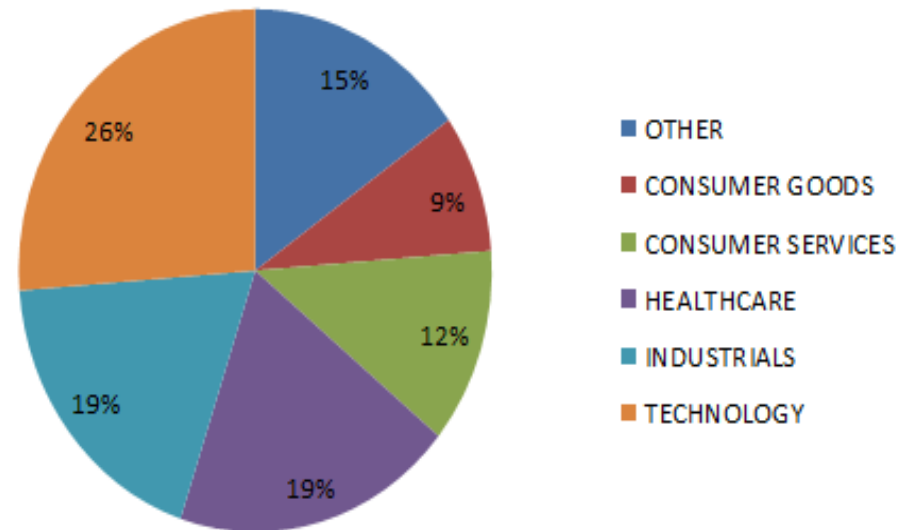
Private equity and venture capital

PE & VC in the UK

- UK-based companies received the largest amount of investment from members of the British Equity and Venture Capital Association at **£11.2bn** in 2013, up from £5.9bn in 2012.
- 857 companies** from the UK received funding from BVCA members in 2013.
- Average amount invested in start-ups by VC funds in 2013 was **£711,000**



Sectorial distribution of fund receivers by sectors in 2013





UK has a vibrant Business Angel community

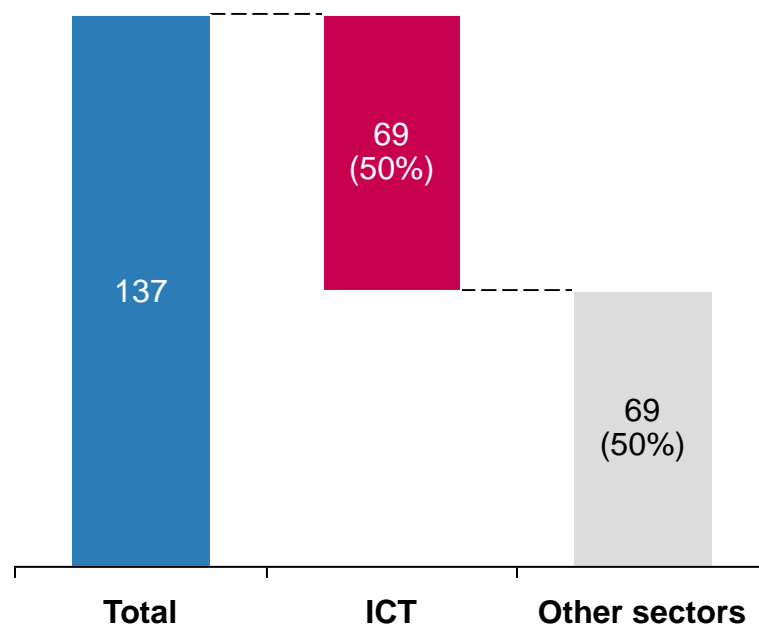
Business Angels

UK Business Angels Association

- An estimated £850m per annum is invested by angels in the UK.
- The average angel investment deal was **£324K** in 2012/13
- In 2012/13 83% of angel capital went into early stage deals
- Members of the UK business angels association **invested 137M £** in on 262 deals in 2012/13



2012/13: Total amount invested in UK businesses by members of UK Business Angels Association (GBP m)





There are numerous incubators and clusters in the UK

Incubators and clusters

Incubators

- Around **400 incubators** in the UK in 2014
- Incubators serve companies from **every sector**
- Business incubators have an average success rate of **98%** of businesses succeeding





UK has the most accelerator programmes in the EU

Accelerators

Facts

- **50 out of 220** start-up accelerators and incubators in 7 biggest European economies are in Britain
- **London** alone has more than **30 accelerators and incubators**
- United Kingdom is a **top performer** in terms of **entrepreneurial activity and start-up programmes**
- UK is a home to the **biggest financial technology accelerator in Europe – Level39**



Examples





UK opportunities in the ICT sector



UK ICT killer facts:

Software & IT services

- The UK market for software and IT services alone has a value of **£58bn** a year.
- It is also a major developer of ICT technology: **98 percent of all mobile phones** use British-designed ARM chips.



