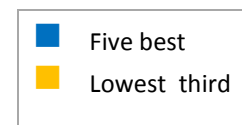


SPRING 2011 REFORM BAROMETER – UNITED KINGDOM

	Level			Rank			Gap		Areas of Action	
	2009	2010	Change	2009	2010	change	EU top 5	Gap ¹	2010	
Pillar I	1 GDP per capita (Purchasing Power Parity- PPP)	27388	28274	3,2%	11	11	0	NL IE SE AT DE	-7%	
	2 GDP per capita (€ at 2000 prices)	25199	25476	1,1%	15	14	1	DK SE IE FI AT	-17%	
	3 Labour productivity per hour worked (PPP)	35,5	37,1	4,7%	12	11	1	NL BE FR DE IE	-11%	
	4 Labour productivity per person employed (PPP)	58401	60752	4,0%	11	11	0	IE BE FR SE NL	-9%	
	5 Private investment (excluding non residential, %GDP)	6,1	6,5	0,3	28	27	1	BG BE AT DE IT	-7,1	
	6 Industrial activity (% total value added)	16,9	16,3	-0,6	24	27	-3	IE SK CZ FI SI	-16,4	
	7 R&D expenditure (% GDP) *	1,9	1,9	0,0	12	12	0	FI SE DK DE AT	-1,2	
	8 Operating surplus (% total value added)	39,8	40,0	0,2	16	19	-3	BG GR MT SK IE	-14,0	
Pillar II	9 Current Account (% GDP)	-1,3	-2,2	-1,0	17	19	-2	LU SE NL DE DK	-8,1	
	10 Export market share (gain from 2000)	-4,7	-8,1	-3,4	23	26	-3	RO LT CZ HU BG	-71,5	
	11 Net export contribution to GDP	0,8	-1,1	-1,9	21	31	-10	BG IE GR HU CY	-5,1	
	12 Share in global trade	3,3	3,2	-0,2	6	6	0	DE FR NL UK IT	-1,1	
	13 Relative unit labour cost (gain from 2000)	7,0	8,8	1,9	18	22	-4	DE PL AT SE FR	16,7	
	14 High-tech exports (% total exports) **	16,2	15,1	-1,1	10	12	-2	MT LU IE HU CY	-13,6	
Pillar III	15 Employment rate (% working age population)	69,9	69,2	-0,8	16	15	1	NL DK SE AT DE	0,4	
	16 Employment rate 15-24 (% population 15-24)	48,4	46,7	-1,7	8	8	0	NL DK AT UK DE	-7,0	
	17 Employment rate 55-64 (% population 55-64)	57,5	57,1	-0,4	8	8	0	SE DE UK CY DK	-2,6	
	18 Annual hours worked (per capita)	1646	1636	-0,6%	21	22	-1	PL GR HU LV CZ	-17%	
	19 Labour participation (% working age population)	77,6	77,2	-0,4	9	10	-1	DK SE NL PT DE	-2,8	
	20 Working age population (as % total population)	66,2	66,2	0,0	24	24	0	SK PL CY CZ RO	0,9	
	21 Unemployment rate (% labour force)	7,6	7,8	0,2	16	15	1	AT NL LU MT CY	2,2	
Pillar IV	22 Gross debt - general government (% GDP)	68,2	77,8	9,6	20	21	-1	EE LU BG RO LT	53,7	
	23 Net debt - general government (% GDP)*	45,6	61,0	15,4	24	26	-2	FI EE SE BG CZ	98,5	
	24 Government budget balance (% GDP)	-11,4	-10,5	0,9	30	30	0	SE EE LU FI DE	-8,4	
	25 Primary balance (% GDP)	-9,3	-7,8	1,6	29	30	-1	HU SE IT EE MT	-7,4	
	26 Tax burden (% GDP)	36,7	37,3	0,0	19	19	0	LV SK RO BG LT	6,8	
	27 Highest marginal tax rate, individual rate (%)*	40,0	40,0	0	15	16	-1	BG CZ LT RO SK	41,74	
	28 Public investment (% total public expenditure)	5,8	5,2	-0,1	24	26	-2	PL CZ RO BG LV	-8,8	
	29 Budgetary adjustment related to age (% GDP)	N/A	2,0	N/A	N/A	14	N/A	PL EE HU BG SE	1,9	
	30 Net foreign assets (% GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	NL BE DE DK FI	N/A	
Pillar V	31 Net financial assets, households (% GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	BE IT NL FR DE	N/A	
	32 Net financial liabilities, non financial corporations (% GDP)*	N/A	N/A	N/A	N/A	N/A	N/A	SK NL DE GR PL	N/A	
	33 Regulatory tier 1 capital to risk weighted assets *	12,9	14,8	1,9	10	11	-1	MT LU BE BG EE	-2,4	
	34 Non performing loans to total gross loans *	1,6	3,5	1,9	6	14	-8	FI LU SE SI AT	1,8	
	35 Loans to private sector (% GDP)	N/A	N/A	N/A	N/A	N/A	N/A	RO SK PL CZ HU	N/A	
	36 Bank liabilities (%GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	SK RO PL LT BG	N/A	



1. Percentage points, when not indicated otherwise

* 2008/ 2009 data
** 2007/ 2008 data

PRIORITIES FOR REFORM: ANSWERS FROM CBI (UNITED KINGDOM)

	Policy Area	Concrete Recommendations	Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	7	Increasing Exports is a key priority for the UK as it seeks to rebalance away from credit-assisted consumption towards more exports and investment	X	
Priority 2	17	As part of rebuilding the fiscal health of the nation CBI is keen to see Government explore more efficient procurement including from private sector providers where beneficial to the public	X	
Priority 3	8	Active Labour Market Policies in so far as they increase the incentive to find and keep employment, and increase employment more generally. 12 and 13 are also a part of this and cannot really be segregated out.	X	
Priority 4	22	The CBI is very keen to make finance available for smaller firms so as to support growth in the UK, as well as to overcome obstacles to increasing exports to newly industrialising countries, eg via letters of credit, Export Credit Guarantees	X	
Priority 5	1	Not just about barriers to entrepreneurship, but more to guard against too many regulations which may have unintended consequences and to have an environment in which private sector risk taking can flourish	X	

<u>Policy areas</u>
1. Business Environment - Regulatory barriers to entrepreneurship
2. Business Dynamics - Start-up conditions
3. R&D and Innovation
4. ICT
5. Competition policy framework
6. Sector specific regulation (telecom, energy)
7. Market integration - Openness to trade and investment
8. Active labour market policies
9. Job protection
10. Labour supply measures for specific groups (older workers, women...)
11. Wage bargaining and wage-setting policies
12. Labour market mismatch and labour mobility
13. Making work-pay: interplay of tax and benefit system
14. Pension and health care reforms
15. Quality of fiscal institutions and budgetary framework
16. Consolidation of public expenditures
17. Public sector efficiency
18. Public investment
19. Tax reforms
20. Access to bond markets
21. Access to equity markets
22. Venture capital and SME financing instruments
23. Bank lending conditions
24. Long term investment instruments