

# BUSINESS LONDON



## CONNECTIONS NOT COMPLACENCY:

How The UK's Global Connectivity Can  
Drive Greater Regional Growth

# FOREWORD

Our world is being  
buffeted by a succession  
of challenges:



**Henry Smith MP**

Chair, Future of Aviation All  
Party Parliamentary Group

From the impact of Covid to Putin's war in Ukraine, the headwinds are strong and the cost of living is rising. The recent political turmoil in the UK has added to the uncertainty for many households and businesses across the country. But despite this, Britain's foundations remain strong. Amidst the noise we should not forget that we are still the sixth largest economy in the world and a global leader in many industries.

But this report shows that there is no room for complacency. Yes, we need long-term skills and infrastructure plans to make sure we remain connected to the global economy. But there are also low-cost initiatives that could be taken now to hasten our economic recovery. This report shows, yet again, that the government needs to maintain a laser-like focus on boosting our connectivity, both domestically and internationally. By improving the flow of people and goods through the UK's "front door" in London and the South East, we can boost the national economy while driving job growth and greater prosperity in every region of the UK. The notion of the capital's 'stickiness' developed in this report is crucial in understanding how we do this, but it cannot be an excuse for levelling down the world-class tourism industry in London that helps to attract so many people and businesses to our shores. Simply put, this is about growth; getting more exports out and more tourists in.

As Chair of the Future of Aviation All Party Parliamentary Group, I understand the importance of the South East as the primary international gateway to and from the United Kingdom and the importance of this to the economy. I welcome the valuable research contained in this report by BusinessLDN which sets out the opportunities if we act and the risks if we do nothing. This report is a call to action for government and industry to focus ever more sharply on connectivity to help us bounce back from the challenging times ahead.



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\$7.7  
trillion

Global trade levels in Q1 2022

## INTRODUCTION

The UK's economic strength has long been built on our status as an international trading nation with high quality transport systems underpinning our global connections. Whilst there are undoubtedly global economic headwinds and uncertainty is higher than it has been for a generation, underlying trends provide reasons for optimism about our future if we can maintain our position and reputation on the global stage.

Digital advances mean we are more connected than ever before, and global trade is at record levels (\$7.7 trillion in Q1 2022; UNCTAD). Major economies outside Europe and North America continue to grow more strongly than those of many other Western nations. And despite all the uncertainty – and restrictions on travel that remain in place, particularly in Asia – our urge to travel internationally has bounced back more strongly than many had predicted.

These trends point the way to economic recovery, especially in a country like the United Kingdom, which has historically thrived when it is at the world's epicentre of ideas, commerce and culture. We are still in a strong position, for now. But there is no room for complacency.

## A Global Britain is a Growing Britain...

Pre-pandemic (2019), 22.2 million jobs – or 6 out of every 10 – in the UK were in industries reliant on global connectivity. £1.2 trillion of UK GVA (gross value added) was generated by industries reliant on global connectivity – two-thirds of our total GVA. Between 2015 and 2019, industries reliant on global connectivity in the UK created 7 in 10 new jobs (1.6 million) and added, on average, £20 billion to UK GVA per year, growing faster than the rest of the economy.

We still rank fifth in the world in terms of global trade value, ahead of India, France and Italy. But the transport networks that underpin this global trade are perceived poorly by business leaders and have been in decline for a decade.

2019  
**£1.2**  
**trillion**  
 UK GVA

A 2019 survey for the World Economic Forum revealed that UK business leaders were less positive about their own country's infrastructure than business leaders in the USA and Canada were about that of their own countries. The downward trend has resulted in the UK now ranking ten places lower relative to business confidence in infrastructure in other countries than it did a decade ago.

## ... and Global Growth can become Regional Growth

London and the South East remains the UK's main gateway to and from the rest of the world. In 2019, airports and ports in the region accounted for 78% of all outbound air freight, and 27% of outbound maritime freight from across the UK. Trade exports flowing out through London from other regions of the UK are estimated at £54 billion and support 1.1 million jobs.

60% of international tourists arrive in the UK via London and 54% of international tourist nights are spent in the capital. Just reducing London's "stickiness" for tourists – and increasing the amount of tourists arriving in London also visiting other destinations across the UK – would bring transformational benefits. If London has the same level of 'stickiness' as Paris for example, this would bring regional benefits of 17.3 million additional nights spent and £1.3 billion of additional spending outside London.





This report, supported by research from Cambridge Econometrics and 5654, looks at this data in more detail and offers a set of low-cost actions that could be taken to ensure that the UK continues to seize the growth opportunities that exist beyond our borders. The scale of the opportunity available is best described by asking:

*If the UK can rank fifth in the world in global trade value, with perceptions of our transport and connectivity systems in decline, imagine our capacity for growth and global competitiveness if we address our complacency and improve the connectivity of our primary gateway to the world?*

Given current pressures on the global economy, it is more important than ever for Government to deliver tangible, high-value actions to protect and enhance the UK's position – and reputation – as a leading global destination for both business and leisure travel.





