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### Businesses boosted by 'Brand Britain'

**Products labelled 'Made in Britain' are more attractive to overseas consumers than those with no declared country of origin, a study commissioned by Barclays Corporate Banking has found.**

The research found that 64% of consumers in new and emerging markets are more likely to buy a product displaying the Union Flag.

The research found:

- 31% of customers in new and emerging markets have knowingly paid a premium for British products
- 14% of consumers from developed economies have done the same

- individuals in new and emerging markets are willing to pay up to 7% more for products with a 'Made in Britain' label than those with no country of origin information
- at least 50% of respondents think British goods are 'good' or 'very good' quality.

Rebecca McNeil, head of business lending at Barclays Corporate Banking, said:

"Rather than focusing on seemingly saturated developed markets, exporters should seriously consider looking further afield as there are bigger premiums to be had when products are marketed as Made in Britain."

*Discuss your marketing strategy with us.*

### Middle-market firms consider reshoring

**A quarter of middle-market firms in the UK are considering bringing some business activities back to the UK over the next 3 years, a study by GE Capital and Warwick Business School has found.**

The research found that 26% of mid-market firms are looking to reshore at least some of their activities, potentially creating 378,000 jobs.

According to the report, re-shoring could:

- increase annual revenues by £3.8 million per firm
- increase total revenues by £27.6 billion per year

However, not all regions will benefit evenly from re-shoring:

- 42% of surveyed businesses will re-shore to either London or the South East

- London is the most popular destination, with 28% of surveyed firms reporting they will head to the capital
- in contrast, Wales (1%) and Northern Ireland (2%) are the least popular.

The top 3 reasons for businesses wanting to re-shore business operations were:

- management or control issues
- the UK business culture
- levels of productivity in the UK.

Professor Stephen Roper of Warwick Business School said:

"Historically, re-shoring activity has focused on regions outside London, yet our research indicates that mid-market firms see the value of being active in the capital, despite the high costs associated with doing business here."

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## SME costs rise above inflation

**The cost of doing business has continued to rise in 2014 despite the falling rate of inflation, research from the Forum of Private Business (FPB) has found.**

The survey reveals that prices for micro, small and medium-sized businesses have risen 4.7% in 2014.

However, the Consumer Price Index (CPI) rate of inflation has fallen from 2.7% in September 2013 to 1.2% in September 2014.

According to the FPB:

- 63% of firms have experienced an increase in business costs
- 7 in 10 said their energy costs had risen
- 65% reported a rise in transport costs
- 76% said they were paying more for marketing
- 65% said staff costs were more expensive.

The majority of surveyed firms expect the trend to continue, with 82% predicting further price rises and 16% expecting significant increases.

Phil Orford MBE, chief executive of the FPB, said:

"The major reasons for increases in prices are predominantly down to transport and energy prices rising. The economic outlook continues to improve but costs still remain an issue for our members.

"This is a timely reminder that despite all the talk of a need for above-inflation wage rises businesses continue to feel the strain of rising costs."

### Inflation falls to 5 year low

The 1.2% CPI rate of inflation recorded in September 2014 is the lowest since October 2009.

The Office for National Statistics said falling transport costs and food prices were largely responsible for the slowdown.

David Kern, chief economist at the British Chambers of Commerce, said:

"These figures confirm that inflationary pressures in the economy remain muted and have eased in recent months. With oil and food prices now falling, there is a possibility that CPI inflation will fall below 1% before the end of this year."



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## YOUR MONEY

### Bill introduces lump sum pension reforms

**Details of changes to tax rules that will allow over 55s to access their defined contribution pension pots with more flexibility from April 2015, have been published in the Taxation of Pensions Bill.**

Under current rules, savers can take 25% of their pot as a tax-free lump sum and put the remaining 75% in a drawdown account. Any amount withdrawn from the drawdown account is taxed at the individual's marginal rate of income tax.

From April 2015, there will be the option to take multiple lump sums from a pot without having to open a drawdown account. 25% of each lump sum will be tax-free and the remaining 75% will be taxed at the individual's marginal rate.

### Savers welcome retirement guidance

Elsewhere, a survey by the Chartered Insurance Institute found that 92% of people who are 5 years from retirement would consider using the free and impartial pensions guidance proposed by the government.

Michelle Cracknell, chief executive of The Pensions Advisory Service, said:

"We have countless examples of the life changing impact high quality guidance can have on people's lives. We believe that it is essential that the guidance is delivered by specialists that have the experience and knowledge to respond to how people feel about this subject and get them to engage."



*Planning for your retirement?  
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