


DOING BUSINESS - 2020

Global

PILLAR	GB	GT
GLOBAL RANKING	8	96
Starting a business	18	99
Dealing with construction permits	23	118
Getting electricity	8	46
Registering property	41	89
Getting credit	37	15
Protecting minority investors	7	153
Paying taxes	27	104
Trading across borders	33	82
Enforcing contracts	34	176
Resolving insolvency	14	157

GLOBAL COMPETITIVENESS INDEX - 2019

Global

PILLAR	GB	GT
GLOBAL RANKING	9	98
Institutions	11	121
Infrastructure	11	102
ICT adoption	31	110
Macroeconomic stability	1	81
Health	33	88
Skills	11	103
Product market	21	46
Labor market	9	122
Financial system	7	81
Market Size	8	75
Business dynamism	9	96
Innovation capability	8	98

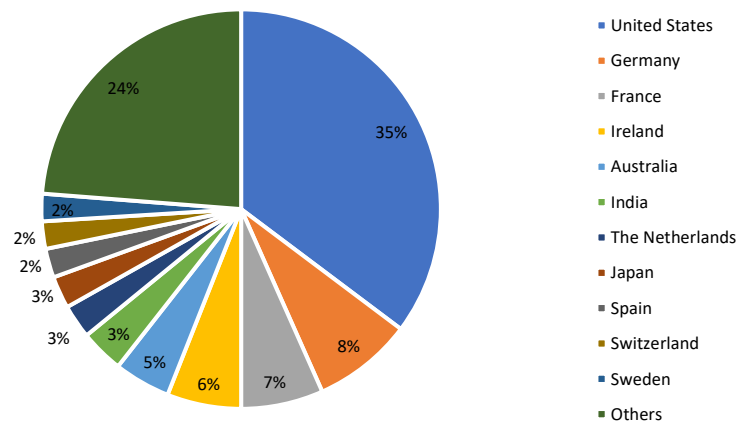
The United Kingdom is one of the top ranked countries in both the Doing Business Ranking and the Global Competitiveness Index, in which it is #8 and #9 respectively. It is important to note that some of the pillars in which the UK ranks in the top ten include getting electricity and protecting minority investors. The pillar in which the UK ranks the lowest is registering property, in which it is #41. In terms of the Global Competitiveness Index, the UK ranks in the top ten, and ranks #1 in the macroeconomic stability pillar. The pillar in which it ranks the lowest is health, in which it is #33.



