



CO-OPERATION PROGRAMME
FOR A SUSTAINABLE PARTNERSHIP BETWEEN
SMES OF THE MECHANICAL INDUSTRY
FROM E.U. AND CHINA

GUIDE FOR BUSINESS UNITED KINGDOM



SOCIO-CULTURAL ANALYSIS

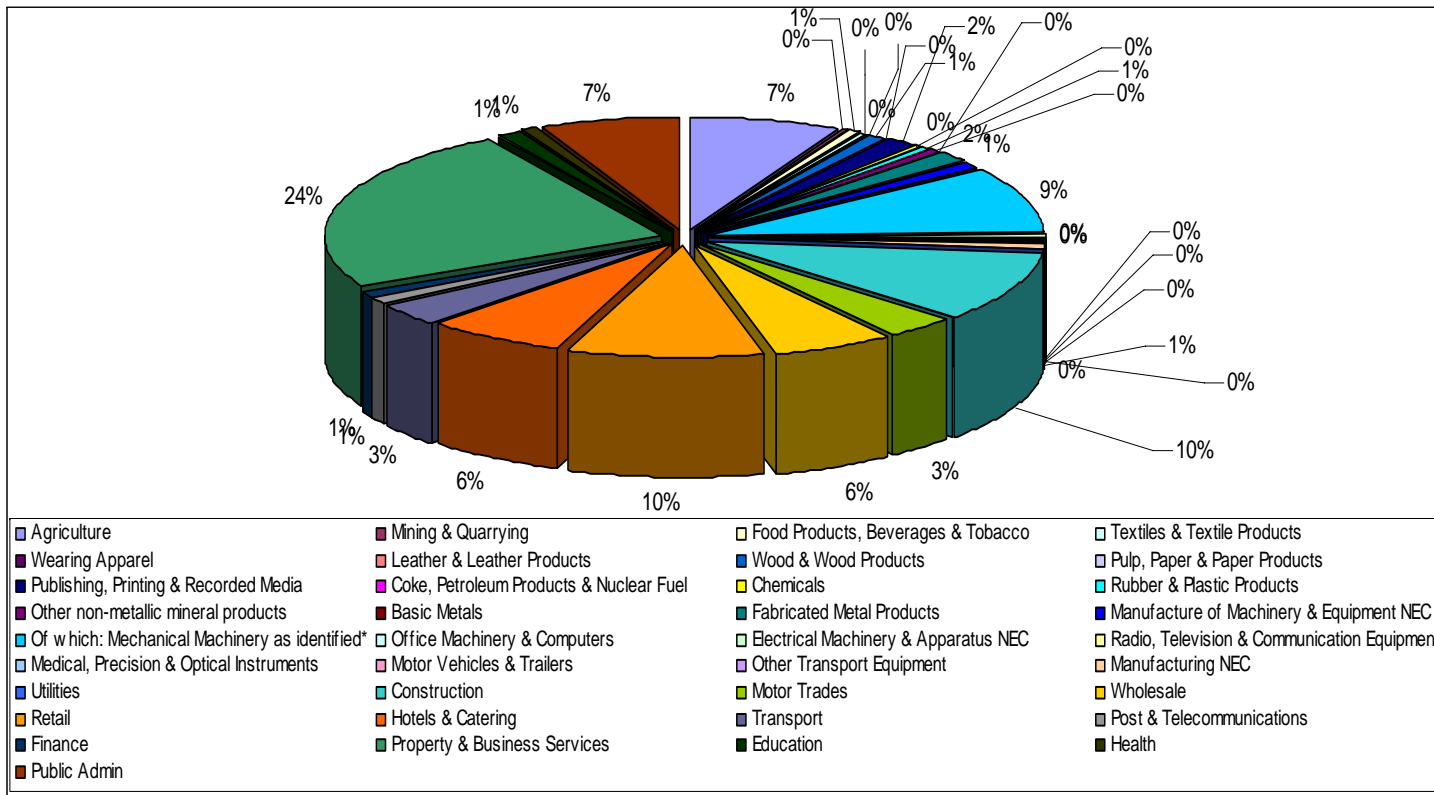
- FAMILIES (Average number of family members in 2005) **2.4**
- HOUSING Percentage of owned houses **70.3 %**
Percentage of rented houses **29.7 %**
- EDUCATIONAL DEGREE
Level of highest qualification held by people of working age in 2005:

	All people of working age (thousands)	Level 7-8	Level 4-6	Level 3	Level 2	Below level 2	No qualifications
United Kingdom	36,497	5.8	21.1	19.8	22.0	18.0	13.3
England	30,572	5.9	20.9	19.6	22.1	18.7	12.9
Wales	1,751	5.8	18.2	18.8	23.5	18.0	15.7
Scotland	3,122	5.3	25.4	22.4	20.2	13.8	12.9
Northern Ireland	1,051	4.9	18.1	18.2	24.2	12.0	22.6



INDUSTRIAL SECTORS OF THE DISTRICT

Total number of UK enterprises segmented by standard industrial trade classification:

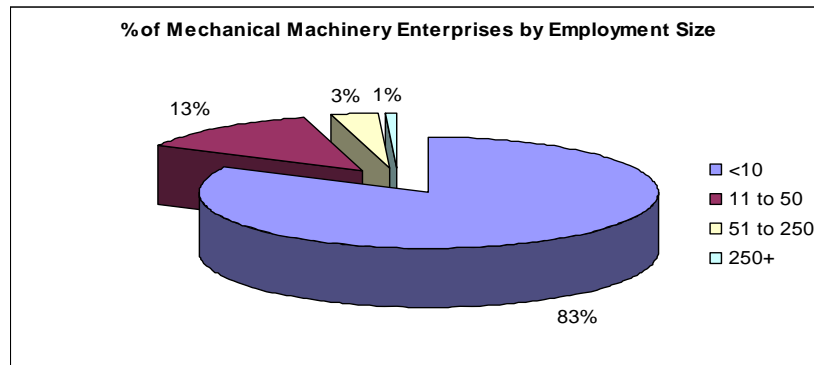


Total Enterprises: 1,627,650

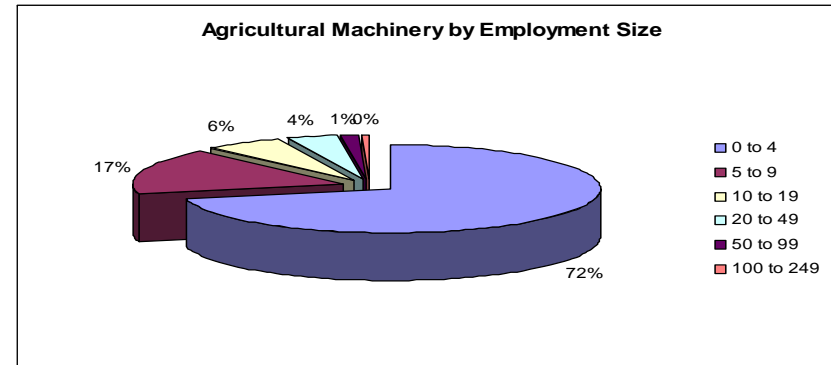


INDUSTRIAL SECTORS OF THE DISTRICT

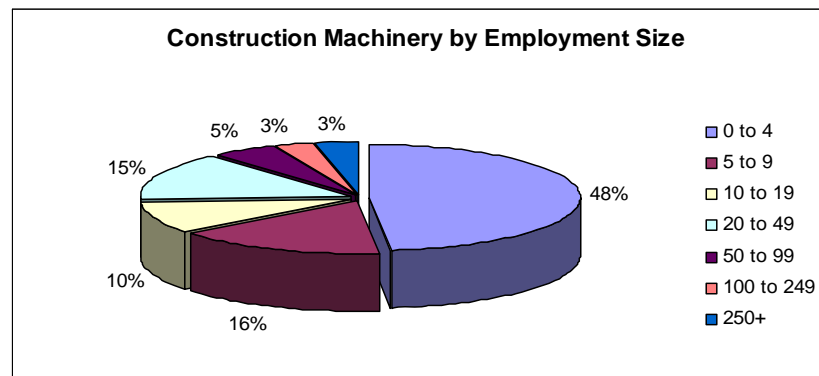
The mechanical machinery sector by employment size-band:



The agricultural machinery sector by employment size-band:



The construction machinery sector by employment size-band:





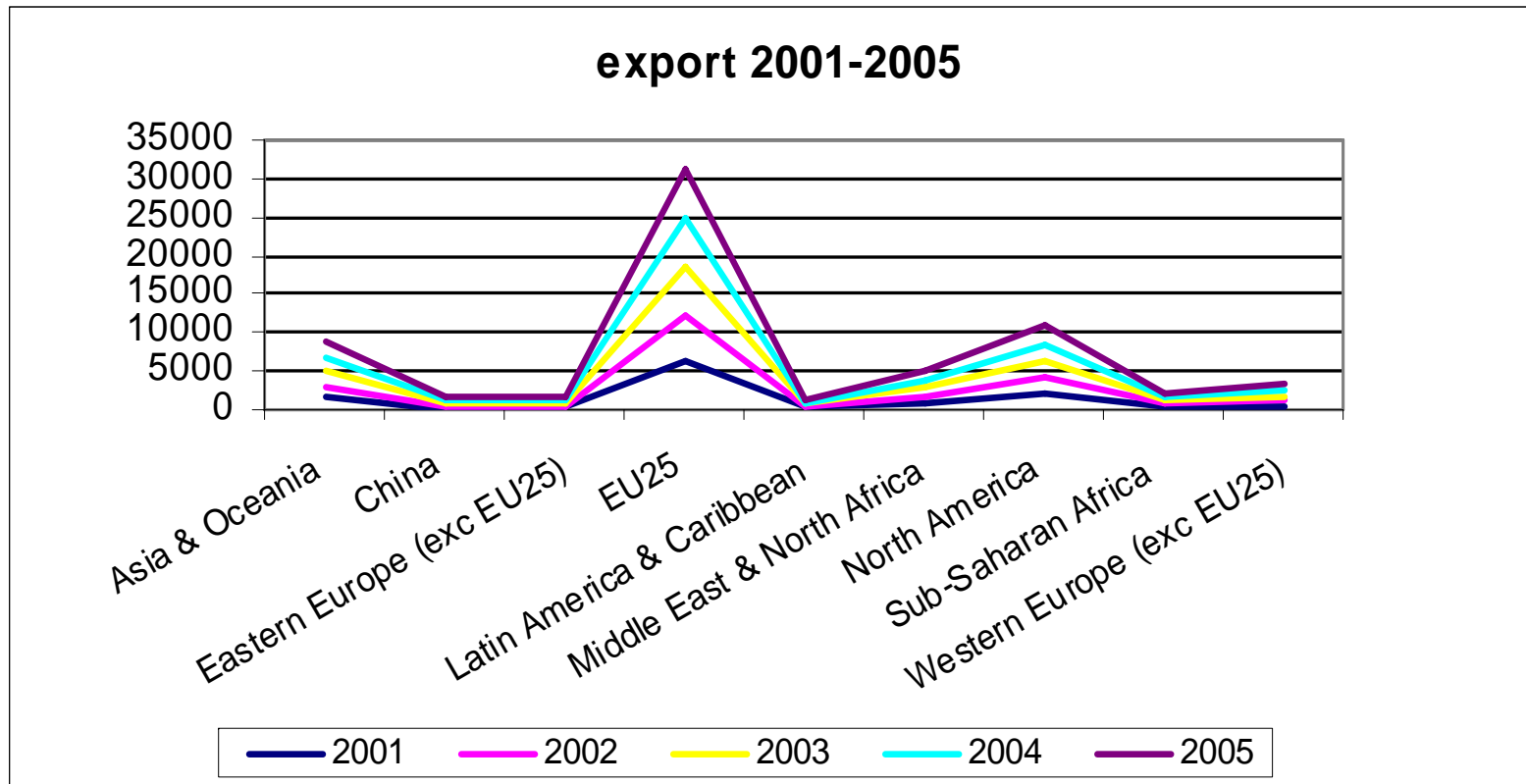
ECONOMIC ANALYSIS

- DENSITY OF ENTERPRISES - nr. of enterprises/surface **6.7**
(enterprises per km²)
- ENTREPRENEURSHIP INDEX – total capita per enterprise **36.7**
- BIRTH RATE – nr. new enterprises in 2005 **20%**
- DEATH RATE – nr. ceased enterprises in 2005 **11%**



