



UK Trade
& Investment



UK Retail Industry – International Action Plan

Driving global growth
for the UK retail industry

www.gov.uk/ukti



Strategy for retail success

The retail sector is one of the most important parts of the UK economy contributing five per cent to GDP, and in August 2012 the Prime Minister announced that UK Trade & Investment (UKTI) will provide strategic support for the sector. The support is focused on helping the UK retail sector win more business internationally and securing more valuable investment in the UK.

UK Trade & Investment (UKTI) has consulted with many different parts of the sector to develop an on-going strategy for retail success in international markets. UKTI is taking the lead in this work as part of its Olympic economic legacy strategy and is working in close collaboration with other parts of Government including the Department for Business, Innovation and Skills (BIS), which has been actively helping with EU policy issues, and the Department for Environment, Food and Rural Affairs (Defra), which has helped develop a separate Food and Drink Export Action Plan.

This document details the Action Plan that will deliver internationally for UK economic growth. The plan identifies both the best opportunities for Government to support global growth by the retail sector, and the key international barriers that Government can help retailers to overcome. It also analyses opportunities to attract high value investment from overseas into the UK.

The Action Plan focuses on:

- 1 Helping omni-channel retailers access international markets
- 2 Helping the UK's luxury brands access international markets
- 3 Leveraging the UK's experience economy
- 4 Helping companies with market access issues
- 5 Helping companies with market development and supply chain development
- 6 Helping to attract retail investment to the UK
- 7 Government added-value

The aim of the Action Plan is to:

- Deliver £500m value to the UK economy through assisting up to 1,000 businesses with their international growth in the two years to March 2015.
- Provide support for up to 600 retail sector SMEs to help with their international growth.

- Attract high quality foreign direct investment to the UK to enhance the UK retail sector. Attract foreign brands and retail expertise to augment the UK retail sector's already strong international offer.
- Work with Business Ambassadors and the Catalyst programme (a network of business leaders and influencers) to promote the UK retail sector internationally for trade and for foreign direct investment.
- Tailor UKTI support programmes and increase the uptake of these services to UK retailers seeking to internationalise their businesses, specifically in the digital marketing and e-commerce areas.
- Increase the professionalism of the UKTI global and national network of support for the retail sector, including work with private sector providers to deliver information and advice.

Withdrawn 21 November 2018



Retail sector opens doors to economic growth

The UK retail sector covers all businesses that sell goods to the public, from large chains and department stores through to independents and virtual stores. Retailers often sit at the heart of communities and the sector employs over 10 per cent of the UK workforce, making it Britain's largest private sector employer.

It consistently accounts for more than five per cent of the value generated by the UK economy each year and is estimated to contribute around £17.5bn taxes to the UK, nearly 30 per cent of all tax revenues.¹

In the back room of the UK economy the retail sector also does an important job providing skills and supplies to other businesses. According to the British Retail Consortium, UK retailers provided 12 per cent of total UK investment in training in 2011, and supported £47bn of output by other sectors.² The sector's innovative culture, in areas such as e-commerce and self-service, are reshaping the shopping experience across the world and have put the UK at the vanguard of multi-channel shopping. UK retail accounts for 11 per cent of global internet retail sales³ and the UK has the highest spend per head for e-commerce of any country.

Crucially, the retail sector is a shop window for the UK itself. Its international brands are a magnet for inward investment and have made London the shopping capital of the world.

1. UKTI website and British Retail Consortium
2. British Retail Consortium
3. British Retail Consortium

Introduction

The Government is committed to supporting international growth and has set an ambition to get another 100,000 companies exporting by 2020, while doubling UK exports to £1 trillion. It also aims to maintain the UK's ranking as the number one destination for new inward foreign direct investment (FDI) in Europe and become the number one destination in Europe for emerging-market FDI.

UKTI is the Government organisation that supports UK companies to grow their business through international trade. UKTI connects UK business to the world's top commercial opportunities; attracts high quality inward investment to the UK; and establishes government relationships with major wealth creators to increase exports and investment.

Path to growth winds through the high street and through digital channels

In the 2012 Autumn Statement, the Chancellor of the Exchequer announced a significant boost for UKTI's budget, which will increase by £70m a year over the next two years.

The funding is intended to deliver innovative new programmes to get more SMEs exporting, help UK firms access the most valuable high-value opportunities overseas and reinforce the UK as the location of choice for investors.

The retail sector is a crucial part of these plans for growth. Around 10 per cent of all VAT-registered businesses in the UK are retailers – and 188,000 businesses⁴ – and UK retail sector sales were estimated at more than £300bn in 2011, a 3.4 per cent increase from 2010 and a rise of more than six per cent from 2008.⁵



A full package of support

As part of the package of support offered by UKTI the retail sector will benefit from a doubling of the number of companies receiving financial assistance towards the cost of exhibiting overseas. There will also be an increase in the number of international trade advisors assisting SMEs such as retail businesses to grow their physical and digital footprint internationally. The funding will also provide enhanced Government support for optimising the UK share of the highest value opportunities globally, including the development of new leisure and retail destinations.

As more and more international brands open their European operations through a UK base, UKTI will also enhance inward investment support to position the UK as the destination of choice for investors from high-growth markets.

Following the amazing success of the London 2012 Olympic and Paralympic Games, UKTI will also be delivering the GREAT campaign – a programme across the globe to underline the UK's position as a thought leader in key growth sectors and promoting UK strengths. This work will expand international recognition of British businesses and British brands and provide direct business opportunities for companies participating in the programme of activity.

A small strategic team in UKTI (in a task force approach across Whitehall) is working in close partnership with BIS to develop the public and private network and strategic programme that will help businesses of all sizes in this sector win more contracts internationally.

The team are also looking at ways in which UKTI and its network can help multi-brand retailers and large-scale operations to open new channels to pull sales through their supply chain and drive international growth.

Separately, in a partnership with Defra, UKTI has developed the Food and Drink Export Action Plan. This is now being delivered to add value to these industries. Food and Drink is the UK's largest manufacturing sector by both employment (382,000 people) and Gross Value Added (£23.5bn)⁶. The range of activities under this banner include market access work, delivering new business opportunities to companies through market intelligence and a trade development programme with priority markets including China. The Food and Drink Action Plan is available from www.gov.uk/ukti.