Cloud computing & data centres

- The UK's cloud computing market – **Europe's largest** - worth **£6.1bn** in 2014
- The UK is home to the world's **second-largest data centre market**, with 25% of all capability in Western Europe.
- The UK Government's G-Cloud Strategy underpins one of the world's **most supportive** and **promising environments** for the continued development of the Cloud Computing and Data Centres sector

Big Data and Mobile content

- It is estimated that the Big Data market will benefit the UK economy by **£216bn** and create **58,000 new jobs before 2017**.
- The UK is one of the **most advanced mobile markets** in the world, and is often viewed as a test bed for mobile content and services for the rest of Europe and the world

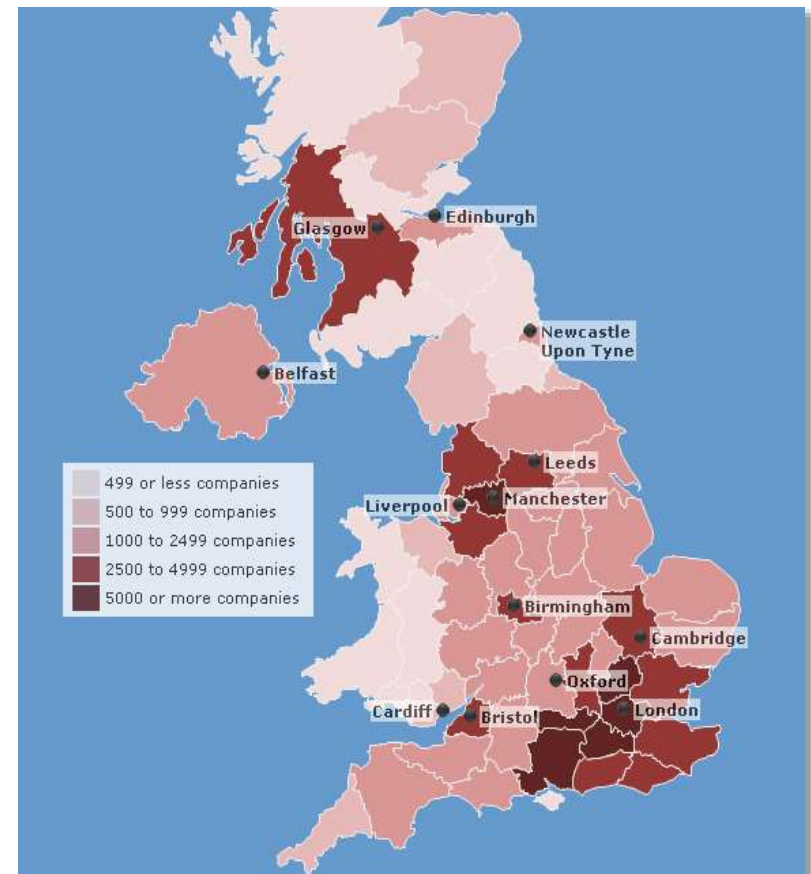


ICT sector turnover in the UK is estimated at £190 billion



Major ICT & Creative Industries Clusters in the UK

- **Tech City (London)** - digital, creative & tech
- **Cambridge** – hardware, networks, digital health
- **Brighton** - gaming, animation, apps
- **Thames Valley** - software
- **Bristol** - animation
- **Manchester/Liverpool** - media, animation, apps
- **Glasgow/Edinburgh** - software, gaming
- **Belfast** – security, mobile, software
- **Birmingham** - software, serious gaming





Tech City represents the Digital Capital of Europe

- Fast growing cluster of >1300 technology, digital and creative companies in **East London**
- Tech City is not a single building or technology park but a community
- Major companies committed to Tech City:



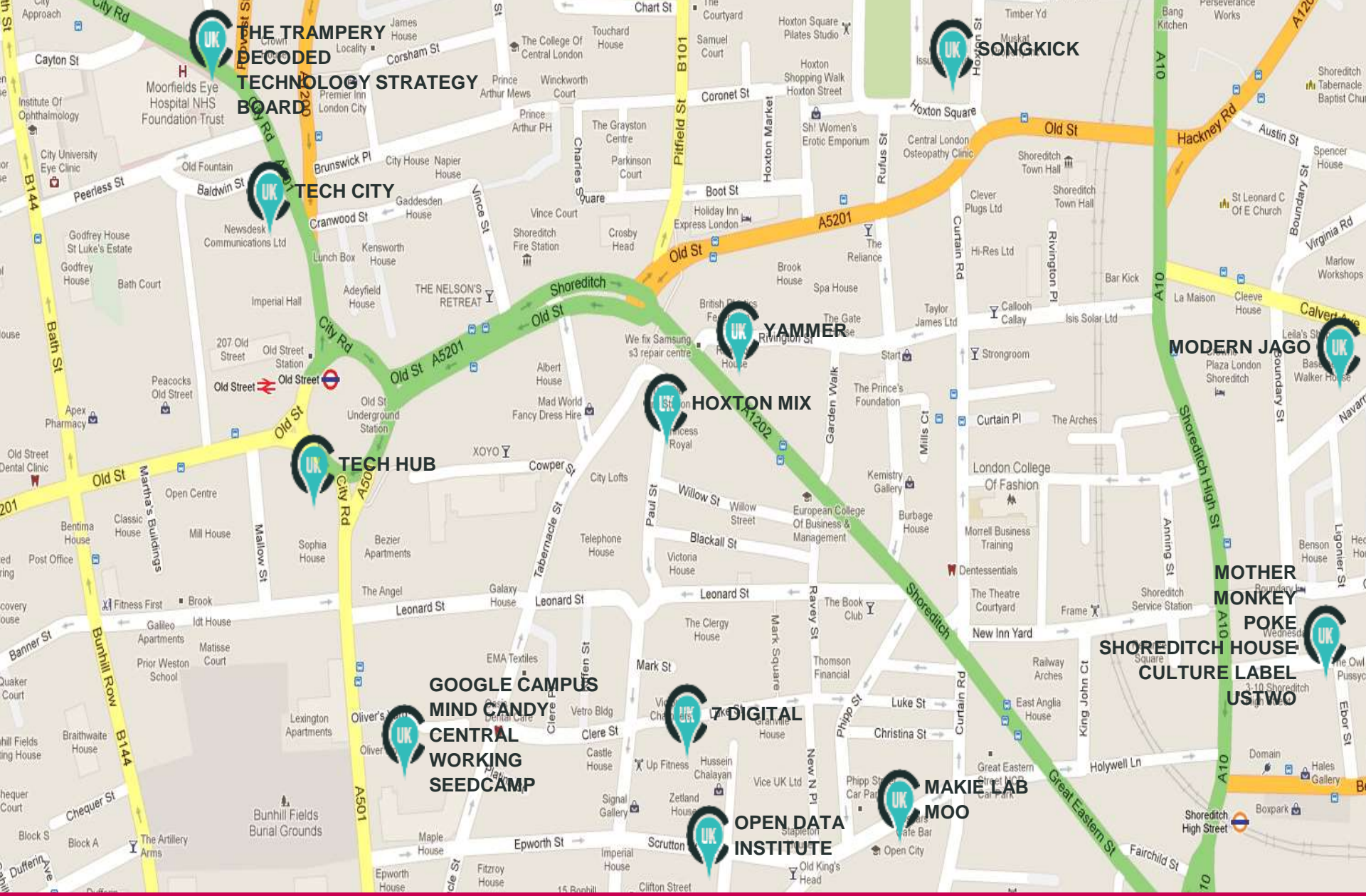
- A magnet for entrepreneurs, corporates, venture capital and talent



Tech City – The Digital Capital of Europe



> 40 shared workspaces, incubators & accelerators with new developments being added all the time



Where is Tech City? Stretching from the creative, dynamic districts of Old Street & Shoreditch to the booming Olympic heartland of Stratford



Manchester, England

Strengths: Broadcast, Animation, Brand Agencies, Digital - Health, E-commerce

Key companies: BBC, TrustTech/NHS, McCann Erikson, IBM, Siemens, BooHoo

Talent: Northern Graduate pool, NW software pool

Added values: Media CityUK, International airport, enterprise zones, Creative England & NW Fund



