



"Promoting the trading, educational, and strategic opportunities of the Commonwealth"

Come find *your* Commonwealth markets...

www.Commonwealth-Exchange.org/SME-flyers

"Fresh and independent initiatives such as Commonwealth Exchange seek to promote the distinctive advantages for trade and investment that can be gained through greater utilisation of our potential."

Commonwealth Secretary General, HE Mr Kamallesh Sharma

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Why trade in Commonwealth markets?



FIJI

INDIA JAMAICA
BRUNEI DARUSSALAM

NAMIBIA SAMOA

GHANA NEW ZEALAND

ANTIGUA AND BARBUDA THE BAHAMAS

DOMINICA UNITED KINGDOM MALTA

SEYCHELLES MOZAMBIQUE KIRIBATI LESOTHO

UNITED REPUBLIC OF TANZANIA ST VINCENT AND THE GRENADINES CANADA

SAINT LUCIA MALAWI SINGAPORE

MALDIVES SWAZILAND NAURU ST KITTS AND NEVIS

SOLOMON ISLANDS NIGERIA BELIZE

TRINIDAD AND TOBAGO BANGLADESH

RWANDA KENYA SIERRA LEONE UGANDA

MAURITIUS ZAMBIA TUVALU AUSTRALIA SRI LANKA

GRENADA BOTSWANA

SOUTH AFRICA VANUATU TONGA

CAMEROON BARBADOS

MALAYSIA CYPRUS GUYANA

PAPUA NEW GUINEA PAKISTAN

PRESENTED BY:



The export deficit

Back in 2011, David Cameron said that:

"If we boost the number that export from around one in five to over one in four we could pretty much wipe out the trade deficit and create around 100,000 jobs."



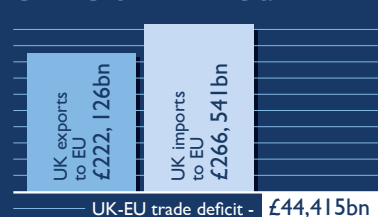
▼ 19%

The EU average is 25%

However, the Government's own Business Department figures show that Small to Medium Enterprises (SMEs) exporting has fallen since 2010. It now stands at 19%

The UK's own world trade deficit (goods & services) has ballooned. The total UK imports stand at **£526.711bn** while it only exports **£492.810bn** leaving a **-£33.901bn** hole. (Pink Book 2013).

UK-EU trade deficit:



Note the UK has a -£17.840bn trade deficit with Germany.

A recent report from the think tank Reform highlighted that the numbers of businesses choosing to export was low and

"the patchwork quilt of support is perceived as fragmented and poorly signposted."

For example, SMEs with a turnover of between £50,000 and £100,000 were least likely to seek advice from government-funded services (7%).

7%

The Commonwealth problem...

At present, trade between the UK and Commonwealth nations suffers from a perception and awareness problem. Trade does take place, but not nearly enough, and the little good that is done is not showcased properly or more widely for SMEs.

Unfortunately, this has meant the understanding of a number of Commonwealth markets can be outmoded thereby leading to businesses becoming too risk-averse.

This is not helped by a generation of UK governments overlooking the potential in key Commonwealth markets.



The CX solution

Businesses rely heavily on good will and trust; therefore, CX's task is to play a distinct role in raising the profile of Commonwealth trade through our introductory trade guides as well as using frequent, positive media and public relation resources.



Find out more inside
»»»

Why look to the Commonwealth?

53 Developed, emerging and developing economies

Spanning every habitable continent and time zone with English its lingua franca and Common Law mirroring our own.



An increasing market for your goods and services

The Commonwealth's combined GDP stood at **\$8.4trn** in 2012 with its total annual growth rate at 3.7% - even higher in its African and Asian zones (5% and 6.5% respectively).

The combined Eurozone total contracted -0.5% in 2012.



The Commonwealth's labour force is forecast to **grow by 825m by 2050**...



As the emerging Commonwealth nations become more prosperous their middle classes will increase offering further opportunities for British SMEs to export.

Language of business:

With **1.23bn** of the 2.3bn Commonwealth population speaking English to a reasonable level the ease of exchange is amplified.

For example, the work of the economist Professor Pankaj Ghemawat showed that two countries that share a common language **trade 42% more** with each other than two identical nations that lack the same bond.

42%

More trade with common language

Language of the Internet:

The Internet will undoubtedly prove to be one of the biggest drivers of trade and prosperity. Once again, the Commonwealth has a distinct advantage. With almost **85%** of home pages and an estimated **55%** of all Internet content **in English**, it has never been easier for British SMEs to reach the world.

2013 Q4 Africa examples of Internet access:

South Africa 23.66m (48.9%), Nigeria 67.32m (38%), Kenya 21.27m (47.3%), Ghana 4.38m (17%), and Tanzania 6.95 (14%).

2013 Q4 Asia examples of Internet access:

India 195m (15.8%), Singapore 4m (73%), Malaysia 20.1m (67%), and Pakistan 29.1m (14.8%).