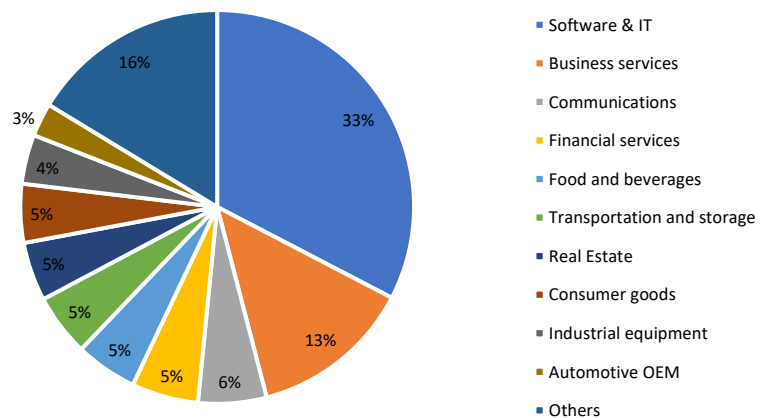
INVESTMENT PROJECTS 2021

766 Investment Projects in the United Kingdom
January 2021 to October 2021

Investment Sources

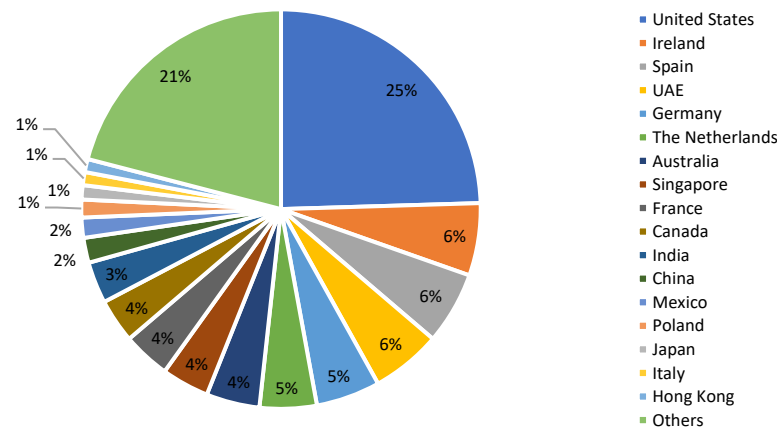


Investment Sectors

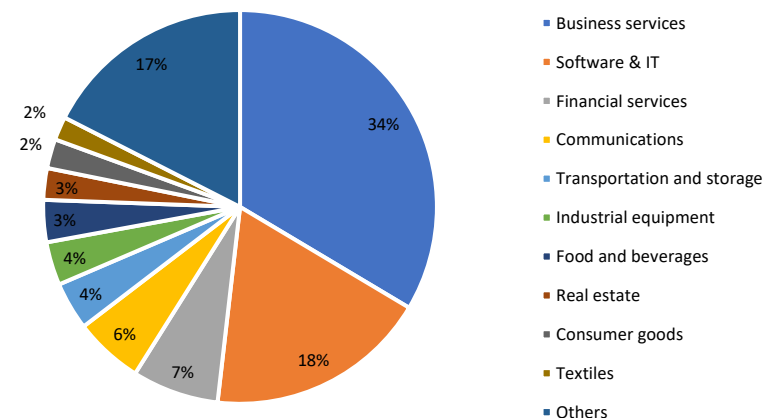


The United Kingdom undertook 1,040 investment projects in other countries from January to October 2021, and they are disaggregated as follows:

Investment Destinations



Investment Sectors

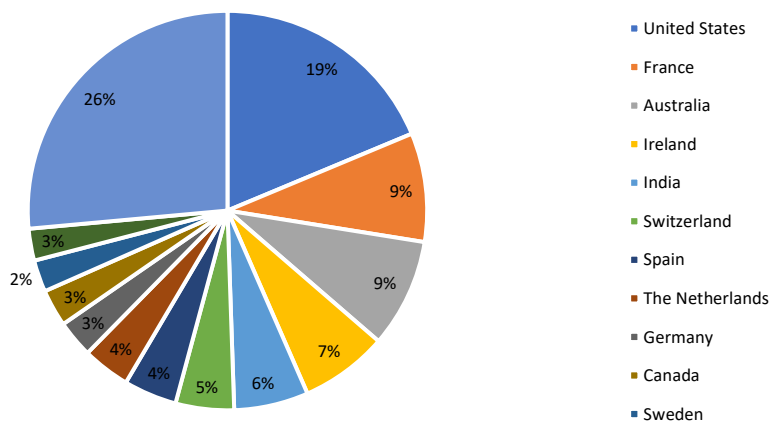




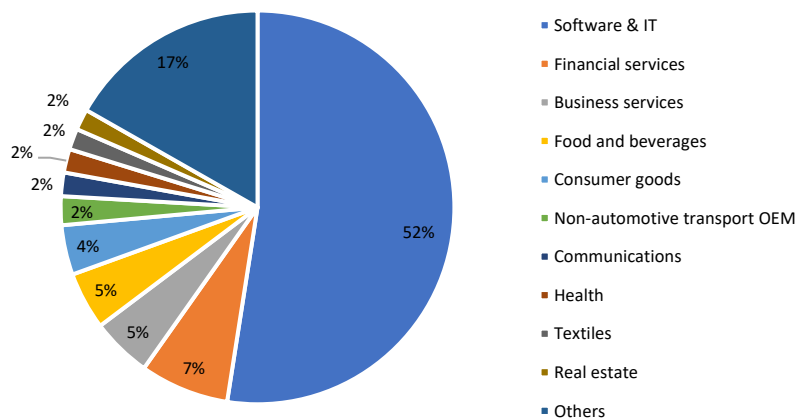
INVESTMENT SIGNS 2019 - 2021

465 Signs of Investments Destined for the United Kingdom From January 2019 to October 2021

Investment Sources

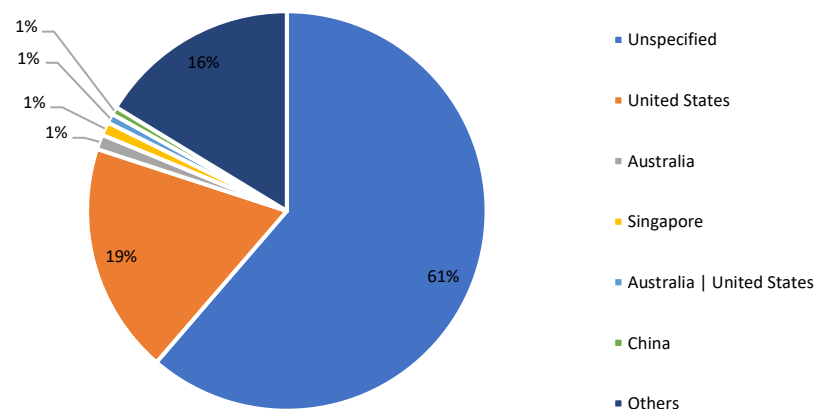


Investment Sectors

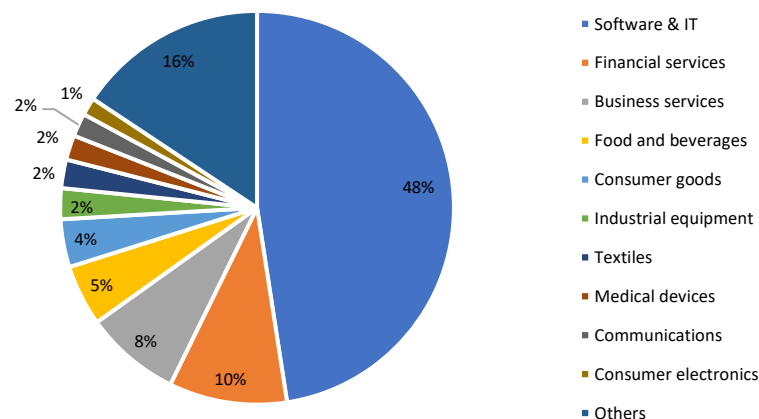


From January 2019 to October 2021 there have been around 1,577 signs of investments originating in the United Kingdom.

