



## New Opportunities in a Global-Facing Britain

**Paul Madden CMG**  
**British Ambassador to Japan**

Paul Madden CMG has been British Ambassador to Japan since January 2017. He was previously ambassador to Australia and to Singapore. He has worked closely with business for many years, including during his time as Managing Director at UK Trade and Investment in London. He has an MA in Economic Geography from Cambridge University and an MBA from Durham University.



I am grateful to JOI for the opportunity to contribute to this excellent magazine. I am delighted to be able to address investors in Japan, to explain some of the benefits of investing in the UK; and to introduce some exciting potential opportunities.

The new government that took office following the British general election in June remains committed to open, outward-looking, business friendly policies. The UK will remain a very attractive location for Japanese investment.

Japanese investment in the UK has been a big success story over the last 30 years or so. Japan's excellent and high quality products and technology; its skilled and motivated workforce; and its unique corporate culture have been an excellent match for the UK. This strong commercial relationship has brought benefits to both countries:

- In Automotive, Japanese companies account for a staggering 45% of all cars made in the UK. Toyota, Honda and Nissan have led the way; Toyota recently chose to invest a further £240 million in new plant at their Derby factory.
- In Rail, Hitachi chose the UK as the location for their global rail Headquarters, in addition to their manufacturing plant in the North East. High-Speed 2, the UK's £56 billion flagship rail infrastructure project, will create exciting opportunities across the whole rail supply chain.
- In Finance, large banks and trading houses such as Nomura and Mizuho are already well-established in

the UK, and there are new business opportunities on the horizon with FinTech as well.

- As the UK economy continues to evolve into new fields such as Artificial Intelligence, Robotics and automation, I think the strength of the UK's capability will bring more attractive opportunities in these fields for companies of all sizes. Softbank, KDDI and Fujitsu have already seen this potential, and made large investments into the British Technology sector.

Japanese investors are, understandably, closely following the UK's progress towards Brexit, and are keen to understand its impact. With detailed negotiations starting shortly after the British election, there is a two year window before negotiations conclude by March 2019.

As Ambassador I have spent a lot of time talking to Japanese companies both here and back in the UK, to ensure that we explain UK Government thinking, and that we communicate the views of Japanese investors back to London. Different companies have different concerns depending on their sector and the nature of their business. As we move through the negotiating process it will be important to take into account the views of Japanese business. I would encourage any Japanese companies with very specific questions or concerns about Brexit to feel free to contact my team in the Embassy in Tokyo or the Consulate General in Osaka.

Our aim is to continue to ensure that companies based in the UK have the best possible access to the European market. We are confident that Britain will remain a very attractive base for business. Its fundamental strengths will

continue to be important. The UK has been the fastest growing economy in the G7 in recent years, with over 1 million new companies established since 2010. Investors welcome our favourable tax rates; business-friendly culture; and strong regulatory environment. With 4 of the world's top 10 Universities, the UK has an exceptional research base, and the Department for International Trade can help Japanese investors looking to take advantage of this, should they choose to invest in the UK.

These are some of the reasons why Britain has attracted more Foreign Direct Investment than any other European country in recent times. We believe that the UK will continue to attract top international talent, as well as capital investment and we are certainly keen to support Japanese investors, as they bring their innovation to British shores. Japanese confidence in the UK remains strong with recent examples of investment including:

- Softbank's recent \$32 billion acquisition of UK company Arm Holdings, immediately after the Brexit vote.
- Nissan and Toyota reaffirming their commitment to the UK, with recent investment announcements.

There are currently a range of opportunities for businesses looking to invest in the UK. Specific ones include: High-Speed 2, a £56 billion rail infrastructure project that will open up new opportunities in Birmingham and the North of England, due to improved access. Meanwhile, the growing Technology, Automotive, Chemicals, Fintech and Life Sciences industries in Britain mean that investors have many opportunities to choose from. In some sectors, investors will benefit from the competitiveness of the British Pound, offering cost savings.

There is also investment potential across industry supply chains, particularly around 'clusters' of businesses in certain parts of the UK. One example of this is the Sunderland International Advanced Manufacturing Park, which supports the Automobile industry, and which Nissan is already heavily involved in. The park aims to create 5,200 new jobs and attract over £300 million of private sector investment into the region.

I hope this gives readers a taste of the potential in the British economy, and the opportunities that lie ahead for smart investors, as we move towards a truly innovative, global Britain. 

## The Department of International Trade (DIT)

The Department of International Trade (DIT) can assist Japanese investors as they seek to open expand their businesses in the UK; or indeed, expand existing operations. We help in 3 stages of the investor journey:

(1) Preparation and Research:

- Market Research
- Both macro-economic and sector-specific analysis

(2) Setting up in the UK:

- Finding commercial or residential properties, schools, etc.
- Tax and regulatory advice
- VISA assistance

(3) Helping business to grow:

- Advising on regulatory issues: liaising with regional councils and government
- Helping companies upskill their workforce, or source local talent
- Introducing local Research & Development partners in the UK

If you are interested in investing in the UK for the first time or you are already investing in the UK we would very happy to help. Please do contact us at [investinuk.jp@fco.gov.uk](mailto:investinuk.jp@fco.gov.uk)