The UK retail industry is a significant contributor to the UK economy employing more than three million people and generating £300bn for the economy. Events like last month's London Fashion Week showed the scope and success of the industry. British brands have a deservedly world class reputation for quality and innovation. As we rebalance the economy with more export-led growth retail has an important role to play. This Action Plan will help small and large retailers across the UK to grow and expand into new export markets."

Rt. Hon Dr Vince Cable,
Secretary of State for Business,
Innovation and Skills and President
of the Board of Trade

Why trade and investment matter

International trade and investment benefit both companies and countries and is a powerful driver of social change.

Exporting not only has an important role to play in the national challenge to improve our trade balance, it offers several rewards for individual companies. First and foremost, it enables companies to achieve a level of growth not otherwise possible, and on top of this it often provides access to innovative new ideas and increases a company's productivity. UKTI research found that 59 per cent of companies that traded overseas experienced fresh ideas and innovation.⁷ It also found that exporters account for 60 per cent of UK productivity growth.⁸

Inward investment, accounts for 40 per cent of UK economic output, enables the UK economy to create, maintain and grow employment. Foreign direct investment raises productivity by bringing new ideas, knowledge, technologies and better ways of working. It also stimulates UK firms through competitive challenge.

An open and competitive trading environment also offers enormous potential benefits for emerging economies, just as it does for developed economies such as the UK.

4. British Retail Consortium

5. British Retail Consortium

6. British Retail Consortium

7. *Bringing Home the Benefits*, UKTI 2011

8. UKTI corporate strategy document



Seizing opportunities and breaking down barriers

A strategy from the sector, for the sector

UKTI, and the Government as a whole, is committed to working side by side with the retail sector, and this Action Plan is a result of extensive consultation with the sector itself. UKTI has sought input from a wide range of retail businesses including small and large retailers across many sub-sectors and those involved in both online and offline retail. The consultation set out to pinpoint where the Government could best add value to the sector's efforts.

Internet, indulgence and involvement

The retail sector is enormously diverse and the range of potential opportunities and barriers for international growth are numerous. However it became clear from the consultation that the Action Plan should focus its campaigns on three core areas of opportunity: omni-channel retailers, luxury retailers and companies working in the experience economy.

As outlined in the Action Plan these three retail areas have huge potential for international growth and offer the best opportunities to leverage Government support to the sector.

Aligned with this, it was evident that to break down the barriers for global growth the Action Plan should focus Government support on helping UK-based companies in two key areas: gaining market access and engineering smarter supply chains.

Taken together, seizing these three opportunities and overcoming these two barriers provides a framework to deliver success in a rapidly changing global economy.

Growth begins at home

Growth needs to stem from a solid foundation, so the Action Plan also seeks to reinforce inward investment into the UK retail sector. This reinforces the UK's image as a good place to do business and supports research, innovation and skills.

“Britain's future prosperity will be built on growth sectors that achieve business success in international markets; so we are putting the full machinery of Government behind their trade and investment ambitions.”

Lord Green, Minister of State for Trade and Investment



Withdrawn 21 November 2018

The Action Plan



1

Campaign to help omni-channel retailers

— Showcase our talent, promote our brands and deliver new business opportunities.



Made.com website

“The rise of omni-channel shopping and e-commerce is a game-changer that creates opportunities for new businesses to grow from scratch into international brands within a few years. As Made.com is experiencing. And it’s not just about retailers; wholesalers, designers and ultimately the customers all stand to benefit.”

Brent Hoberman, Chairman Made.com

Omni and multi-channel retailing is about delivering goods to the consumer through all available shopping channels including mobile devices, computers, bricks and mortar and television. Technology is making it possible for consumers to buy anything, anywhere and anytime and this is accelerating the pace of consumption. With society spending more time online to search for and meet its needs, brands need to follow this trend and go where the market is rather than wait for the market to come to them.

Retail is evolving fast and digital malls are the most significant new type of channel to emerge in recent years. They offer brands a new type of sales channel that is trusted by consumers and the mall operators have an understanding of the requirements of the brand owners. For brands they offer significant scale and access to consumers at lower go to market costs than traditional routes to market and therefore improved margins. In today’s increasingly borderless trading environment brands retailing through a blended approach that uses the full selection of available digital and non-digital channels are growing their businesses at home and overseas.

The e-commerce opportunity

The UK is at the vanguard of multi-channel shopping. Britain’s 228,000 online retailers export more than the rest of Europe’s e-retailers put together and UK consumers spend more online per head than any other country. The fastest growing subsector of online retailing is mobile internet with mobile sales in the UK up from 0.4 per cent in 2010, to 5.3 per cent in 2012.

Globally the opportunity for UK companies is vast. A rise of up to three billion new consumers is expected online in the next two years and one of the most notable trends in recent years has been the emergence of relatively new retail businesses in the UK that use a multi-channel approach to internationalise at a very early stage.

By contrast, it is clear that those retailers that do not compete online tend to witness contraction of new opportunities at home and overseas. The UK domestic market expects a contraction of physical shopping space by 25 per cent in the next five years.

As other international markets realign their businesses and distribution networks around e-commerce there is a golden opportunity for UK companies to export their skills and thought leadership in this space.

Competition is tough. A failure to assist UK retailers who embrace the online route to international markets will see UK brands effectively frozen out of new market opportunities that are actively being pursued by other governments, including the US. Other nations are already beginning to market their expertise through delegations visiting the Gulf and Asia. The UK needs to move fast to position itself in this market space.

Reaping the rewards of leadership

In order to build on the UK's world-leading position, UKTI will focus on assisting retail brands with their international expansion. The Government is ideally placed to assist through the national network of International Trade Advisors in the UK and the global network of commercial teams in the British Embassies worldwide, using a selection of new products and services designed for the

digital age. Working with the industry eight priority markets have been identified where all parties can work together to raise the profile of UK retailers and create opportunities.