THE **SHARP** PROJECT



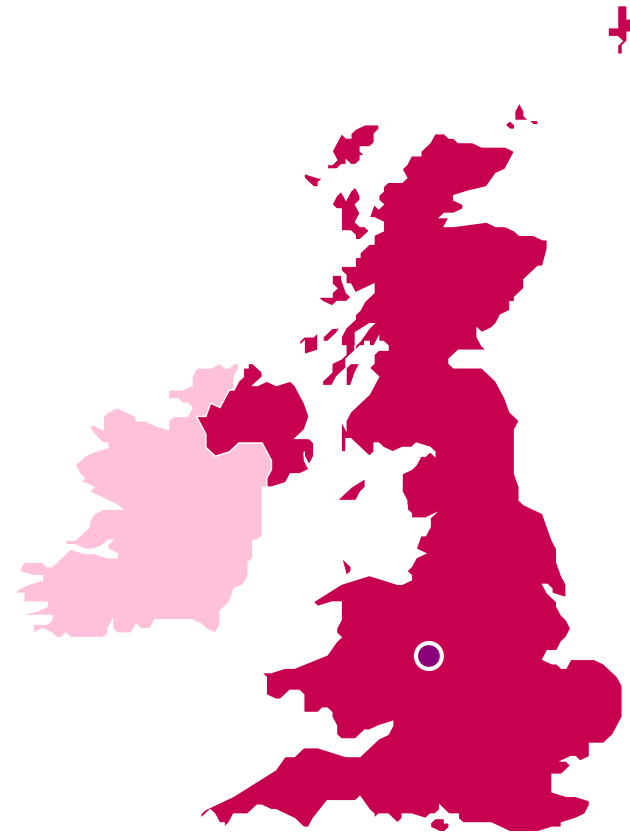
Birmingham, England

Strengths: software development, gaming, serious gaming, UX, e-commerce

Key companies: IBM, BBC, CapGemini, Fujitsu, EDS, Codemasters, Sega, Sun, LogicaCMG, Serco, AT&T & Ricoh

Talent: 21% UK's games workforce,, Human Interface Tech Lab, Serious Games Inst, Digital Central

Added values: Science Park Without Walls (Cisco), Creative England Investment Fund, e4f





Belfast, N. Ireland

Strengths: cyber security, software development & integration, mobile, telecoms

Key companies: BT, Openwave, BroadSoft, IBM, Seagate, Aepona (Intel), Asidua

Talent: Queens U.Belfast, ECIT-CSIT, U.Ulster, Virtual Worlds-Serious Gaming

Added values: Propel (entrepreneurs), Investment funds, NI Science Park, low latency



Invest
Northern
Ireland



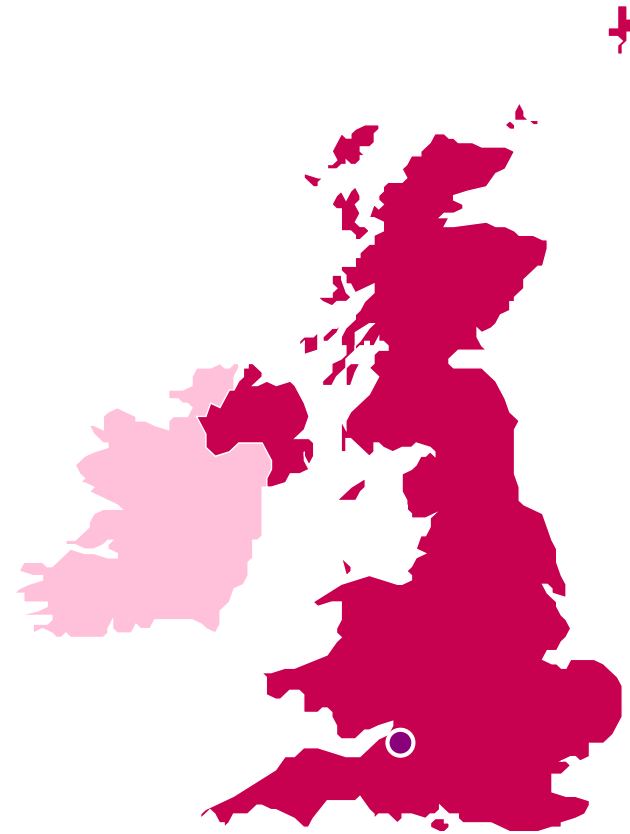
Bristol, England

Strengths: Animation, Broadcast, Cyber

Key companies: Aardman animation, BBC, HP labs, BA systems, Collider

Talent: Large graduate pool & SW talent hub, Cyber Security Talent

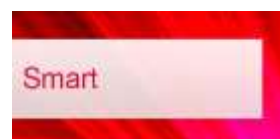
Added values: Talent pool, start up support, Funding – Creative England, Enterprise zone, 1.5 hours London



There is a wide range of funding opportunities for the ICT companies based in the UK

