



UK Trade
& Investment

Withdrawn 15 May 2019

Discovering high growth:

How UK SMEs are breaking
into high-growth markets



Executive summary

Across the world, high-growth markets such as those in Asia and South America are becoming increasingly important to UK SMEs across all sectors.

Growth in these markets is driven by rapidly rising populations and GDP levels. Research by the Department for Business Innovation and Skills has shown that the middle classes in China and India for example are set to increase household expenditure fourfold over the next 20 years.

The number of UK firms exporting to high-growth markets has risen substantially in the last decade and a number of trends are emerging from those companies already doing business there.

Research finds that:

- Companies of all ages and sizes are finding success in these markets, not just bigger businesses. Two in five small exporters (with less than 10 employees) already do business in at least one high-growth market.
- 98 per cent of those companies doing business abroad sell either directly or through agents or distributors, or both. Only 8 per cent of small firms set up an office overseas.
- Those SMEs that enter one high-growth market can find opportunities in neighbouring and other markets; a study found that almost one in three SMEs used entry into one high-growth market as a 'springboard' into another.
- 52 per cent of the companies that received support from UKTI are already trading in at least one high-growth market; compared to only 41 per cent of companies that did not use these services.
- The research also clearly identifies some of the perceived obstacles to success and illustrates that it is not just 'new to export' firms that face barriers. The most common issues were the formalities and bureaucracy of doing business in these markets, for instance dealing with customs procedures or different legal structures. Other significant perceived barriers included finding contacts and information, language and cultural differences and the costs of market entry.

Nevertheless, the experience of other SMEs shows that these barriers can be seen as "issues to be overcome", rather than insurmountable obstacles to entering high-growth markets.

There are many opportunities for UK exporters around the world.

Some examples of current high-growth markets are illustrated in the map below.¹



¹ Statistics on these pages taken from a combination of UKTI research, OECD and the IMF

How UKTI can help

Whether you are setting foot overseas for the first time or are an established exporter there are a large variety of ways UKTI can help you increase your export success.

UKTI offers the following programmes and services as part of UK Government support product helping your business grow internationally:

Developing your international trade potential

- **Passport to Export:**
This programme provides support and mentoring for eligible SMEs. Aimed at new and inexperienced exporters it offers free capability assessments, support in visiting markets, mentoring from a local professional, action plans, customised and subsidised training and ongoing support once you've started to export.
- **Gateway to Global Growth:**
A service for experienced exporters that offers a 12-month programme of strategic support tailored to your company's needs, to help you diversify into new markets or build additional capacity.
- **Speak to your Local Expert:**
Our International Trade Teams and Sector Specialists are located in local offices in every region of the country and can provide support tailored to your company's particular needs and growth stage.
- **Export Communications Review:**
This offers companies help with the linguistic and cultural aspects of doing business overseas, including cultural awareness reviews and communications planning.
- **Export Marketing Research Scheme:**
This helps you to carry out export marketing research on all the major aspects of any export venture; on topics such as market size and segmentation; regulations and legislation; customer needs, usage and attitudes; distribution channels; trends; and competitor activity, strategy and performance.
- **Open To Export:**
A free to use peer-to-peer website that enables companies to contact other firms, service providers and business experts to get detailed advice on their exporting journey.

Accessing International Markets

- **Overseas Market Introduction Service (OMIS):**
This service enables you to grow your business globally through the provision of bespoke market research and in-market assistance. Delivered by UKTI staff in British Embassies, High Commissions and Consulates across the world, it can include market advice, support during overseas visits, arranging meetings with key contacts, analysis of market entry strategies, bespoke events such as product launches and identification of potential business partners.
- **Take part in our Events:**
UKTI helps to arrange groups of UK companies to attend tradeshows, events and missions worldwide. UKTI inward missions bring together UK companies and overseas buyers at events across the UK. There are also sector-based outward missions that give UK exporters the chance to visit overseas markets and meet buyers as part of a streamlined group.
- **Business Opportunities Alerts:**
A free online service providing export sales leads, sent direct to you via UKTI's global contacts network.
- **Overseas Security Information for Business (OSIB):**
A free online service providing up-to-date and authoritative information on political, economic and business-security related issues, including intellectual property, in key overseas markets.

Additonal Support

For specialist support on intellectual property protection the Government's Intellectual Property Office (IPO) offers various forms of support, shortly to include a network of IP Attaches: IP experts based in country to assist UK businesses operate more effectively in key markets, including China and India.
Visit: www.ipo.gov.uk

UK Export Finance:

UK Export Finance is the government department that provides export finance and insurance solutions to help exporters with their cash-flow, protect them against not being paid and ultimately help them fulfil their export contracts. Established in 1919 as the world's first export credit agency, we complement the commercial market by facilitating exports that may not have been possible without our support.

Contacting UKTI:

UK Trade & Investment is the Government department that helps UK-based companies succeed in an increasingly global economy. Our range of expert services can be tailored to meet the needs of your company to maximise your international success. They are delivered through an extensive network of market specialists, based in the UK and across the globe.

You can find contact details for your local UKTI International Trade Adviser on our website: www.ukti.gov.uk or telephone us: +44 (0)20 7215 8000. Our helpline is open from 9.00am to 5.00pm Monday to Friday.

To find out more go to www.ukti.gov.uk

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Solutions for Business

Funded by
UK Government

UK Trade & Investment is the Government Department that helps UK-based companies succeed in the global economy. We also help overseas companies bring their high-quality investment to the UK's dynamic economy acknowledged as Europe's best place from which to succeed in global business.

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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