A GLOBAL BRITAIN  
IS A GROWING  
BRITAIN



In 2019, **22.2 million jobs** were in industries reliant on global connectivity in the UK.<sup>1</sup>

The **UK relies on tradeable sectors for two-thirds of its total GVA** – similar to the US.

Despite this, business leaders in the UK report a **sustained decline in the quality of transport infrastructure over the last decade...**

## Global competition has never been stronger...

The UK today finds itself in one of the most challenging and competitive global environments to navigate in living memory. Since leaving the European Union and the single market, the UK has lost frictionless ties to its biggest trading partner. Simultaneously, emerging economies such as India and Brazil are becoming increasingly competitive around the globe. War in Europe, inflation, and the post-pandemic labour market add to the challenges. And domestic political volatility has undermined the confidence of the international financial markets.

The latest International Monetary Fund's World Economic Outlook Growth projections show that growth will slow for all advanced economies in the next two years, with the UK projected to move from 7.4% GDP growth in 2021, to just 0.3% in 2023, falling below the advanced economies average (1.1% in 2023)<sup>2</sup>. On 3 November, the Bank of England predicted one of the longest UK recessions on record, and increased interest rates to 3% in a bid to stem high inflation.

There is, therefore, an urgent need to be – and be perceived to be – open for business with the rest of the world. Our research shows that improving connectivity through the UK's front door in London and the South East – both domestically and internationally – will help to do just this.

## ... and our complacency towards our transport connectivity is holding us back

Between 2015 and 2019, industries reliant on global connectivity created 7 in 10 (1.6 million) of all new jobs in the UK and added, on average, £20 billion to UK GVA per year, growing faster (1.8% per year) than the rest of the economy (1.2% per year).

And yet, although Britain's transport connectivity has been supporting these industries, as well as our attractiveness to international trade and investment, the lack of improvement in this connectivity has allowed other increasingly competitive countries to close the gap:

World Economic Forum surveys of UK business leaders show consistent and concerning deterioration in the perceived quality of transport and connectivity, with the second lowest ranking in the G7 just before the pandemic, and falling from 18th to 28th in the world between 2012 and 2019.

When compared with other countries, the UK's declining quality of transport and connectivity is a clear anomaly, with 6 of the top 10 largest economies also in the top 10 on their business leaders' perception of transport and connectivity quality as well.

<sup>1</sup> Defined as sectors that produce tradable goods and services in the UK – see Methodology

<sup>2</sup> IMF, 2022 – [World Economic Outlook: Countering the Cost-of-Living Crisis](#).





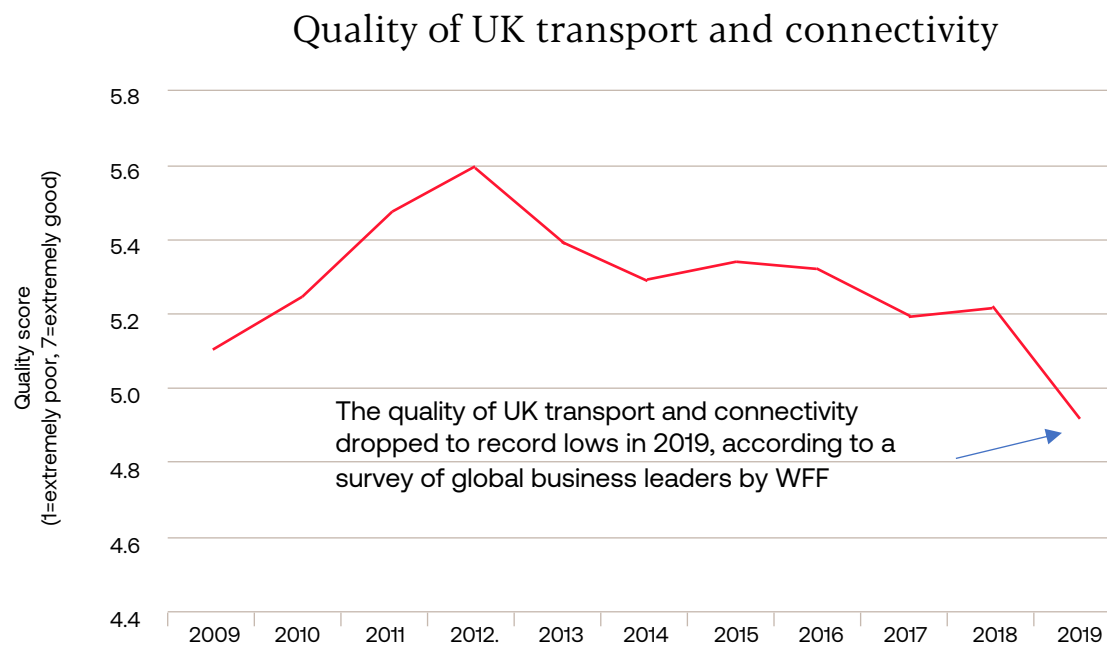
## But better transport connectivity can enhance Britain's reputation and attractiveness as a global trading partner

There can be little doubt that post-Brexit, post-Covid and amid ongoing economic volatility, Britain needs to prove itself a country open to foreign investment and trade more than ever.

