United Kingdom

Introduction

United Kingdom is an island country spanning an archipelago including Great Britain, located in Western Europe comprising England, Scotland, Wales, and Northern Ireland. United Kingdom is surrounded by the Atlantic Ocean, the North Sea, the English Channel, and the Irish Sea. It lies near vital North Atlantic sea lanes and is only 35 km from France and linked by tunnel under the English Channel. The geography is mostly rugged hills and low mountains. The government system is constitutional monarchy and a Commonwealth realm; the chief of state is the queen, and the head of government is the prime minister. The United Kingdom has an advanced open market economy in which the prices of goods and services are determined in a free price system.

Location: Northern Europe
Capital City: London (GMT)
Chief of State: King Charles III
Head of Govt.: Prime Minister Rishi Sunak
Currency: British pound (GBP)
Major Languages: English, Scots (about 30% of the population of Scotland), Scottish Gaelic (about 60,000 speakers in Scotland), Welsh (about 20% of the population of Wales), Irish (about 10% of the population of Northern Ireland), Cornish (some 2,000 to 3,000 people in Cornwall) (2012)

Primary Religions: Christian (includes Anglican, Roman Catholic, Presbyterian, Methodist) 59.5%, Muslim 4.4%, Hindu 1.3%, other 2%, unspecified 7.2%, none 25.7%

Calling Code: 44
Voltage: 230

Key Websites

Main Government Page: gov.uk
Commerce Ministry: gov.uk
Investment Promotion Agency: gov.uk

United Kingdom

Key Economic Facts

Income Level (by per capita GNI): High Income
Level of Development: Developed
GDP, PPP (current international $): $3,656.81 billion (2022)
GDP growth (annual %): 4.10% (2022)
GDP per capita, PPP (current international $): $54,602.54 (2022)
Manufacturing, value added (% of GDP): 8.45% (2022)
Current account balance (BoP, current US$): -$121.38 billion (2022)
Inflation, consumer prices (annual %): 7.92% (2022)
Labor force, total: 34,460,390 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate): 3.57% (2022)
Imports of goods and services (current US$): $1,111.59 billion (2022)
Exports of goods and services (current US$): $1,004.80 billion (2022)

GDP Composition %

Agriculture: 1
Services: 71
Industry: 18
Manufacturing: 8

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

<table>
<thead>
<tr>
<th>Index</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>11/178</td>
</tr>
<tr>
<td>EY Globalization Index</td>
<td>10/60</td>
</tr>
<tr>
<td>Global Competitiveness Index</td>
<td>8/141</td>
</tr>
<tr>
<td>Global Enabling Trade Index</td>
<td>8/136</td>
</tr>
<tr>
<td>Global Manufacturing Competitiveness Index (GMCI)</td>
<td>6/40</td>
</tr>
<tr>
<td>Global Services Location Index</td>
<td>7/60</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>28/176</td>
</tr>
<tr>
<td>International Logistics Performance Index (LPI)</td>
<td>9/160</td>
</tr>
<tr>
<td>Inward FDI Potential Index</td>
<td>3/139</td>
</tr>
<tr>
<td>KOF Index of Globalization</td>
<td>8/185</td>
</tr>
<tr>
<td>Networked Readiness Index (NRI)</td>
<td>8/139</td>
</tr>
<tr>
<td>Open Budget Index</td>
<td>11/114</td>
</tr>
</tbody>
</table>

Risk Assessment (Provided by Coface)

Country rating: A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths

- Production of hydrocarbons covers three-quarters of energy needs
- Cutting-edge sectors (aeronautics, pharmaceuticals, automotive)
- Financial services
- Competitive and attractive tax regime

Weaknesses

- High public and household debt (115% of gross disposable income)
- Low productivity and training deficit not conducive to innovation
- Regional disparities between the Southeast (especially London) and the rest of the country, particularly in terms of transport and energy infrastructure

U.S. Embassy

U.S. Embassy London
24 Grosvenor Square
London, W1A 2LQ
United Kingdom
Phone: [44] (0)20 7499-9000
https://uk.usembassy.gov

Country Memo Provided by: globalEDGE.msu.edu and TRADE.GOV