

that the U.K. earns a trade surplus of \$3 billion from professional services each year. Estimates of the entire British market for business and professional services are in the \$60-65 billion range.

Accounting, Business, and Management Consulting. This market is dominated by the large accountancy and consultancy firms which account for 55 to 60 percent of the mainstream accounting and consultancy market, estimated to be \$5-6 billion annually. Renowned companies operating in this sector are usually partnerships or international partnership associations. However, recent legal actions against several of the larger firms have led to the formation of a number of limited-liability companies. So far these changes have primarily affected only the larger, international firms.

U.K. companies are at the forefront of developing management consultancy in the construction industry. Management outsourcing and construction management, along with development of innovative project management approaches to privately financed projects, are now widespread activities.

Increasingly, companies are linked to marketing and referral systems to promote their capabilities and services. Local specialist consultant firms often operate as networked businesses in some or all of their commercial activities. Enterprise Support Ltd. is one referral company that lists over 4,000 consultancy firms.

Architecture, Construction, and Consulting Engineering. The market for architectural and engineering services has undergone considerable restructuring in recent years as a result of increased competition from other service firms for business and of changes in the client base following privatization and subcontracting. The sector generates an estimated \$6 billion in sales each year, with approximately 30 percent from export business.

The U.K. consulting engineering and architecture sector has also been affected by the downturn in the domestic construction market, and has turned to international markets for work. The U.K. has a large presence in international markets with architecture and consulting firms working in over 100 countries and earning fees of \$1.5 billion.

The local market opportunities for architectural and consulting engineering services arise in several large-client sectors. These are the recently privatized utilities, health care, and infrastructure developments. The Private Finance Initiative, in which private capital is used to fund public sector developments, is a major government initiative aimed at reducing public expenditure while supporting the construction sector.

Design and Product Development Services. The U.K. has a strong reputation for design and product development services, with considerable export success. The market for product design and development services is estimated to be \$750 million and includes both product and (consumer) packaging design. Twenty-five percent of sales are gained from export work. A number of international companies have selected Britain as a business base, partly because of the benefits from local design and engineering services.

Marketing, Advertising, Market Research, and Public Relations. The U.K. is a major centre for creative advertising services. Spending on advertising in 1994 was \$20 billion. Press and newspaper advertising remains the main forum for advertising in the U.K., accounting for 55 percent of expenditure; television advertising accounts for 28 percent of the total; direct mail, for 10 percent; and posters, transport, and commercial radio, for 7 percent. The largest advertising expenditures are on retailing, food, household durables, financial services, leisure, and motor vehicles.

The U.K. public relations sector is one of the most sophisticated and well developed in Europe. Many international businesses have a significant U.K. presence in conjunction with their operations in Europe. In 1994 the turnover for public relations services was \$2.6 billion.

A wide range of market research facilities are used in the U.K. This market is often seen as a European base for international market research work. The U.K. accounts for 10 per cent of world market research expenditure. In 1994 the market research industry in the U.K. achieved sales of \$1 billion.

An essential component of success in this market is intelligence of business opportunities and the ability to submit prompt and competitive proposals.