Importantly, the burden for investment in connectivity infrastructure does not always need to fall entirely on public finances. World Bank research suggests that there is an abundance of private infrastructure finance or 'dry powder' globally ready to invest, but that the absence of sufficient investable projects with clear funding streams attached means this capital is failing to be deployed.<sup>3</sup> The prize for getting the project development cycle right and setting out an investable pipeline with clear funding models to attract investment is therefore potentially huge.

Alternatively, complacency regarding the strength of Britain's global connectivity and transport networks can push us further towards the tipping point where our international competitors overtake the UK economically. Inaction would damage our international reputation and restrict the trade that could be unlocking more value up and down the country.

Better connected ports and airports all across the UK have a vital role to play, but the wider South East remains the UK's front door and a connectivity node that rivals any city region in the world. It is therefore crucial, for both London and the nation as a whole, that this global connectivity hub is not taken for granted.



**Figure 1:** Quality of UK's transport and connectivity. World Economic Forum, 2019 - [Global Competitiveness Report](#). (Note: according to WEF "1 = extremely poor – among the worst in the world; 7 = extremely good – among the best in the world.")

<sup>3</sup> World Bank, 2022. [Mind the gap, time to rethink infrastructure finance](#)





GLOBAL  
GROWTH  
CAN BECOME  
REGIONAL  
GROWTH



London and the South East already supports over £54 billion of regional exports – improving transport connectivity will protect and enhance this trade

Although the data has shown concern about the future of the UK’s transport networks, it also presents areas of opportunity. Our research finds that London and the South East have a clear role to play as an international gateway for the rest of Britain:

In 2019, airports and ports in the region accounted for 78% of all outbound air freight, and 27% of outbound maritime freight, a significant proportion of trade to the UK.

The region is a vital contributor to the UK’s trade balance, exporting £120 billion of goods in 2019, more than a third (34%) of the total UK goods exports.

Over recent years, addressing regional inequalities and stimulating growth outside of London and the South East has crystalised into a key priority for policymakers, across the political divide.

But efforts to regenerate local economies and rebuild local pride have been hampered by COVID-19. Prior to the pandemic, all but one region of the UK were experiencing positive growth in ‘real’ GDP.<sup>4</sup> However, following the pandemic, only London and Northern Ireland’s GDP had risen above pre-pandemic levels (Q1 2022 vs Q4 2019), illustrating

the scale of the task that the pandemic has created.<sup>5</sup> In total, exports passing through London support approximately 1.1 million jobs in the regions. Local economies would therefore benefit even more and be able to take full advantage of Brexit if the transport connections to London were improved.

Regional exports rely in part on London and the South East’s gateway to the rest of the world. Providing the nations and regions of the UK with improved connections to the great ports of London and the South East, as well as enhancing the connectivity of those ports themselves, will enable regional business to increase their exports, supporting regional growth and prosperity across the country.

	Value of goods exports handled by London and SE airports and ports (£ billions)	Jobs supported by goods exports handled by London and SE airports and ports
North	16.0	299.8
Midlands	15.5	291.4
South West	5.9	110.5
Scotland	9.4	175.7
Wales	4.9	92.3
Northern Ireland	2.5	47.5
Total	54.2	1,017

Figure 2:  
ONS, 2022 - [International Trade in UK nations, regions and cities](#), Department for International Trade, 2021  
- [New report shows 6.5 million jobs supported by exports](#), Cambridge Econometrics analysis.

<sup>4</sup> ONS, 2019 - [Regional economic activity by GDP, UK: 1998 to 2019](#).  
<sup>5</sup> Financial Times, 2022 - [London’s recovery outstrips rest of UK in blow to levelling up agenda](#).

More value could be unlocked by reducing London’s “stickiness” for tourists with improved domestic connections

Whilst the exports story has been well told over the years, less attention has been paid to inbound tourism. The travel tourism industry accounted for about one in every ten UK jobs pre-pandemic, and the South East remains the most significant attraction and main entry point for visitors. Better connections between the capital and the rest of the country can further enhance what it is already a mutually beneficial relationship.

London is the ‘stickiest’ European capital city – **60.2% of international tourists arrive in London and 54% of international tourists’ nights are spent in London**, giving the capital a stickiness ratio of 1.1.

Just reducing our stickiness to bring this in line with Paris’s would bring regional benefits of **17.3 million additional nights spent and £1.3 billion of additional spending** outside London.

Regional trade flowing through London onto other regions is estimated at **£54 billion and supporting 1.1 million jobs**.