These regions have been picked for their enormous potential. For example in the Gulf States (GCC) region UK retailers currently have a low market share but it is estimated by the Trade Association for Online Retail that every single percent growth in UK business exported to this region would provide on average £900 million of additional revenue each year.⁹

The eight priority regions are:

China

GCC (Gulf States)

India

ASEAN (including Indonesia, Malaysia)

North America (specifically for luxury)

Mexico and Latin America (including Brazil, Colombia)

European Union

Russia and emerging Europe (including Cyprus, Poland, Turkey)

Government will offer assistance to retailers, especially the new 'born global' companies thriving in the multi-channel retail age, with the development of physical links within new markets and access to partners and knowledge networks.

In Europe the e-commerce entry barriers are not clear and the Government is seeking to map barriers country by country to ensure we capitalise on the potential for commercial growth into the EU.

"E-commerce is dramatically changing the relationship between consumer and retailer. That in turn is changing all the rules of the game from retail economics to retail processes to the core skills and capabilities that retailers need. Retailers must adapt to compete."

Tony Stockil, CEO, Javelin Group



Google Glass, wearable technology

The multi-channel campaign will target large firms seeking to adapt their approach and get their e-commerce platforms adopted by consumers in key markets. It will also assist SMEs new to export who need to develop their online presence with advice and market development.

Traditional routes to market

The rise of the internet has permanently changed the world of retail, but there is still a vital role for bricks and mortar. UK retailers bring significant benefit to themselves and local economies via their investment in traditional delivery mechanisms. A new focus for bricks and mortar retail providing the 21st century retail experience is a key strength in the UK – making it the destination of choice for global brands. London is the key centre for excellence and is viewed as the shopping capital of the world.

There are different routes to market and the route chosen will depend on what is most appropriate for specific retailers, products or services. For many retailers, franchising is the major market entry strategy, whether this is a single, multi-unit or master franchise.

UKTI will continue through its global and UK offices to play a significant signposting role for businesses investing in traditional routes to market. In particular UKTI will identify qualified, appropriate, reliable partners for businesses in this area and deliver market intelligence on emerging opportunities.



M&S branded sales channel on Tmall.com

“A multi-channel approach to expansion allows British retailers to extend the reach of their brand quickly to new customers around the world and so gain entry to some of the fastest growing international markets. At M&S, this approach ensures we provide the right channel mix for each market – helping us build a position of authority in the territories in which we operate.”

Marc Bolland, CEO, Marks & Spencer



Campaign to help luxury brands

Boosted by emerging economies with higher disposable incomes the global luxury market was estimated to grow by more than eight per cent last year and is on target to achieve forecasts of £9.1bn by 2015.¹⁰

Within this booming market British luxury brands are in high demand. Smart marketing and an influential online presence mean that currently around 50 per cent of UK luxury brands enjoy an ever-increasing number of online-only clients, no matter the size of the company. In 2012, it was anticipated that 72 per cent of British luxury brands would have a presence outside the UK, and brands were looking to expand into fast-growing markets such as East Asia and Africa. In terms of British luxury abroad, 37 per cent are already present in China and a further 27 per cent have made plans to enter the market.¹¹

UK luxury brands are not only highly sought after internationally, they are a valuable asset to the UK. Luxury brands and their designers carry significant PR weight on the global stage – whether the goods are cars, jewellery or clothing – and these add significantly to Britain’s ‘soft’ power. UK brand awareness has never been higher following the London 2012 Olympic and Paralympic Games and UKTI will capitalise on this for all retail brands, providing platforms for promotion in the key retail cities globally.

A GREAT opportunity

For luxury retailers the most important markets are not those that display rapid growth in consumption but those with the largest numbers of high-earning households. So unlike many other retail sub-sectors only two of the BRIC markets – China and Brazil – are of priority interest as they are the only two that feature in the top ten markets by number of high-earning households. UKTI is helping luxury retailers by focusing on those markets with the largest proportions of households with an annual disposable income over US\$300,000 (see Table A).

For luxury retailers, connections with cities are often more important than countries, and building relationships with the fashion capitals of the world is vital. These include markets such as Milan, Paris and London as well as Shanghai, New York, Mumbai and Dubai.

UKTI will lead on a programme of British Weeks (including the GREAT Weeks of Luxury) in cities such as these. It will deliver a programme in key markets that will yield high value contracts for the UK and ensure that the programme is compatible with the industry’s own plans for growth. Key themes will revolve around quality, heritage, craftsmanship and innovation.

Table B on page 13 explains the priorities and associated actions in each of the eight priority regions identified for global growth.

“As one of the UK’s most valuable exports, the luxury goods industry outstrips GDP growth and is predicted to rise by 57% in 2015. It is therefore no surprise that brands such as Burberry, Mulberry and Alexander McQueen are now household names across the globe. And with the legacy of 2012 still drawing the eyes of the world to Britain, this is the time when the industry can really consolidate its position as leaders in the fields of fashion, design, service and style – all served with our trademark wit, nod to tradition and inherent quality.”

Julia Carrick, Chief Executive of Walpole British Luxury Founder and Publisher Financial Times How to Spend It

Table A: Households with an annual disposable income over US\$300,000¹²

Markets	Rank 2012	Rank 2015	Rank 2020	Households ('000) 2020
US	1	1	1	7,239
China		2	2	2,241
Japan	2	3	3	1,370
Germany		4	4	776
Australia	8	6	5	681
France	5	5	6	650
Brazil	9	8	7	597
India	11	10	8	552
UK	6	7	9	541
Italy	7	9	10	460
Canada	10	11	11	395
Russia	13	12	12	394
Spain	11	13	13	310
Mexico	14	14	14	251
South Korea	15	15	15	224
Turkey	17	16	16	199
United Arab Emirates	19	18	17	178
Switzerland	16	17	18	170
Indonesia	21	20	19	162
Hong Kong, China	23	21	20	151