THE MECHANICAL SECTOR: EXPORT

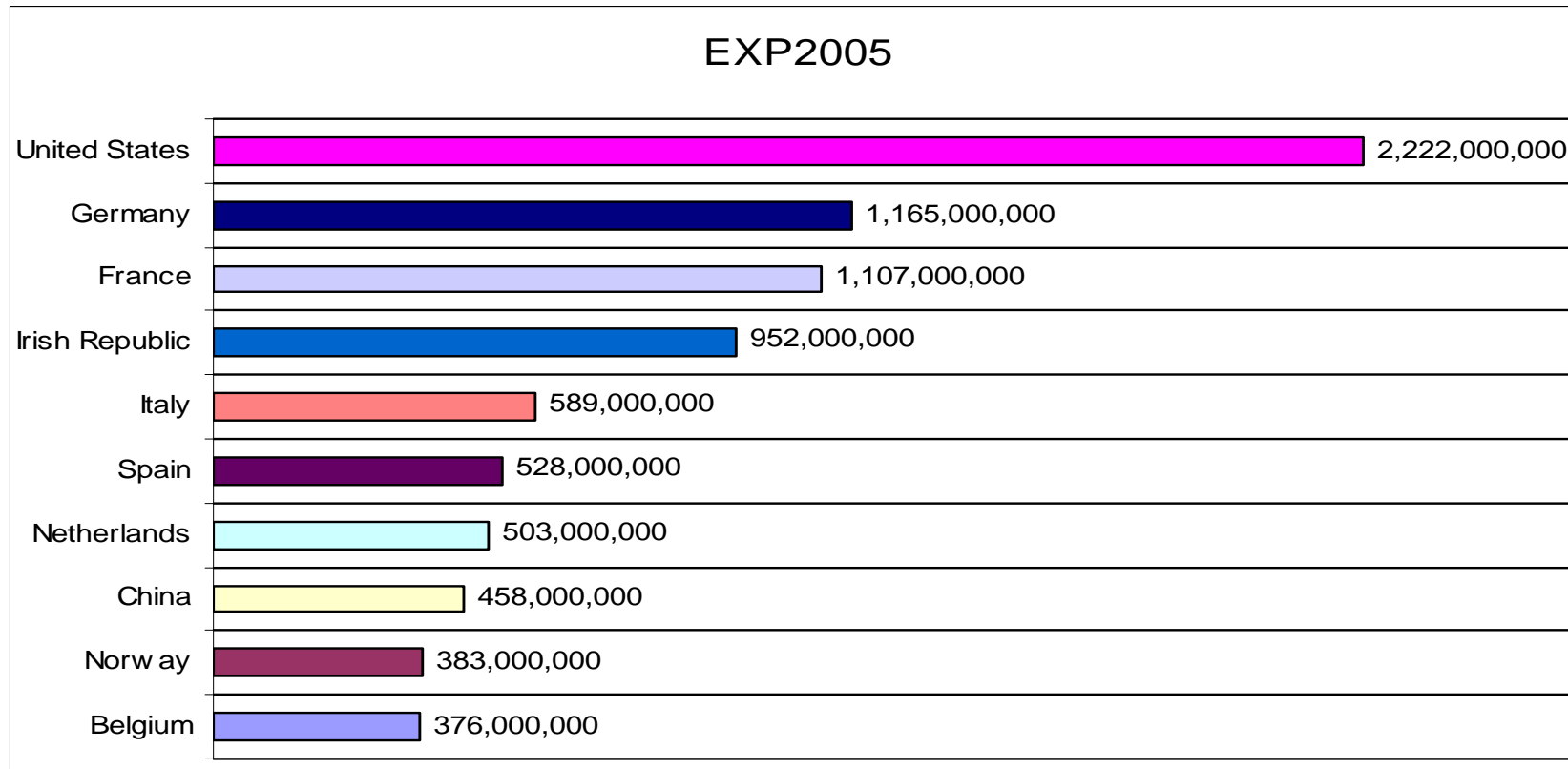
The UK machinery export market from 2001 to 2005 (£million)





THE MECHANICAL SECTOR: EXPORT

The UK machinery export market by leading country value in 2005 (£):