	Nights spent by international tourists (millions)	Proportion of nights spent by international tourists in capital city	Proportion of international tourists arriving in capital city airports and ports	Capital city ‘stickiness’ ratio (arrivals relative to nights spent by international tourists in capital city)
United Kingdom	279.5	54.0%	60.2%	1.1
France	130.5	39.7%	50.0%	1.3
Italy	199.4	9.8%	21.5%	2.2
Netherlands	39.6	46.6%	88.7%	1.9
Belgium	17.1	29.9%	73.9%	2.5
Austria	83.4	16.6%	84.2%	5.1
Ireland	16.8	53.1%	83.5%	1.6

Figure 3:  
Visit Britain, 2022 - [Inbound trends by UK nation, region and country](#). Eurostat, 2022 - [Regional tourism database](#). Cambridge Econometrics analysis.

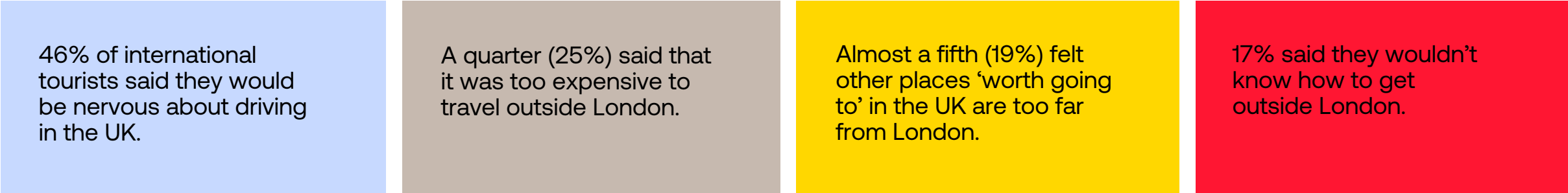
Pre-Covid, London welcomed more international tourists than any other European capital city, with almost three times as many nights spent by international tourists there than the next placed European capital, Paris. However, these tourists are much less likely to leave London than other European capitals. Our research has found that 54% of the nights spent by international tourists in Britain are in London, meaning that the regions are missing out on more than half of their spending. And yet, the same cannot be said for European

counterparts. Tourists to Britain are five times more likely to stay in the capital than they are in Vienna, and twice as likely than in Rome, making it the stickiest of the European capitals studied. As the DCMS Select Committee has recently concluded, visiting places outside the capital is not in tension with spending time in London. The capital will continue to be the gateway through which the majority of tourists will access what the UK has to offer, but at present domestic transport is a deterrent not an enabler of this.<sup>6</sup>

<sup>6</sup> DCMS Select Committee, 2022 - [Promoting Britain abroad](#).



ANALYSIS BY VISIT BRITAIN HAS REVEALED THAT TRANSPORT AND CONNECTIVITY IS A KEY OBSTACLE TO SPREADING VISITORS OUTSIDE OF LONDON:



For vulnerable industries and businesses that have been on the frontline of COVID-19 restrictions and the current economic downturn, the stakes for addressing London's 'stickiness' are high. British hospitality, for example, lost £114.8 billion in expected sales between March 2020 and December 2021 and suffered over 11,000 closures since the beginning of the pandemic.<sup>7</sup> Cities such as Edinburgh, Birmingham and Nottingham lost more than 2% of their licensed premises from July to

September 2021, with Central London also losing 1.2%.<sup>8</sup> Having moved out of the pandemic, the whole sector has struggled to recover, with only 37% of the remaining hospitality businesses in the UK currently turning a profit.<sup>9</sup> A Centre for Cities study has found that the drop in footfall caused by homeworking has left the sector up to 25% worse off when compared against pre-pandemic levels, a situation which is unlikely to be improved by the cost-of-living crisis.<sup>10</sup>

These pressures have been felt acutely both inside and outside of London, where tourism has not reached pre-pandemic levels and the cost-of-living crisis has added additional strain on demand, with cities such as Leeds, Birmingham and Manchester experiencing reduced footfall of up to 15%. As international travel recovers, further work must be done to ensure tourists are able to travel more easily from London to visit other parts of the UK as well.

<sup>7</sup> AlixPartners, 2022 - [Hospitality Market Monitor, October 2022](#).  
<sup>8</sup> AlixPartners, 2021 - [CGA Market Recovery Monitor, October 2021](#).  
<sup>9</sup> UK Hospitality, 2022 - [Only 1 in 3 hospitality businesses is currently profitable](#).  
UK Hospitality, 2022 - [Future Shock: Issue 10 – Hospitality in 2022](#).  
<sup>10</sup> Centre for Cities, 2022 - [Homeworking leaves hospitality sector up to 25 per cent worse off](#).

