



# THE BRITISH ECONOMIC REVIVAL

A Transatlantic Case Study

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Her Majesty's Consul General

# The British Economic Revival

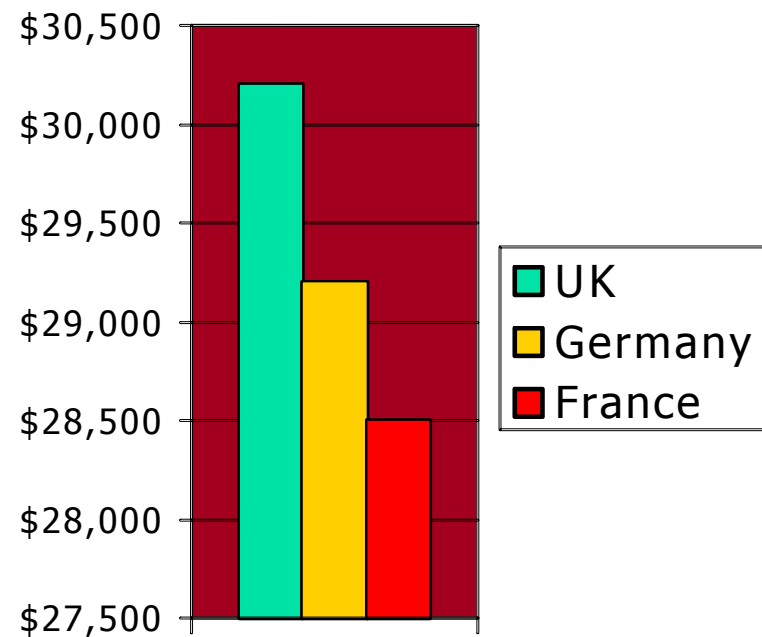
- 48 Consecutive quarters of growth
- Economic growth of 7.2% since 2001  
Compared to 3.2% growth for Eurozone
- CPI inflation just 1.4 %

# The British Economic Revival

- UK unemployment 4.8%
- UK claimant count unemployment 2.9%
- Employment increased 1.9 million since 1997
- Average weekly retail sales up 7.1% year on year

- GDP per head is higher than any other European economy.

- UK \$30,200
- Germany \$29,200
- France \$28,500



# What happened to turn things around?



- Deregulation
- Privatization
- Reduction in Trade Union Powers
- Unemployment Benefit reform

## Better financial management

- Bank of England more freedom
- Independent control of interest rates
- Stable monetary policy
- Firm fiscal policy
- Successful at creating jobs.

# Economic Threats

- Is the pound too strong?
- House price inflation
- Household debt

- Help British companies grow and develop their business in the US
- Encourage and help US companies expand their business in the UK

## Britain and FDI -

- 40% of US Investment into EU
- 19% of Global Investment into EU
- 50 % Japanese Investment into EU
- Home to 58% US companies' European headquarters
- 6,000 US companies


# The UK is the favorite European destination.



# What is the attraction?

- English Language
- Strong domestic market and spring board onto the continent
- Europe's most developed financial services industry
- Low rates of taxation

- Europe's most flexible labor market
- Deregulated commercial environment
- Strong science and innovation base
- Skilled and educated workforce
- Cosmopolitan environment

A stylized, hand-drawn version of the Union Jack flag, featuring a white cross on a red field with blue cantons, all set against a light purple background. The flag is framed by a thick grey border.

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