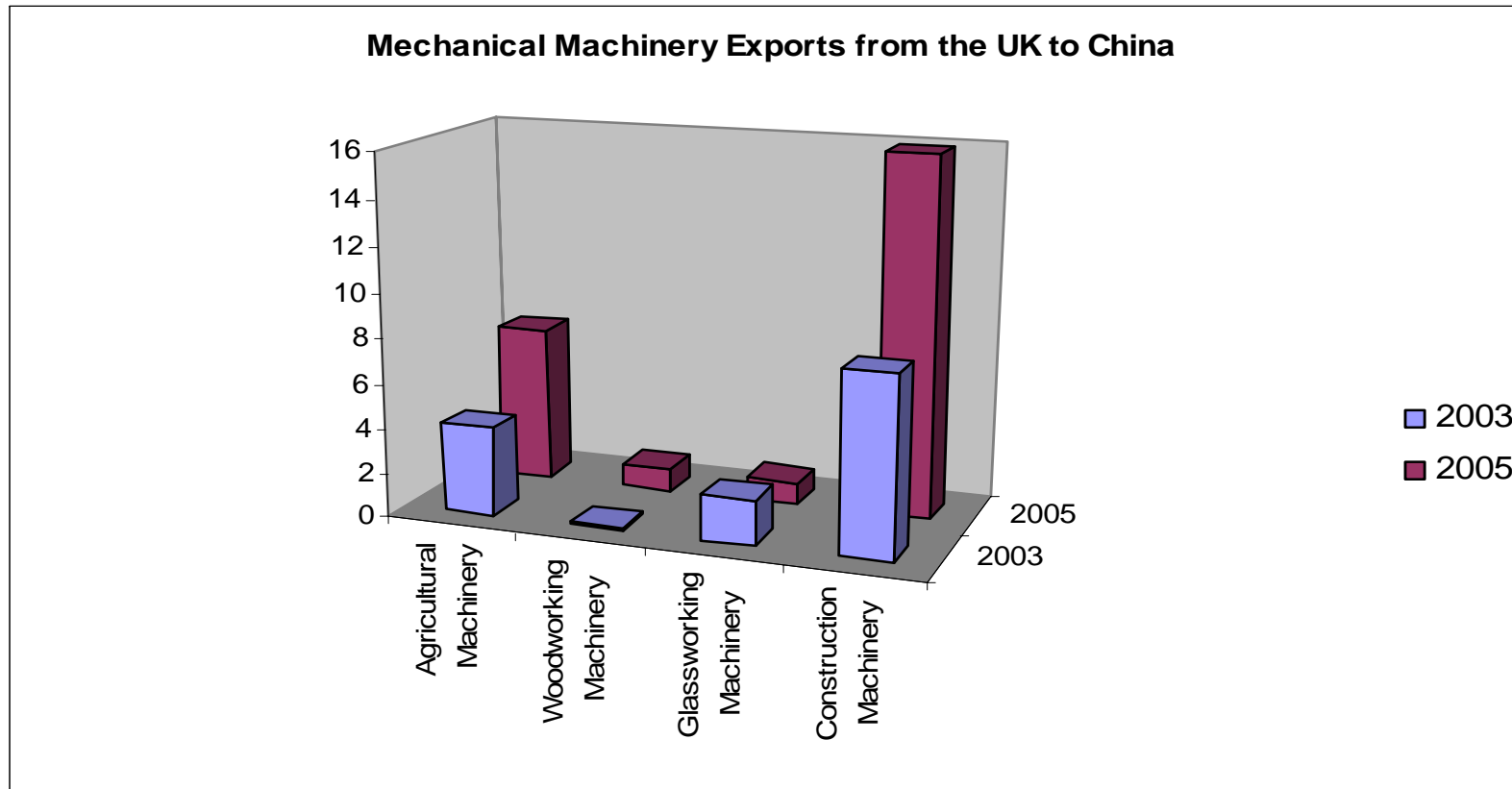
THE MECHANICAL SECTOR: EXPORT

- Expectations of mechanical sector's entrepreneurs about the commercial activities abroad in 2006:
 - It is estimated that the UK machinery export growth will remain stable at around **6%** in 2006, based on seasonally adjusted trade statistics.