Improving London’s connectivity to the regions could unlock over £1 billion in tourist spending across communities that need it most

The sheer number of tourists travelling through London and the South East – 60% of arrivals, or 21.7 million people in 2019 - presents a significant opportunity if harnessed correctly:

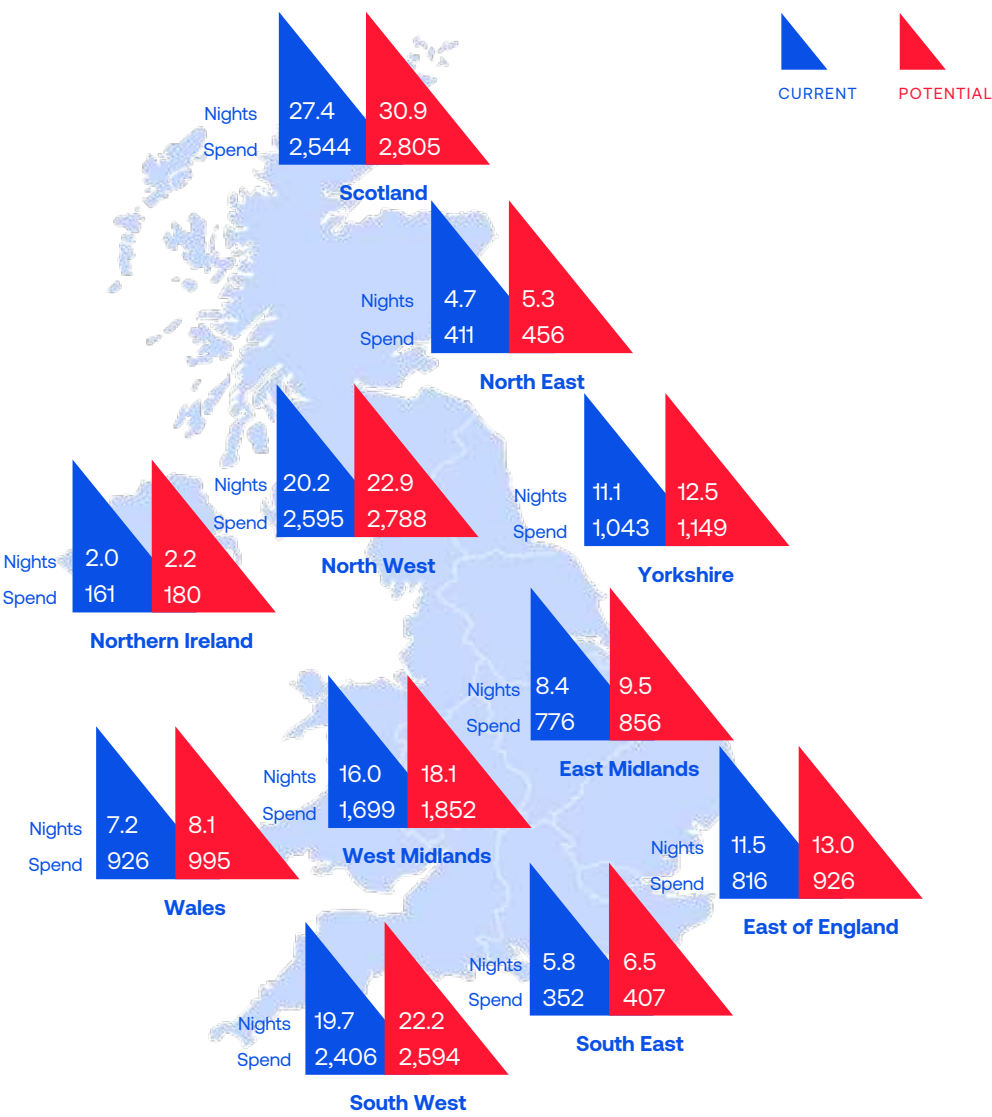
If London matched Paris’ stickiness, this would bring 17.3 million additional nights spent by visitors outside London, distributing an estimated £1.3 billion in additional spending across the regions.

Every region outside of London would benefit from at least 10% growth in nights spent by international tourists. Breaking this down, the benefits to local economies are extremely compelling, for example:

- ▶ Nights spent in the North West of England by international tourists would increase by nearly 2.7 million if London’s stickiness were brought in line with Paris’s, adding close to £195 million to local tourist spending.
- ▶ Nights spent in the West Midlands by international tourists would increase by 2.1 million, adding £153 million to local tourist spending.

The devolved regions would also gain significantly from improved transport links to London, for example:

- ▶ Scotland stands to benefit from a 13.5% increase in growth.
- ▶ Scotland, Wales and Northern Ireland together stand to gain £349 million from tourist spending.



**Figure 4:**  
Visit Britain, 2022 - [Inbound trends by UK nation, region and country.](#)  
Cambridge Econometrics analysis.





A key component of slow post-pandemic recovery has been the slower growth of the UK's tourism sector, which between 2010 and 2020 grew at a slower rate than the world average, with France now receiving double the number of international visitors than Britain each year.<sup>11</sup> The pandemic has magnified this, with total inbound tourism in 2021 just 18% of the 2019 level, resulting in £48.6 billion in lost inbound tourist spending. Currently, the UK's tourism sector is not expected to fully recover until 2025, a slower rate than the rest of Europe.