85%
of home pages in English

Anglophone Africa

The British Council found that: "English is going to be even more important as Africa...engages with the rest of the world more meaningfully."

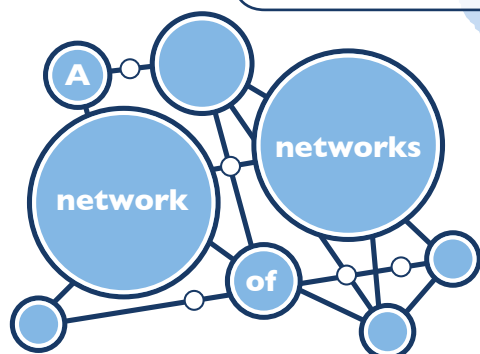
"As Africans become more confident to have their say in global economic, social and political matters, the demand for English will increase."

In addition, recent reports show that economically Anglophone Africa is outpacing significantly the majority of Francophone and Lusophone Africa thereby making it a more attractive place in do business and grow your company.



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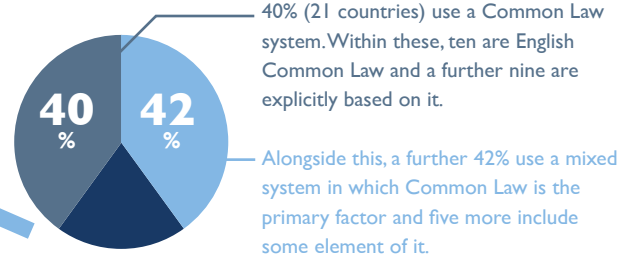
This is supported by a recent Portland PR survey: How Africa Tweets that showed over **70% use this platform in English**. Thus, the opportunities to advertise and sell through these methods in Africa are increasing rapidly.



The Commonwealth has been described as the world's **network of networks** as doing business in one Commonwealth nation can allow for easier access to wider parts of that region.

Common legal systems

The Commonwealth doesn't just speak English, *it thinks English*.



Respected surveys and studies highlight inbuilt Commonwealth advantages

Institute of Directors (IoD) - found that **16%** of exporters identified: "Concern about the language barrier/lack of language skills" as a reason why they did not export more.

Economist Intelligence Unit (EIU) - found that **64%** of executives at internationally facing businesses said differences in language and culture make it difficult to gain a foothold in unfamiliar markets.

British Council - found that people from other countries speaking English resulted in a significant increase in "the average level of trust in people in the UK," which in turn contributed to a "higher level of interest in doing business and trade with the UK."

Parcel Force - discovered that: "One in four exporters view local knowledge, tax and languages as key market barriers."

Ipsos Mori - showed that **67%** of those who say they work in a job that requires them to interact with people from other countries indicated the language used most often in those interactions is English.

A Commonwealth within

One of the biggest overlooked strengths of Commonwealth trade for the UK is its own population with the largest Commonwealth diaspora in the world. The 2011 census showed that 4.4m in England & Wales come from an Indian, Pakistani, Bangladeshi, African, or Caribbean background.

Census 2011 - Estimated overseas-born population resident in the UK, by country of birth:

• India - 729,000	• Pakistan - 465,000	• Bangladesh - 234,000
• South Africa - 209,000	• Nigeria - 180,000	• Jamaican - 145,000
• Kenya - 142,000	• Sri Lanka - 131,000	• Australia - 110,000
• Hong Kong - 91,000	• Canada - 90,000	• Ghana - 80,000
• Uganda - 64,000	• Malaysia - 55,000	• New Zealand - 54,000
• Zambia - 34,000	• Tanzania - 31,000	

If a UK SME were to harness these global connections within Britain it can lead to stronger business ties between other Commonwealth nations. The UK has one of the largest numbers of Chambers of Commerce with a Commonwealth connection anywhere in the world compared with other rivals, while the re-energised UKTI can assist with pairing British SMEs with Commonwealth Chambers and other business associations. Therefore being a Commonwealth citizen can help your business internationally.



Strong rankings of Commonwealth business confidence



A significant number of Commonwealth countries in fact outperform key European nations in certified world rankings, which demonstrate that your business can benefit being in these leading markets over others.

2012 World Bank's Doing Business ranking:

Singapore (1), New Zealand (3), UK (7), Canada (13), Australia (15), Malaysia (18), and Mauritius (23). Germany is ranked (19), France (29), Holland (31), Spain (44), and Italy (87).

2012 World Bank's Starting a Business ranking:

New Zealand (1), Australia (2), Singapore, (4), and Rwanda (16). Germany is ranked (98).

2012 Corruption Perception Index ranking:

New Zealand (1), Singapore (5), Australia (8), Canada (10), and UK (16).



Raw material & manufacturing

The Commonwealth has some of the world's largest producers of raw materials and key manufacturing and textile components that will provide friendly access for UK demand.

Conclusion: Taken together this is why Commonwealth nations can provide a growing avenue for UK goods and services at a time when the UK needs an export led recovery that is low risk, sustainable, and profitable with friendly like-minded partners.