

BABi and UK Trade & Investment Transatlantic Business Survey 2005

Executive Summary

Introduction

BritishAmerican Business Inc (BABi) and UK Trade & Investment conducted a joint survey on current transatlantic business issues and the drivers of trade and investment across the Atlantic. The survey sought to examine the nature of the 'special relationship' and provide an insight into current and future trends. A total of 140 senior executives based in US and UK organisations involved in transatlantic trade responded to the survey.

The transatlantic business relationship

The survey explored the perceived strength of the transatlantic relationship and found common views in both countries. When asked *How would you characterise the transatlantic relationship since the year 2000?*, two-thirds of respondents said the relationship was stronger, with only a slight difference between the two countries. No respondents believed the relationship had grown much weaker.

Regarding *the main factors underpinning the success of the relationship*, UK-based respondents identified flexible, open markets and a common language as the two most important factors. US-based executives agreed with their UK counterparts on flexible, open markets, but ranked shared business values above common language.

There was complete agreement among US and UK-based respondents over *the main challenges facing the transatlantic business relationship over the next three years*, with growing competition from developing countries, the burden of growing regulation and legal requirements, and global uncertainty around currency fluctuations identified as the top three challenges.

Doing business in the UK and US

The survey explored both *drivers of and barriers to foreign investment* into the US and UK. A skilled workforce was seen as the single most important driver of foreign investment into the UK; in the US, the key drivers were seen as strength of overall economy and sectoral growth potential. When it comes to barriers to foreign investment, complications in entry to market was identified on both sides of the Atlantic as the most critical barrier. In the UK, labour market inflexibility and inadequate protection of intellectual property rights ranked next, while in the US, it was lack of consistent internal regulation, followed by labour market inflexibility.

There was commonality of view over the *main factors which make the UK and the US good locations for business*. The top four factors identified were: availability of skilled, qualified staff; language not being a barrier; good transport links; and a business-friendly central government. On the skills point specifically, the UK was rated slightly higher than the US for the availability of and access to workforce skills.

There were also common views among respondents on *the areas where the US and UK business cultures are most similar*, with work ethic ranking number one, followed by company loyalty and pride in the workplace.

Respondents were asked to identify how the two countries fared on the *quality of services provided to businesses*. The UK was rated most highly on financial services, followed by professional services and IT/telecoms services; the US scored most favourably on professional services, followed by technology services and financial services.

Living and working in the UK and US

The survey also explored the softer factors associated with transatlantic trade, asking respondents what they *liked most about living in either country*. The most valued aspect of living in the UK is the culture, while in the US, it's the weather and environment. A good choice of local amenities and friendly inhabitants were also ranked highly in both countries.

If you would like to discuss any of the contents of the BABi/UK Trade & Investment Transatlantic Survey in more detail, please contact Emma Abbott of BABi on 020 7467 7400.

UK Trade & Investment is the Government organisation that provides integrated support services for UK companies engaged in overseas trade and foreign businesses focused on the UK as an inward investment location. The principal aim of the Inward Investment Group is to attract, retain and add value to investment by communicating the benefits of the UK as the first choice in Europe for potential investors, and their influencers world-wide. It identifies and approaches potential investors and assists them with all aspects of locating and expanding in the UK.

BritishAmerican Business Inc of New York and London (BABi) is the leading transatlantic business organisation, dedicated to helping its 700-plus member companies build and expand their international business.

BABi provides its members directly with a range of targeted business services focused on business development, business intelligence and networking, and with access to broader business networks in more than 60 other major cities throughout North America and Europe.

BABi incorporates the British-American Chamber of Commerce (New York/London) and the American Chamber of Commerce (UK), which merged in September 2000 to create a stronger transatlantic business organisation.