But the cost-of-living crisis puts recent progress on this front at risk, with the inflation rate reaching a 40-year high of 10.1% in September.<sup>12</sup> These inflationary pressures, and pressure on public spending, threaten consumer spending and business investment. As such, there must be a renewed effort from Government to firstly revive international tourism in the UK back to – and beyond – pre-pandemic levels. And secondly to ensure that growth is better shared across the whole country.

<sup>11</sup> DCMS Select Committee, 2022 - [Promoting Britain abroad](#).

<sup>12</sup> ONS, 2022 - [Consumer price inflation, UK: September 2022](#).





OUR  
RECOMMENDATIONS



## The case for boosting Britain's global connections is clear; the risk of complacency is stark.

A credible growth agenda needs consistent commitment to a Global Britain agenda. Industries that rely on international connections are faster growing and deliver more for the UK economy than those that are purely domestic. There is no room for complacency about our transport networks if we are going to strike more trade deals, attract more foreign investment, and support our fastest growing industries.

At the same time, the levelling up agenda would be enhanced by increasing the overall amount of traffic coming through the UK's global front door in and around the capital, whilst also working to ensure that it is easier to spread these benefits around the whole of the country.

As Britain's global hub, reducing London's 'stickiness' will mean a greater flow of tourists and trade

through to all regions, encouraging growth in local economies. This is not a zero sum game, where either London and the South East or the regions can prosper – both have much to gain from working together to improving global and domestic connectivity.

Much has been written about the importance of long-term investment in infrastructure and the need for policy certainty. Stimulating further investment requires consistent commitment to pre-pandemic policies regarding infrastructure growth and investment, the continuation of the programme to modernise the UK's airspace, and providing a price support mechanism to kickstart the UK's sustainable aviation fuel industry. All of this should harness the work of the UK Government's National Infrastructure Strategy which committed to supporting private

investment in UK infrastructure and exploring new revenue support models for investors. The UK Infrastructure Bank's first Strategic Plan, published in June, also included transport infrastructure as one of five key investment priorities and the Bank should actively seek to support projects that will boost the UK's domestic and international connectivity.

To stimulate new business investment, Government should also fundamentally review the business rates system to bring it closer to actual market conditions and should also consider incentives that can be provided through research and development tax credits for new investment in machinery and technology. Similarly, continuing to develop new surface access and onward connection options for visitors arriving in the UK is vital. At the very least, those services which

have not yet returned to pre-pandemic levels should do so immediately (such as the Stansted Express) and investment plans that have been paused or delayed should be restarted. Staying the course on these long-term priorities will not only boost the confidence of investors but allow the private sector to invest in skills and supply chains so that the UK is more resilient and stands the best chance of avoiding a repeat of this summer's shortages.

As Britain's global hub, reducing London's 'stickiness' will mean a greater flow of tourists and trade through to all regions

There are, however, also a series of immediate steps that the Government could take to signal that Britain is open for business, and that London is the gateway – not a barrier – to the regions. Even in uncertain and fiscally constrained times, these are low-cost options that – alongside maintaining a laser-like focus on post-Brexit trade deals – will pay back many times over.

1.

**Ask the OBR to undertake a review of the benefits of reintroducing the cancelled VAT RES scheme** to inform future policy. Pre-pandemic, one in every two pounds of retail spend in the West End came from international visitors and there is growing evidence that high-value visitors are now choosing other European destinations. Analysis from the Association for International Retail suggests that the hit to the UK could amount to 609,000 fewer visitors and £1.36 billion in lost spending.<sup>13</sup> Whilst the full research is done to establish the extent of the cost to the UK economy of the decision to cancel the VAT RES scheme, seize the separate opportunity presented by leaving the European Union to introduce duty free shopping on arrival in the UK.