THE MECHANICAL SECTOR: EXPORT

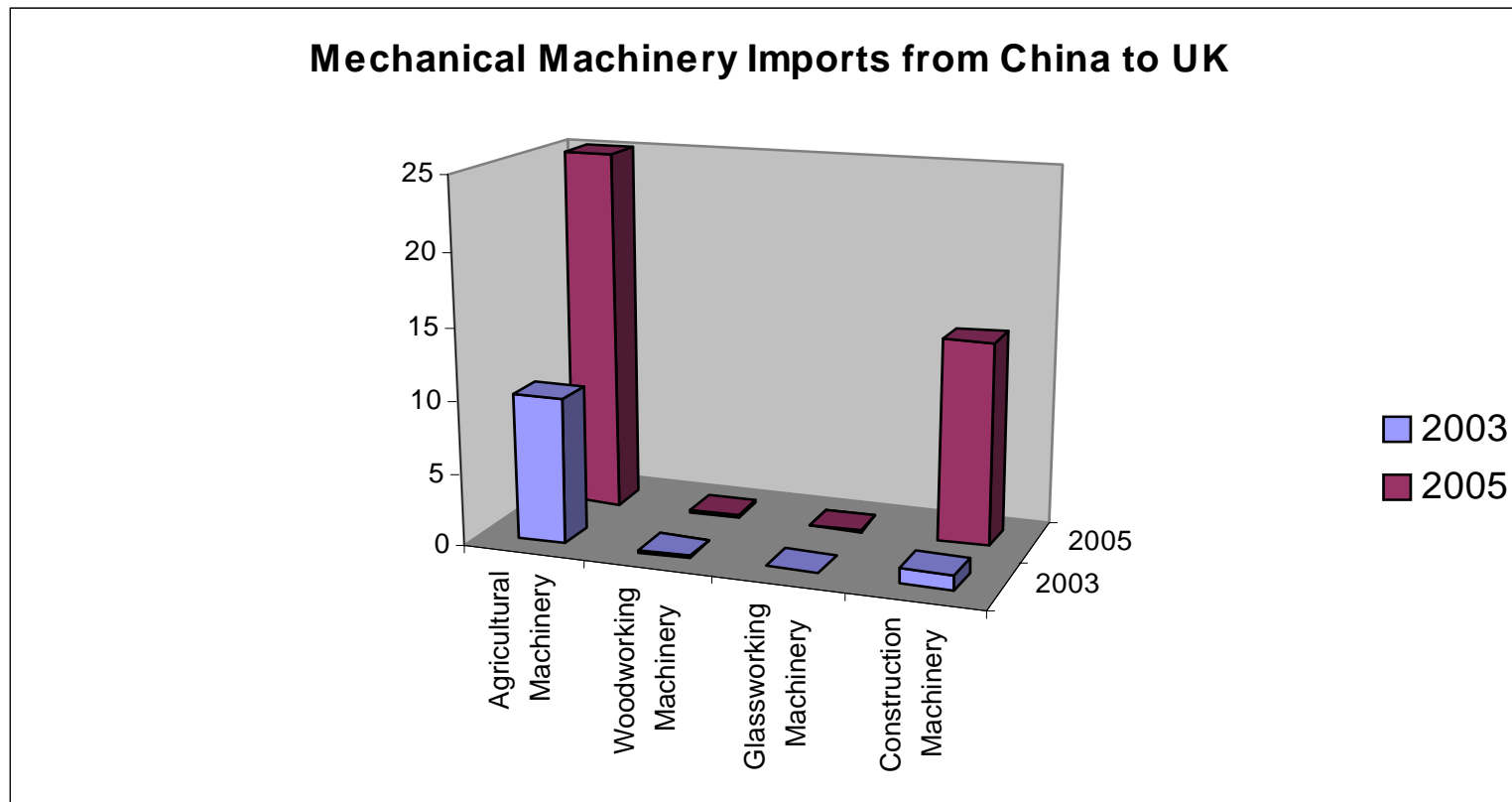
The UK mechanical machinery exports to China:





THE MECHANICAL SECTOR: IMPORT

The Chinese mechanical machinery imports to the UK:





RELATIONSHIPS WITH CHINA

China's sustained economic growth and development, and increasing role as a global economic power has enabled the bilateral relationship to grow significantly in stature in recent years. Links flourish in a vast number of areas, from environment to education, development to science and technology.

British companies have more than 150 years of involvement in China. The UK is one of the largest foreign investors in China and the largest from Europe, with over 4,800 British-invested projects at the end of 2005. Chinese Premier Wen Jiabao has proposed increasing bilateral trade to US \$40bn by 2010.

Bilateral trade between the UK and China in the mechanical machinery sector has represented significant overall growth in recent years in value terms, with imports to the UK becoming increasingly important. The UK's reputation in consulting, particularly amongst China's 12,300 design institutes, is strong, particularly for project management, design and engineering skills.

The UK is also engaged in the agenda of sustainable development. The two countries have vital shared interests in tackling climate change, in developing technologies for cleaner energy, and in reversing environmental degradation. Further, the UK shares a commitment to the alleviation of poverty within China.