10. Walpole & Ledbury Research 2012

UK Luxury Benchmark Study

11. Walpole & Ledbury Research 2012

UK Luxury Benchmark Study

12. Euromonitor International



Table B: International growth plan priorities for the UK luxury retail sector

AREA	PRIORITY	ACTION
China	First and second tier cities are priority markets that have an appetite for luxury and demand high market spends to make an impact.	Maximise SME interest and impact by providing high profile Government supported platforms for brands market entry en masse.
GCC	Priority market with an appetite for luxury and demand for high market spends to make an impact.	Government support by Embassy staff, VIPs and market leaders endorsements to ensure a premium UK image among the local population.
India	Mumbai is a priority market which has an appetite for luxury but demands high market spends to make an impact.	
Japan	Japan (Tokyo) is a priority market which has an appetite for luxury but demands high market spends to make an impact.	
Russia and emerging Europe	Istanbul, Warsaw, Moscow and St Petersburg are priority markets which have an appetite for luxury but demand high market spends to make an impact.	
Mexico, Central and Latin America	Mexico City, Guadalajara, Sao Paolo and Bogota are priority markets which have an appetite for luxury but demand high market spends to make an impact.	
North America	The USA has the highest number of households with an Annual Disposable Income over US\$300,000 making it the No1 target market for luxury goods.	We will work with the sector to create joint marketing campaigns, specifically in New York and Los Angeles. We will work hard to maintain London's position as the world's leading creative hub and the UK's position as home to luxury and craftsmanship.
European Union	Germany is a key market for accessing high net worth individuals and the fashion capitals of Milan and Paris are a priority.	We will work hard to maintain London's position as the world's leading creative hub and the UK's position as home to luxury and craftsmanship.
Markets of tomorrow	Identify market opportunities.	Scope opportunities in the forthcoming years.

3

Campaign to leverage the experience economy

— Showcase our excellence and deliver our knowledge and experience to new markets

The ‘experience economy’ is the concept that embraces all aspects of activity where a customer has an experience of some kind of service or event. Most typically, it is associated with visitor attractions or cultural spaces – ranging from theme parks to museums. It also applies to the new retail experience.

The experience economy is a fast-growing market across the world and the UK has become a global leader in the industry. It is widely known for its creation and operation of a wide variety of world class visitor attractions including museums, galleries, heritage sites and theme parks.¹³

Experience needed

UKTI is committed to helping UK companies exploit the global spend on new leisure destinations and cultural cities that include entertainment and retail components with projects valued in the billions. With the UK experience of retail in the vanguard of this work, there are growing international opportunities for UK brands to be centre stage in the world’s premium development projects. UK companies can sell skills, experience and products in this space all around the world.

UKTI’s interest lies in identifying Highest Value Opportunities for new destinations and then helping UK companies win business in those projects. UKTI works through a mix of positioning and influencing at one level, and energising the supply chain at another. The UK offer to markets that are constructing these destinations is world class and UKTI will articulate this to win business for the UK.

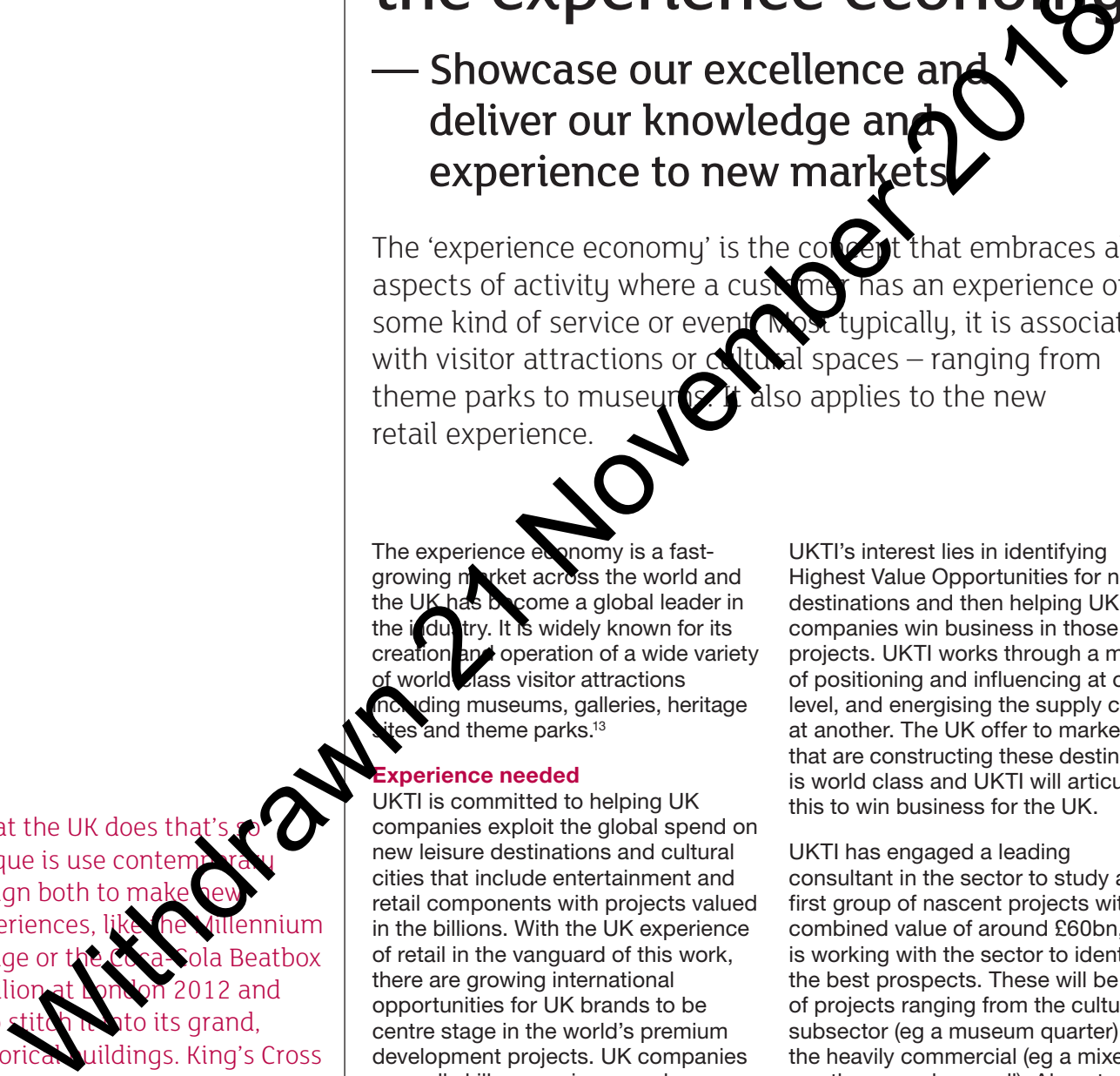
UKTI has engaged a leading consultant in the sector to study a first group of nascent projects with a combined value of around £60bn, and is working with the sector to identify the best prospects. These will be a mix of projects ranging from the cultural subsector (eg a museum quarter) to the heavily commercial (eg a mixed use theme park or mall). Almost all will have a retail component.