Innovate UK

- - Government funded body to drive innovation and technology development within the UK
 - Funding for technology that is closest to market
 - Matched (typically 50%) funding basis
- **IC Tomorrow** - stimulates innovation & economic growth in the digital sector by supporting SMEs and early stage entrepreneurs
- **Catapults** - Physical locations to help businesses transform ideas into new products & services
 - Connected digital economy, Future cities, Transport systems...
- **Smart awards** - Proof of concept/market/prototype grants
- **Knowledge Transfer Partnerships** - support university/SME collaborations
- **Knowledge Transfer Networks** - events, funding & networking





UK public spending on ICT equipment and services is large and presents opportunities for investment

Programmes

Procurement pledge

- Give potential providers greater certainty of the government future demand



Digital Marketplace

- Digital Marketplace is an online marketplace where suppliers offer their services to the public sector

Opportunities

Opportunities exist for:

- **IT Outsourcing** £2,504m
- **Fixed Line telecommunications** – £681m
- **Networking Equipment telecommunications** - £407m





The Global Entrepreneur Programme



How can UK Trade & Investment support you?



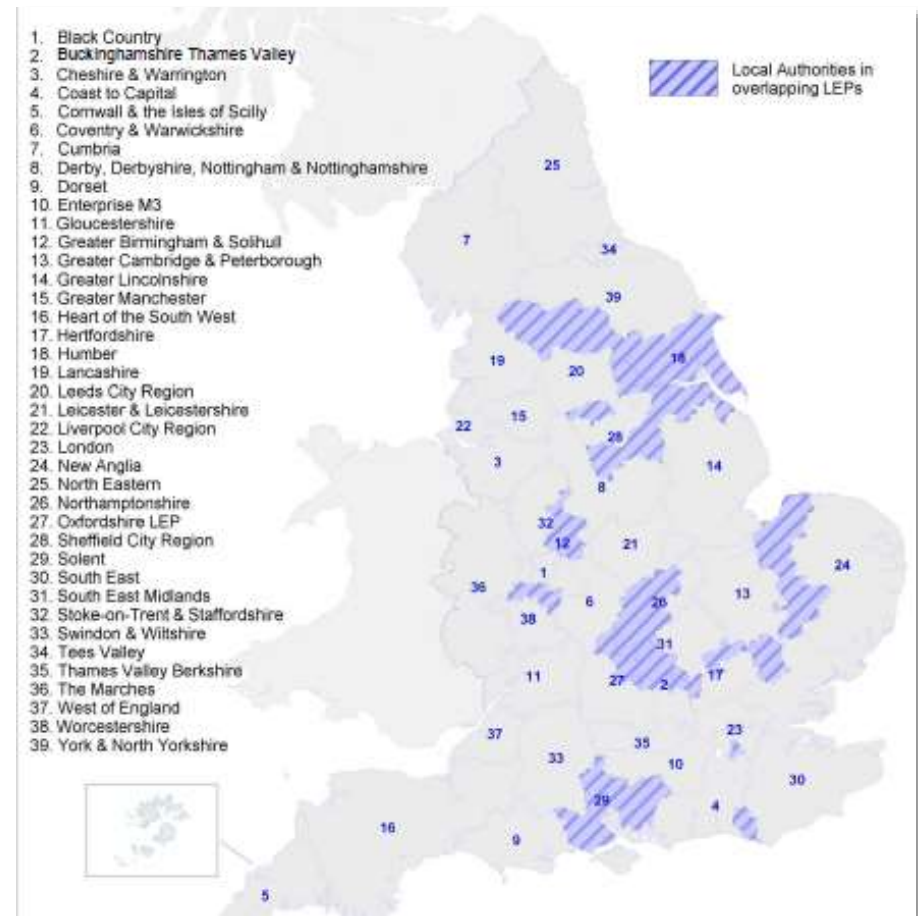
As a fully integrated advisory service UK Trade & Investment will support any aspect of your plans to expand into the UK

- Dedicated, **professional assistance** on locating and expanding your business in the UK
- We are a **FREE & CONFIDENTIAL** service to support your UK expansion and growth to be as efficient as possible, helping you with:
 - Links with centres of excellence (e.g. universities);
 - Information on tax, regulatory and business planning issues;
 - Information on financial incentives;
 - Information on staff recruitment, retention and training programmes;
 - Assistance with immigration issues





With Local Enterprise Partners and Devolved Administrators UKTI offers broad partner support network for the investors





How to start cooperation?

STEP 1

Contact the local UKTI Inward Investment Team



STEP 2

Start a conversation about your plans and how we can assist you



STEP 3

Benefit from our support!



You can contact Your Central & Eastern Europe UKTI Investment team at:

andreea.bute@ukti-cee.com

tomas.ptacek@ukti-cee.com

richard.leaver@entrepreneurs.gov.uk



UK Trade & Investment