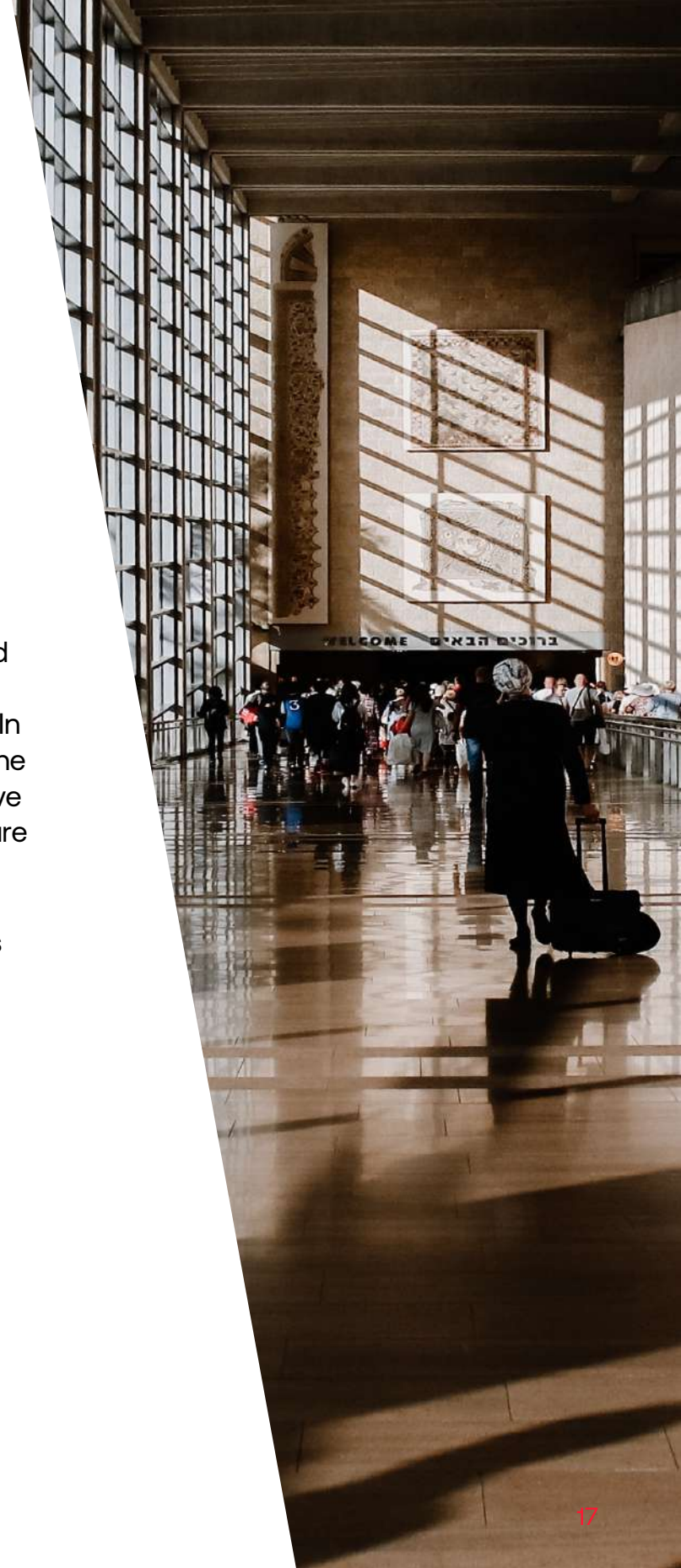
2.

**Resource Border Force sufficiently** to deliver a significantly improved service that provides a welcome befitting the UK's global ambitions. This includes front line staff as well as support staff such as e-gate technicians on site at major ports to enable the swiftest response to disruption. Service Level Agreements should be renegotiated to set a higher standard for Border Force operations and a long term strategy developed to meet these standards, in cooperation with industry, as passenger numbers continue to grow.

3.

**Ease the visa process for low-risk visitors** such as allowing children and young people on organised cultural and educational trips to the UK to travel on a single group ID card. In the medium-term it is vital that the Government works hand-in-glove with the EU Commission to ensure that the introduction of the new electronic travel authorisation system for the Schengen area is implemented with minimal disruption.

<sup>13</sup> Association of International Retail, 2022.  
[The Importance of Tax-Free Shopping to the UK Economy, Jobs and Tax Revenues.](#)





## Addressing London's Stickiness

London's stickiness does not have a quick fix. Nor should it come at the expense of London's position as the primary driver of UK inbound tourism. Solutions will take time to find and involve collaboration between the public and private sectors. This process will need leadership and this should be provided by the Tourism Minister, who should take full-time responsibility for joining up the dots across Government for all inbound visitors, both leisure and business, and maximising the opportunities this will bring.

The first task for this newly enhanced role should be to develop a UK Inbound Strategy which, amongst other things, works with the private sector and the nations and regions of the UK to fully understand and address London's "stickiness" – recognising that doing so without levelling down London requires prioritising growth in the number of people arriving at ports across the UK, including in London and the South East.

TWO KEY AREAS SHOULD BE PRIORITISED IN THIS WORK:

**Destination marketing** must be protected in the autumn statement. In the medium term, there is a need for a clear plan to increase these to match the levels spent in the countries with which we most closely compete. The £10 million investment in the Let's Do London campaign provides early evidence of the value of smart marketing in partnership with the private sector. The campaign resulted in an extra 330,000 nights spent in London and more than £80 million in extra spending. Replicating this consistently and coherently for the UK as a whole, the capital as the primary international gateway, and the UK's nations and regions would deliver real levelling up through sustainable private sector jobs and business opportunities.