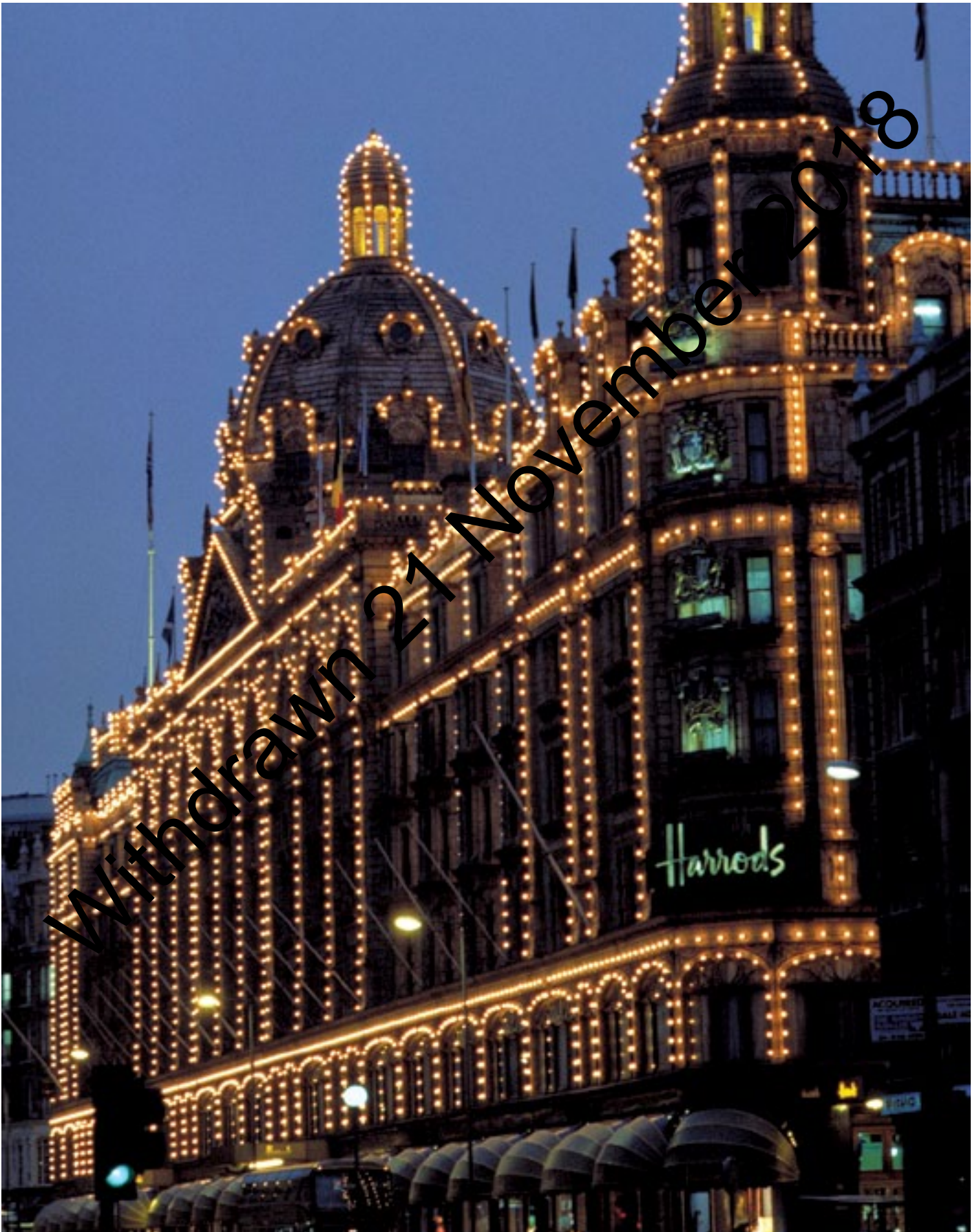
It will be essential to build the retail sector into this process, alongside the planning, design, interpretation and imagining at which the UK excels.

“What the UK does that’s so unique is use contemporary design both to make new experiences, like the Millennium Bridge or the Coca-Cola Beatbox pavilion at London 2012 and also stitch it into its grand, historical buildings. King’s Cross Station, the V&A and a whole clutch of eminent buildings, are currently being refreshed with flair and ingenuity. In the UK designers are not scared of that juxtaposition of old and new; on the contrary it excites them... it’s a fascinating conversation that’s highly creative and rewarding.”

Malcolm Reading, architect and design competition organiser

13. www.experienceuk.org







4

Campaign to help with market access

- Influencing governments and showcasing the benefits of UK retailers to international markets.

International success relies on open markets. However market access issues remain perhaps the most common barrier facing UK exporters. This is especially the case in high-growth markets.

A global study in conjunction with the Economist Intelligence Unit (EIU) found that over half (51 per cent) of UK firms report unclear, bureaucratic regulations as the greatest government-related obstacle to their operations in high-growth markets.¹⁴

Market access issues affect SMEs and large companies alike and include regulatory issues, labelling, product testing, intellectual property and prohibitive administrative processes.

Getting to market

Each market is unique and UKTI is committed to using its network to help the UK Government’s aim to reduce market access barriers for retailers wherever possible.

High-growth emerging economies are the priority in this area (see below). UKTI will align its trade development work with the wider Government’s trade policy activity by coordinating activity in key priority markets in order to amplify the Government message and open new markets for retailers. This will be done through a task force approach with the Department for Business, Innovation and Skills and the Foreign & Commonwealth Office.