Investment Destinations



Investment Sectors





SITUATION OF THE MANUFACTURING SECTOR

According to the UK Purchasing Managers' Index, this index reached 58.1 for the month of November compared to 57.8 in October. According to the survey, there continue to be supply-chain problems leading to a shortage of materials. Shortages of both materials and personnel hinder growth, and at the same time, lead to increases in input prices.

The UK manufacturing industry is going through a critical time, due to a post-COVID-19 credit, cash, and cost crisis. Factories in this country are facing problems such as repayment of debts that were accumulated to cope with the pandemic, supply chain disruption, shortages of heavy-vehicle drivers, and energy costs. Another key factor is inflation, which continues to rise, and many companies anticipate that if this continues, their businesses will become unviable.

According to a survey applied to CFOs, some 48% of companies have had difficulty fulfilling orders due to the global supply crisis. On the other hand, around 65% of the companies stated that the lack of cash had caused impact, hindering the growth plans that they had. Companies in this industry received government support in various forms: loans for business interruption due to coronavirus, recovery loans, and COVID-19 corporate financing. Starting next year, the Recovery Loan Program will remain open to companies, but eligibility will be reduced.

THE ECONOMY IN THE UNITED KINGDOM

According to projections, UK's GDP growth is expected to be between 4.5% and 5.1% by 2022. However, this growth projection is mainly due to the comparison of 2022 figures with the figures obtained after the impact of the drop in production during the national blockade, so that there the figures may be skewed.

The UK economy continues to recover; however, risks remain, since economists at Price Waterhouse Coopers UK consider that this growth will turn increasingly slower as consumers and sectors face rising costs and supply-chain issues. Sectors such as manufacturing are expected to see slow growth in 2022, predicted to be between 1%-2%. On the other hand, the hospitality and tourism sector is expected to grow between 16% and 20%.

It is foreseen that, in the first quarter of 2022, inflation could reach its highest level recorded in the last three decades. The increase in the maximum price of energy and the VAT cuts for hotels and tourism have affected inflation, placing it at between 5% and 6% for this period. Higher-income households will increase their spending due to their considerable amount of savings and the need to leave the pandemic behind. This could boost growth. However, lower-income households will be affected mainly by rising inflation, higher interest rates, and tax changes such as the increase in national insurance contributions.



NEWS

The Triple Crisis Facing the UK that Could Lead to a New “Winter of Discontent”

<https://www.bbc.com/mundo/noticias-internacional-58720670>

After the COVID-19 pandemic, another very difficult winter seems increasingly likely, with fears of a resurgence of the virus combined with rising inflation and an energy and supply-chain crisis.

Brexit Fails to Quench Spanish Companies’ Appetite for Investments in the UK

https://www.abc.es/economia/abci-brexit-no-sacia-apetito-inversor-empresas-espanolas-reino-unido-202111101951_noticia.html

Spanish Foreign Direct Investment (FDI) flows to the UK staged a remarkable recovery in 2020.

A “Perfect storm” for UK Manufacturers as Costs, Credit and Cash Shortages Loom

<https://www.theguardian.com/business/2021/nov/29/perfect-storm-for-uk-manufacturers-as-costs-credit-and-cash-crunch-looms>

Industries are facing the perfect storm. Given that the inflationary spiral shows every sign of continuing to rise, many companies fear a tipping point that could make their business models unviable.

Costs and Shortages Hit UK Economic-Growth Prospects and Omicron Could Add Further Risk, Warns CBI

<https://news.sky.com/story/costs-and-shortages-hit-growth-outlook-and-omicron-could-add-further-risk-cbi-12488119>

The Confederation of British Industry (CBI) has cut back its economic growth forecasts as a result of the costs and shortages in recent months. Furthermore, it warned that the emergence of the Omicron variant could set it back even further.

U.K. Economic Growth Slows Down as Supply Problems Impact on Recovery

<https://www.bbc.com/news/business-59244988>

According to the latest official figures, UK economic growth slowed down between July and September as supply-chain problems hampered recovery.

Bank of England’s Governor Says Economic Impact from Covid-19 Is Still Strong

<https://www.reuters.com/world/uk/boes-bailey-says-covid-impact-weaker-still-strong-2021-12-01/>

According to the Governor of the Bank of England, the economic impact of COVID-19 has faded since the start of the pandemic, but it still remains strong. Inflation peaked at 4.2% in October and the Bank of England expects it to reach around 5% in the second quarter of 2022.