**Rail fares and ticketing** require comprehensive review and fundamental reform. The system was creaking at the seams before the pandemic but changing travel patterns have broken them entirely and left the industry hamstrung in their attempts to respond. From enabling commuters to return to city centres more frequently, to incentivising foreign tourists to travel and spend outside the capital, fundamental reform of rail fares and ticketing – if seen strategically and holistically – can unlock economic growth across the UK. This is not just about the fares themselves but also the ticketing mechanisms. Working in partnership with destination marketing, offering domestic rail tickets at the point of sale for tourists booking their journeys to the UK could also help without even a notional cost to the public purse. Fundamentally, rail fares and ticketing should be recognised as a catalyst and shaper of demand across all passenger types and designed to boost the international connectivity and growth prospects of all of the UK's nations and regions.

Britain stands at a crossroads. It can either evolve to maintain its position as a key global player, or we can allow complacency about our historic assets to lull us into a slow decline. Taking action now to build on our strengths and modernise our global connectivity, not least in London and the South East, can set the foundations for a future of optimism and growth.



Thank you to our partners for their support with this research

Heathrow



YOUR LONDON AIRPORT  
*Gatwick*



Luton  
Rising



# APPENDIX





Our research

The research in this report has been conducted by Cambridge Econometrics, a leading independent consultancy specialising in applied economic analysis and modelling. We work on challenges facing economies, societies and the natural environment.

THEIR METHODOLOGY

The value of global connectivity to the UK

To calculate the value of global connectivity in the UK, we have looked at the value and associated employment of sectors that produce tradeable goods and services in the UK, adapting the definitions and methodology presented in [this research paper](#).

Tradable goods and services are those that are exported, imported or in competition with foreign goods and can thus be regarded as reliant on global connectivity. On the other hand, non-tradeable goods and services face no foreign competition, and are not reliant on global connectivity.

To estimate the value of tradeable goods and services, we used annual data from [ONS official GDP dataset](#). For associated employment, we used annual data from [ONS workforce jobs dataset](#). For comparisons with international peers, we used annual data from the [IMF World Economic Outlook database](#).

Global connectivity in the UK relative to international peers

To assess the comparative performance of global connectivity in the UK relative to peers, we used data and analysis from the World Economic Forum’s [Global Competitiveness Index](#). The Index has been produced in a consistent fashion since 2009. We made extensive use of the WEF’s survey of global business leaders, which asked respondents to score the quality of the UK’s transport and connectivity.

	Quality of transport and connectivity	Total global trade value	Total GDP value
Hong Kong	1	8	38
Singapore	1	10	35
Japan	3	4	3
Netherlands	3	7	17
Finland	5	39	43
UA Emirates	6	No data	No data
Switzerland	7	15	20
South Korea	8	9	10
Qatar	9	45	53
USA	10	2	1
↓	...	...	...
Canada	26	14	9
Saudi Arabia	26	30	18
UK	28 (-10 since 2012)	5 (same as 2012)	5 (same as 2012)
Belgium	29	17	23
Norway	29	35	27

Figure 5:  
Global connectivity in the UK relative to international peers. World Economic Forum, 2019 – [Global Competitiveness Report](#). (Note: ranking of 141 countries. GDP and trade data measured in current US\$)

## The role of London and the South East as global connectivity hubs

To assess the role of London and the South East as global connectivity hubs, we looked into the patterns and movements of both international visitors and international trade.

In terms of international visitors, we used the latest data from [Eurostat's regional tourism statistics database](#). This allowed us to profile the tourism flows for major capital cities in Europe. These capital cities were defined at the NUTS2 spatial level, using a best-fit definition relative to their Metropolitan region definition.

For sub-regional trends, we used data from [Visit Britain's inbound trends database](#), which is consistent and comparable with the Eurostat data.

Our capital city 'stickiness ratio', which underpins much of the analysis in this section is simply defined as:

$$\text{Capital city stickiness ratio} = \frac{\text{capital city \% of international port and airport arrivals}}{\text{capital city \% of nights spent by international visitors}}$$

In terms of international trade, we used the latest data from [Eurostat's regional transport statistics database](#) (to look at the volume and value of goods handled by regional ports and airports) and [ONS regional exports dataset](#) (to look at the location and value of goods exported by regional exporters).

We adapted [research by DIT](#) to look at the jobs supported by regional exporters and the exporters associated airport/port.





## OUR MISSION

OUR MISSION IS TO MAKE LONDON THE BEST CITY IN THE WORLD IN WHICH TO DO BUSINESS, WORKING WITH AND FOR THE WHOLE UK.

At BusinessLDN we work to deliver the bigger picture, campaigning to tackle today's challenges and secure the future promise of London.

We harness the power of our members, from sectors that span the economy, to shape the future of the capital so Londoners thrive and businesses prosper. Becoming a member of BusinessLDN helps to keep London and the UK working — for business, for Londoners, for the whole country.

We create opportunities for our members, from sharing insights to providing platforms, from making introductions to finding new talent. We facilitate collective, organisational, and individual ambition.

## CONTACT US

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