Priority markets include:

- India**

- Brazil**

- Mexico and Colombia**

- Libya**

- Nigeria**

- ASEAN bloc**

- European Union**

Priority issues in priority markets

<p>Gulf States The priority is tackling structural and technical barriers for e-commerce that prevent UK retailers gaining online market share.</p> <hr/> <p>China There are several trade policy barriers and entry restrictions for UK businesses that are a priority.</p> <hr/> <p>India UK investors continue to face a considerable lack of clarity over conditions for investment. Investors also face a complete ban on e-commerce.</p>	<p>ASEAN There are several trade barriers preventing market access across the region, and a specific priority is tackling the discriminatory regulatory regime (the Home Market Guidelines) in Malaysia by lobbying for recourse via the WTO GATS process.</p> <hr/> <p>European Union A priority is to influence the EU Free Trade Agreement negotiations with our priority markets (including India and Malaysia) and also to map and clarify e-commerce barriers within each country of the EU.</p>
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“We can design and produce great products that emerging markets want, but in some countries we need help to overcome complex tax systems or inefficient customs. We look to agencies like UKTI to help us overcome market access issues.”

Ray Symons, British Retail Consortium

14. UKTI and Economist Intelligence Unit, ‘Survive and Prosper: Emerging Markets in the Global Recession’ (2009)

5

Campaign to support market development and supply chains

All retailers know the importance of good supply chains to their businesses. Consumers demand consistent, high quality goods and retailers need to develop long term, sustainable relationships with their suppliers.

For retailers who export to many countries the costs and logistics of their supply chains become more complex and need appropriate trade agreements in place to ensure there are no unnecessary costs and difficulties.

Working for smarter supply chains

Government is committed to working with the retail industry to ensure that British producers and suppliers are part of the International growth Action Plan. The UK retail industry is a key supporter of this approach.

Government will work closely with industry to re-engineer supply chains to allow direct shipments from source to markets and to find the best methods to take advantage of trade agreements such as ASEAN.

We will scope market opportunities at supply chain events and take advantage of opportunities as they emerge in our priority markets. For example in the Gulf States UKTI's priority is to capitalise on specific opportunities for technical improvements to the supply chain that can enable UK-based online retailers to operate in the Gulf.

“The shifting economic centre of gravity from West to East is radically changing global trade. That has a big potential impact on our supply chains and means we have to be flexible and smart about how we work with producers all over the world.”

Ian Hutchins, Tesco

Withdrawn 21 November 2018



ASEAN 2014

ASEAN is a ten-member regional bloc consisting of Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Burma, Cambodia, Laos and Vietnam.

The GDP of ASEAN markets is over US\$2tr, growing at over five per cent and the UK already exports in excess of US\$15bn to the region¹⁵. As the political and economic profile of South East Asia as a region continues to rise the UK is scaling up its engagement and this has large potential benefits for the retail sector.

2014 is an important time for the sector to engage with ASEAN. Intense international competition means the window of opportunity to enter these fast-growing markets is a narrow one.

15. UK-ASEAN Business Council



Helping attract high value investment to the UK

Maintaining the UK's high levels of inward investment is an important part of the Action Plan for the UK retail sector. It provides a vital source of income, helps attract talent and fosters innovation among UK-based retailers.

London has become the world’s shopping capital, with one international survey estimating its retail sales of food and non-food per year to be the biggest in the world at more than £91bn. It also found London had the largest online sales – at £9.9bn – and put Manchester among the world’s top 25 shopping cities ahead of the likes of Berlin, Rome and Rio de Janeiro (see Table C)¹⁶.

One of the most significant drivers of inward investment for the UK retail sector has been e-commerce. The total market for home shopping in the UK is estimated to have increased by more than 30 per cent between 2006 and 2010 reaching a total value of more than £58bn¹⁷. Between 2009 and 2010 home shopping grew by 18.8 per cent. E-commerce has clearly outperformed other channels such as general mail order, direct marketing and direct selling. Over the forthcoming years this trend is expected to continue and our skills and technical expertise will help attract increased investment.

The UK is one of the world’s most influential primary shopping destinations with more global brands listed in London alone than in any other world city. UKTI is working with global retailers to ensure that the UK remains the destination of choice for the world’s leading retail brands to site their European headquarters in, as well as other high value operations such as manufacturing, logistics and high end retail outlets (bricks and mortar) that create jobs and prosperity for the UK economy.

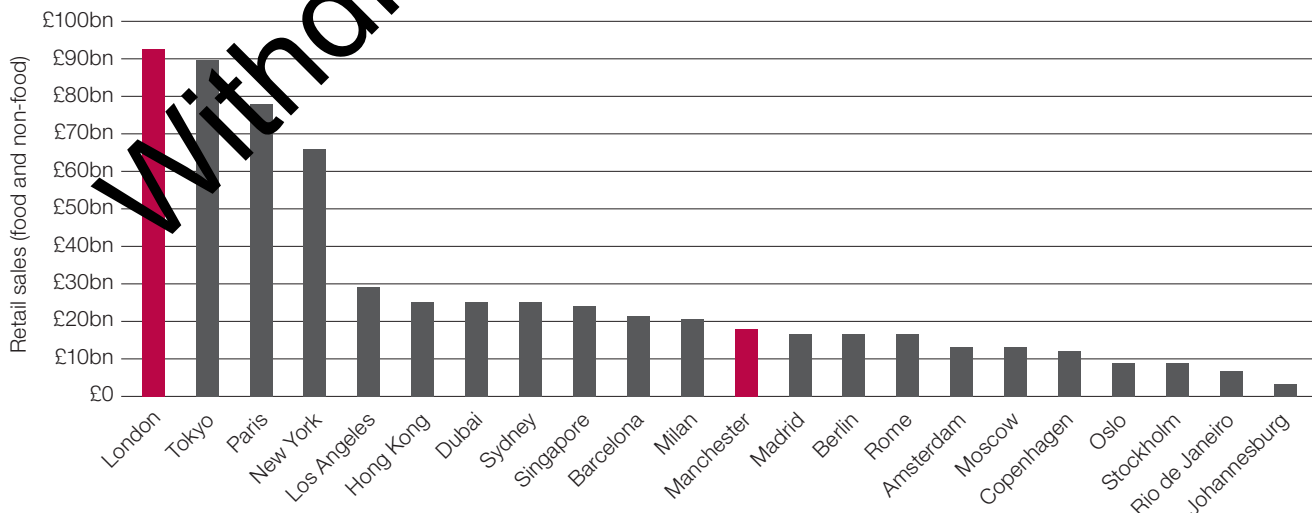
The UK is responding to the change in the global retail market and international retailers choosing to locate in the UK will find a strong supply of retail space tailored to 21st century consumer requirements. International brands will also be able to access the UK experts on the experience economy that have ensured the UK remains the global shopping destination of choice for international brands.

