



LONDON

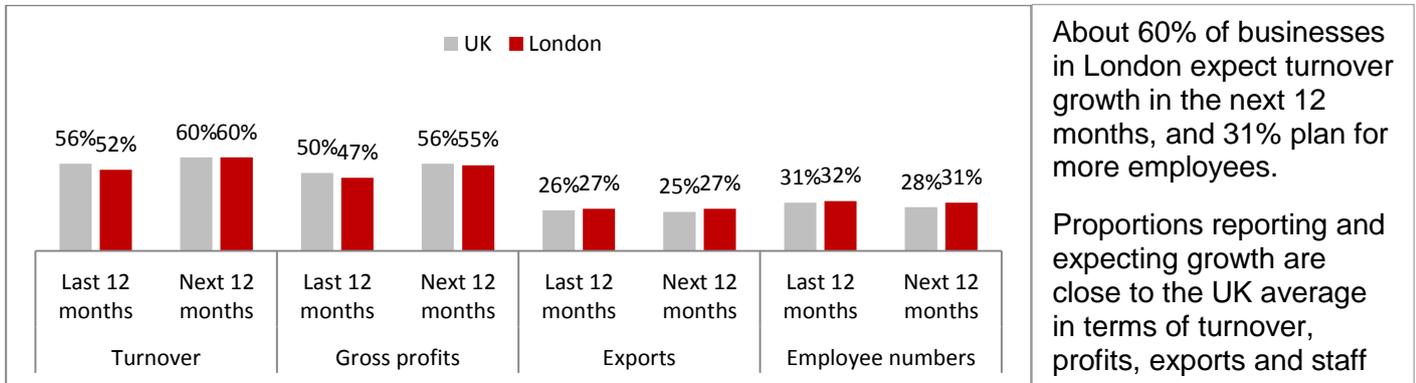
Background

1,010 members in UK businesses were interviewed by phone for the *ICAEW UK Enterprise Survey 2011* between June and Sept 2011 by Kudos Research; 160 of them in the London region. The survey forms our 15th annual UK Enterprise Report which, along with our Global Enterprise report, can be seen at icaew.com/SMEResearch. The 2011 survey was sponsored by SAP.

Summary

Growth expectations for London are in line with the UK average. While competition in the marketplace is an increasing pressure, London differs from other parts of the UK in that customer demand is less of a concern. About a third of London businesses outsource and/or offshore.

Growth – % reporting growth in last 12 months and expecting in next 12 months



Challenges and opportunities

- The greatest anticipated business opportunity for London businesses (as in other regions) lies in new customers / markets. They show above average focus on international markets.
- Competitive pressure is expected by nearly half to become more of a challenge in the coming 12 months, but customer demand is a less prevalent concern here than elsewhere.
- Key objectives for businesses here and across the UK are to increase profitability – the single main objective for 31% and increase turnover (20%).
- 53% of London businesses say that the UK tax and regulatory environment is not business-friendly, in line with the UK average.

Globalisation

- Increasing globalisation is expected to have a positive impact for 59% of London businesses, while 31% believe it does not affect them. This is in line with the UK average.
- Over two thirds of the region's businesses have international activities, the same proportion as the UK average; 45% in London export (average 44%) and 39% import. London businesses are more likely than average to outsource (34%) or to have business functions overseas (32%)
- Those interested in exporting would benefit from country and sector intelligence, and information on commercial and product regulations.