

Submission from the Management Consultancies Association

1. The Management Consultancies Association (MCA) is the voice of UK consulting sector. The MCA is the representative body for the UK consulting sector and has been at the heart of the industry for over 65 years. The MCA has a wide membership base and its members include PwC, Deloitte, EY, and KPMG as well many other medium size firms and small specialist consultancies.
2. The MCA welcomes the opportunity to provide evidence to the Committee on the EU-UK Trade and Cooperation Agreement. Unless otherwise indicated, all data included in this submission is taken from the MCA Annual Industry Report 2024, published on 8th July 2024.

UK management consultancy exports

3. The UK consulting sector exports around £5.6bn per year, which accounts for just over one quarter of total sectoral revenue (£20.4bn). Overall exports from the UK have risen by £3bn in five years. The UK consulting sector is an incredibly successful services exporter, and the UK is the second largest consulting hub in the world after the US.
4. Fee income from Europe comprised 15% of total overall fee income in 2023, representing an estimated £3.09bn in consulting fees earned from exporting services to the continent across the consulting sector. Consulting exports to the rest of the world are estimated at £2.75bn. The majority of the export fee income beyond Europe comes from the North America (7%) and Asia Pacific (APAC) (3%) regions, while fee income from the Middle East has doubled from 1% to 2%.
5. Following domestic work and exports to the EU, the United States was the most popular market for UK management consultancy services. This was followed by Australia, Saudi Arabia, Japan and the United Arab Emirates (UAE).

Policy suggestions

6. The UK consulting market is complex and heavily interlinked with other parts of the wider professional services market, such as engineering or accountancy, which often rely on the recognition of professional services in order to deliver services exports to overseas clients. We would encourage the UK Government to pursue the negotiation of sectoral agreements as envisioned under the TCA, modelled on recently concluded agreements elsewhere such as the UK-US mutual recognition agreement for engineers.
7. The consulting industry would benefit from the UK Government taking a more proactive and partnership-based approach to promoting the consultancy and wider professional and business services internationally, including as part of future export strategies and including with regards to the EU. This could include:
 - Thematic trade missions that include related professional services and consultancy businesses, such as around sustainability or digital transformation.
 - Support from UK Government ministers in the form of op-eds and promotional activity on the benefits of using UK professional services and consultancy.
 - GREAT-backed campaigns in key markets focused on the strength of UK services, consultancy, and expertise.

- Joined up thinking across the UK overseas networks regarding promoting the buying of UK services and consultancy services, as well as support for inward investment into the UK from overseas-headquartered consultancy firms.