Helping bring in retail investment

In line with UKTI’s general ambitions we will be aiming to ensure the UK remains the number one location for investment in Europe. In terms of retail we will be seeking to become one of the leading destinations for investment in Europe from the emerging markets. To support this UKTI will identify, develop and deploy value propositions targeting markets and potential clients through our global network. We will also look to maximise the opportunities that the GREAT campaign offers.

In the aftermath of the London 2012 Olympic and Paralympic Games we want to capitalise on the popularity and interest in the UK and plan to expand our reach to international investors. UKTI is currently working with key international investors on over 70 separate investments, which include more than 400 new stores opening in the UK in the next two years. This will expand further under the guidance of UKTI’s dedicated team.

Table C: The world shopping capitals according to the Centre for Retail Research (2011)



16. Centre for Retail Research, Nottingham – World Shopping Capitals 2011 Survey
 17. Key Note – Home Shopping 2011



7

Government added-value

Britain's future prosperity will be built on sectors like retail succeeding in international markets, and UKTI is determined to offer practical support to exporters and inward investors.

From its offices across the UK regions to its Ambassadors in British Embassies and Consulates-General across the world, our staff provide expert trade advice and hands-on support including facilitating participation at selected trade fairs, outward missions and providing bespoke market intelligence on overseas regulations, local markets and business practices.

Here are some of the ways that we are putting the full machinery of Government behind trade and investment ambitions for the retail sector.

Ministerial engagement

UK Ministers will carry the UK retail message to global markets as part of their core business, prioritising the key opportunity markets for UK retailers. Ministers will champion British brands and retailers as part of the GREAT campaign and as part of the business of Government. Ministers will also work closely with the UK's multi-brand retailers to assist them with their own specific international growth needs.

We will also create more opportunities for UK retailers of all sizes to accompany high-level business delegations which visit key markets. These trade missions will proactively promote the issues important to British retail and foster awareness of UK expertise in areas such as e-commerce, luxury and the experience economy.

Networking opportunities

Through its global network of Embassies, Consulates and High Commissions UKTI is in a unique position to provide high quality networking and introductory services in overseas markets (as well as in the UK).

UKTI intends to increase the recognition and support for the retail sector from British ambassadors and their representatives, leading to more opportunities for collaboration from San Francisco to Sydney. As part of this initiative UKTI will investigate the development of retail specific events that can be run overseas in partnership with British Chambers of Commerce and other UK business groups.

Relationship management

UKTI, via its Retail and Strategic Relationship teams, will develop a more proactive relationship management approach to working specifically with those UK retailers with multi-market business development strategies.



The Duchess of Cambridge at UKTI's British Business Embassy Creative Industries Reception at the Royal Academy of Arts, July 2012

Access to export information

UKTI will develop access to export information by creating a signposting portal for retail on its website – www.gov.uk/ukti. In addition a network of experts will be developed on www.opentoexport.com. These portals will ensure that any opportunities identified by partners overseas are listed and accessible.

Funded support for SMEs

A large programme of funded events and opportunities for market development is about to be launched for 2013-14 covering the markets listed in this report. To access these opportunities visit www.gov.uk/ukti or www.opentoexport.com.

Training

The Government has committed to up skilling the UKTI network to better serve retail businesses through a training programme and by obtaining access to industry leading information sources.

“Smaller British luxury companies individually have ambition to go overseas but often don't have the resources. Together, and with Government support, they can realise this ambition.”

John Ayton, Chairman Bremont Watch Company and Annoufika Jewellery/Chairman of Walpole British Luxury Brands of Tomorrow programme

Next steps

This Action Plan is owned jointly by Government and industry. The intention is that it be a living document that will be reviewed every six months.

Time scale	Key actions	Owner
Short-term actions over the next year	Encourage more companies to develop international growth strategies through outreach to the retail sector	UK Trade & Investment
	Develop retail sector specific country overviews for key overseas markets – key facts for companies in this industry	UK Trade & Investment, FCO
	Work closely with key UK Ministers to actively promote the retail sector when travelling overseas	UK Trade & Investment
	Use the UK Government's Business Ambassadors/Trade Envoys to reinforce top level messages on UK Retail Excellence	UK Trade & Investment
	Showcase the luxury segment in key overseas markets as part of the GREAT campaign	UK Trade & Investment, Industry
	Research high value business opportunities and deliver campaigns to optimise UK success in these projects	UK Trade & Investment
	Help UK businesses attend sector specific events internationally	UK Trade & Investment
	Develop access to export information by creating a signposting portal for retail on www.gov.uk/ukti	UK Trade & Investment
	Ensure UKTI services are fit for purpose for retailers	UK Trade & Investment
	Ensure key Government delivery partners in the UK regions and devolved administrations are briefed and able to deal with industry enquiries	UK Trade & Investment
Ensure key Government delivery partners in key international markets are briefed and able to deal with industry enquiries	UK Trade & Investment	
Create a retail UK Sector Advisory Group to ensure industry involvement in the evolution of the Action Plan and its campaigns	UK Trade & Investment	
Medium-term actions over the next two years	A cross-government effort, in collaboration with industry to remove barriers to trade for British retailers into priority overseas markets	UK Trade & Investment, BIS, FCO
Long-term	Identify opportunities in growth markets of the future and develop programmes to support them	UK Trade & Investment, FCO

Without draft 21 November 2018

Events and missions

Visit events.ukti.gov.uk or follow @UKTIEvents on Twitter for details of our latest events.



UK Trade & Investment services

UK Trade & Investment has helped thousands of UK exporters and inward investors from overseas achieve commercial success by providing tailored services with specialist support covering a wide range of industries. Follow our handy guide to discover how we can help your organisation.

