

Ten things you need to know about global Britain

In this volume we look at aspects of business that aren't highlighted on specifications, but give great scope for getting application marks

1 Asia is where the growth is

Between 1992 and 2022, global GDP rose by an average of 141%, with growth of 303% in Asia held back by 86% growth across Europe and North America. Few doubt that Asia will continue to grow rapidly. Brexit has forced the UK to look away from Europe, so Asia makes the most sense.

Example: Poland grew by 240% over these 30 years, but Viet Nam grew by 650%.

Advantage: the UK has some important advantages in Asia, as it is trusted and admired by many. Cars such as the Mini can sell well, as well as luxury goods from Aston Martin and Burberry.

Disadvantage: proximity matters as it lowers transport costs and makes it easier to keep up with customers' requirements.

2 China and India need diplomacy, not lectures

President Xi Jinping of China and Prime Minister Narendra Modi of India have autocratic tendencies. But both preside over populations of 1.4 billion and the world's fastest-growing major economies.

Example: in 2001 the value of the UK's export sales to China was US\$2.6 billion. By 2021 the figure was US\$20.7 billion. Cars were the main single export. This near-tenfold increase compares with the USA. The UK's exports grew little over this period.

Advantage: China and India's growth gives scope for developing safe UK jobs, often at high wage rates.

Disadvantage: UK politicians must be polite to big potential buyers. They don't have to be friendly.

3 The UK has a competitive advantage in certain industries

The jewel in the crown of UK engineering is aerospace. It is the second biggest producer in the world, after the USA.

Example: in addition to military equipment such as drones, the UK manufactures the wings for Airbus planes — and Airbus is the world's number one producer of aeroplanes. Rolls-Royce — a British multinational — is one of the world's big three aero-engine makers.

Advantage: aerospace is such a high value-added sector that the country's high wage rates are easy to fund.

Disadvantage: air travel accounts for less than 2.5% of the world's CO₂ emissions, but pressure groups like to portray the industry as a major contributor to climate change.

4 Heathrow needs its third runway

Heathrow was the world's biggest international airport, with more passengers than any other. It is still number two (second to Dubai) but has been caught up by Paris and Amsterdam (Schiphol). To offer enough direct flights to China and India, it needs to expand.

Example: China has 16 cities with a population of more than 10 million. British Airways flies to two of them: Shanghai and Beijing. It needs more landing slots to connect to more Chinese cities. For that, Heathrow needs a new runway.

Advantage: Chinese tourists are the world's top travellers and biggest spenders. Increasing the number of flights to Chinese cities could be beneficial to the UK economy.

Disadvantage: some will worry about CO₂ emissions, but 'stacked' aircraft circling while ready to land makes no sense for anyone.

5 Focus on deeds, not words

The UK need friends globally, but seems to want to lecture everyone. The UK loves to claim to be the world leader on ethics, the environment and democratic principles. It should focus on deeds, not words.

Example: in 2019 the UK promised to double its support for developing countries' attempts to meet their climate goals. It was a promise to double UK spending from £5.8 billion to £11.6 billion. In 2023 it quietly dropped the promise.

Advantage: politicians can be so short-sighted that they may have delighted in the favourable publicity gained in 2019.

Disadvantage: the UK undermines its credentials as a serious player on the world stage.

6 It is time that tourists paid hotel taxes

The UK is one of the world's great holiday destinations, with London one of the top global cities. Many modern cities charge tourists a fee per night, which goes to the local or national government.

Example: tourists staying in hotels charging £120 or less might have to pay a £5 tourist tax a night; in pricier hotels the charge could be £10 a night. The tax income would help pay for the wear and tear on transport infrastructure.

Advantage: the tax can easily be collected by the hotels, making it a cheap process, yet the benefits will be huge, especially for local residents.

Disadvantage: if it is set too high it might put people off, but at the levels suggested above, this shouldn't be a problem.

7 The VAT rebate should return

Late in 2020 then chancellor of the Exchequer Rishi Sunak scrapped a long-standing rebate scheme that allowed international tourists to get the VAT back on their purchases. This makes it more attractive for shoppers to go to Paris or Frankfurt rather than London.

Example: a Chinese tourist buying a £24,000 Hermes bag could get a £4,000 rebate/discount.

Advantage: restoring the rebate will boost business in shops across UK cities.

Disadvantage: the UK Treasury says that losing the rebate will cost it £2 billion a year — but outsiders think the net effect may be to boost UK government takings.

8 UK education is a global money-spinner

The UK speaks the world's language, it is not as dangerous as the USA and UK books, TV and music are loved worldwide. UK universities are highly regarded and it has one of only two global qualifications: the International Baccalaureate and A-levels.

Example: in a 2022 report the government said that education revenues were worth £25 billion to the UK economy.

Advantage: if the government keeps funding education well, overseas students should keep coming.

Disadvantage: the home secretary, anxious about immigration numbers, wants to reduce the number of students coming to the UK (and therefore reduce the family members coming too).

9 We need a return to stable economics and politics, and therefore trust

The UK has always stood for stability: with the world's queen, one of the oldest parliaments and a seat at all the world's top tables. Then party politics created a frenzy of misjudgement.

Example: the world looked on in amazement as the UK decided it was big enough to succeed outside the European Union — and again as Boris Johnson was elected as prime minister.

Advantage: if the UK can return its politics to boring and its economy to stable, investors will give a sigh of relief. Some may even invest in the UK again — though the advantage of EU membership has gone.

Disadvantage: it is an important cliché that trust, once lost, cannot easily be recovered. Will the UK ever again be the safest place in the world to deposit some cash? It's going to take a while.

10 The UK is not going back to the EU (yet)

Such was the bitterness of Brexit and its aftermath that no serious politician will risk putting the country through it all again for many years. The UK is part of Europe, but it will need to find a way to be part of the European economy.

Example: if you start your own business in the UK and want to spread its success abroad, are you really going to try the USA or China? It makes more sense to try it out 30 miles away, in Europe.

Advantage: Europe is one of only three mega-economies: the USA, China and Europe. India may become the fourth, but not for a while. To be outside all three is self-destructive.

Disadvantage: the UK must remember that Europeans were as traumatised by Brexit as it was; even if the UK wants to return, will it be allowed to?

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