Inward investors

UK Trade & Investment's comprehensive range of services assists overseas companies, whatever their size and experience, to bring high-quality investment to the UK. They include:

Global Entrepreneur Programme (GEP)

Helps overseas entrepreneurs and early-stage technology companies globalise their businesses from a UK hub.

Regional and Local Location Analysis

Helps overseas companies to choose the right place to set up.

Investor Development Network

Offers continued support to overseas companies once they have established a presence in the UK.

Bespoke Information

Advice on key commercial considerations such as company registration, immigration, financial incentives, labour, real estate, transport, utilities and regulatory issues.

Introductions...

to key contacts in government, industry and academia, or professional service organisations (including solicitors, accountants and recruitment consultants).

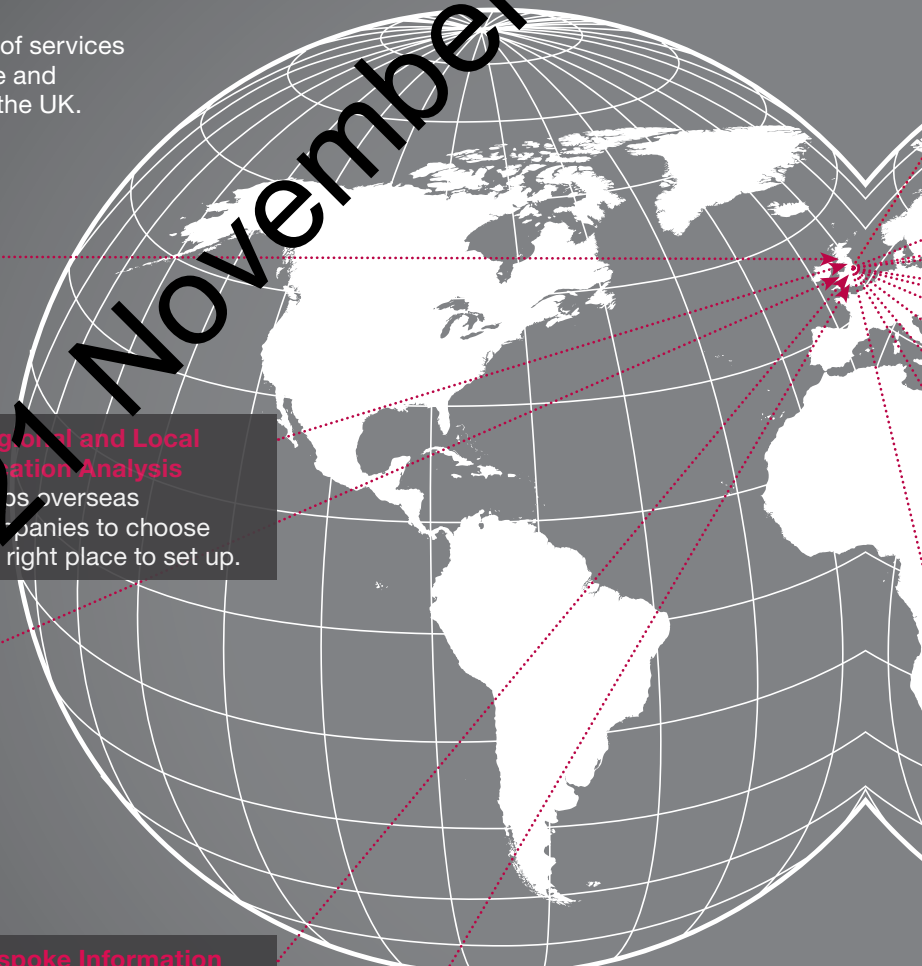
→ Next steps

Want to know more? Contact the UKTI Investment Services Team on 0845 539 0419 or +44 (0)20 7333 5442



Alternatively, scan this code with your smartphone.

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UK exporters

Whether a firm is starting out or is experienced in exporting, UK Trade & Investment's services can help to make doing business internationally as easy as possible. They include:

Passport to Export

Provides new and inexperienced exporters with the training, planning advice and ongoing support they need to succeed in overseas markets.

Gateway to Global Growth

Offers a strategic review, planning advice and support to experienced exporters to help them build on their success and develop new overseas markets.

Export Communications Review (ECR)

Assesses the way companies communicate with overseas customers and makes practical recommendations for improvement.

Overseas Market Introduction Service (OMIS)

A chargeable, tailored service to access market and industry information, identify potential contacts or plan events.

Market Visits and Trade Missions

Organised to help UK companies visit the market they're interested in and talk face-to-face with prospective business partners.

Export Marketing Research Scheme (EMRS)

Offers support, advice and some grant funding to eligible companies wishing to research a potential export market.

Tradeshows across Programme (TAP)

Provides grant support for eligible small and medium-sized businesses to attend overseas exhibitions.

Overseas Business Risk

UK Trade & Investment and the Foreign & Commonwealth Office can provide key information to help you manage the risks of doing business overseas.

Business Opportunities

Personalised email alerts informing businesses about relevant opportunities and developments.

→ Next steps

For more information on UK Trade & Investment services, call 020 7215 5000 or visit www.gov.uk/ukti

To find your local International Trade Adviser follow the 'Meet with a Trade Adviser' link, complete the short form, and we will be in touch.



Alternatively, scan this code with your smartphone.

Events and Seminars

Held across the UK and overseas, these briefings offer business/networking opportunities and market information and allow UK firms to showcase their capabilities.

www.gov.uk/ukti

An invaluable source of up to date country, sector, event and contact information. Follow us on Twitter @UKTIRetail @UKTIFoodDrink for industry news, statistics and thought leadership.

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UK Trade & Investment would like to thank the following for their input:

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UK Trade & Investment offers expertise and contacts through its extensive network of specialists in the UK, and in British embassies and other diplomatic offices around the world. We provide companies with the tools they require to be competitive on the world stage.

UK Trade & Investment is responsible for the delivery of the Solutions for Business product "Helping Your Business Grow Internationally". These "solutions" are available to qualifying businesses, and cover everything from investment and grants through to specialist advice, collaborations and partnerships.

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