

**MINISTRY OF HIGHER AND SECONDARY
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Essay

TOPIC: Economy of England

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Economy of England

The **Economy of England** is the largest economy of the four [countries of the United Kingdom](#).

[England](#) is a highly [industrialised](#) country. It is an important producer of [textiles](#) and [chemical products](#). Although [automobiles](#), [locomotives](#), and [aircraft](#) are among England's other important industrial products, a significant proportion of the country's income comes from the [City](#).

Since the 1990s, the financial services sector has played an increasingly significant role in the English economy and the [City of London](#) is one of the world's largest financial centres. Banks, insurance companies, commodity and [futures exchanges](#) are heavily concentrated in the City.

The service sector of the economy as a whole is now the largest in England, with manufacturing and primary industries in decline. The only major secondary industry that is growing is the construction industry, fuelled by economic growth provided mainly by the growing services, administrative and financial sector.

The British [pound sterling](#) is the official currency of England and the central bank of the United Kingdom, the [Bank of England](#), is located in London.

History

In medieval times (c. 11th–15th century), the [wool trade](#) was the major industry of England and the country exported wool to Europe. Many market towns and ports grew up on the industry. Poor infrastructure hampered the development of large scale industry. This changed when the [canals](#) and [railways](#) began to be built, in the late 18th century and early 19th century.

England became the world's first industrialised nation, with the [industrial revolution](#) taking place in the late 18th century. This was also the age of British overseas expansion, where England relied upon colonies (such as [India](#), [America](#), [Canada](#), or [Australia](#)) to bring in resources such as [cotton](#) and [tobacco](#). English factories then processed goods and sold them on in both the quickly growing domestic market or abroad. Cities grew and large industrial centres were established, especially in the [Midlands](#) and [North England](#).

Heavy industries, such as [coal mining](#), [steel production](#) and [shipbuilding](#), declined in England during the second half of the 20th century and were replaced by service industries and hi-tech industries, such as the [computer](#) and [pharmaceutical](#) industries.

Agriculture and fishing

Main article: [Agriculture in the United Kingdom](#)

[Agriculture](#) is [intensive](#), highly [mechanised](#), and efficient by [European](#) standards, producing about 60% of food needs with only 2% of the labour force. It contributes around 2% of [GDP](#). Around two thirds of production is devoted to [livestock](#), and one third to [arable](#) crops. Agriculture is heavily subsidised by the European Union's [Common Agricultural Policy](#) and it is not known how large a sector it would be if the market was unregulated.

The main crops that are grown are [wheat](#), [barley](#), [oats](#), [potatoes](#), [sugar beets](#) England is one of the world's leading fishing nations. Its fleets bring home fish of every kind, ranging from [sole](#) to

[herring](#). [Kingston upon Hull](#), [Grimsby](#), [Fleetwood](#), [Great Yarmouth](#), and [Lowestoft](#) are among the coastal towns that have large [fishing](#) industries.

Investing and banking

England's capital is [London](#). The [City of London](#) is London's major financial district, and one of the world's leading financial centres. The city is where the [London Stock Exchange](#), as well as many other exchanges, are based.

[Service industries](#), particularly [banking](#), [insurance](#), and [business](#) services, account by far for the largest proportion of GDP and employ around 80% of the working population.

[Leeds](#) is the UK's second largest financial centre^[2], with over 30 national and international banks based in the city^[3]. Over 124,000 people are employed in banking and financial services in Leeds, and over in the wider [Leeds City Region](#)^{[4][5][6]}.

[Manchester](#) is the largest financial and professional services sector outside of London and is the mid tier private equity capital of Europe

Manufacturing

[Manufacturing](#) continues to decline in importance. In the 1960s and 70s manufacturing was a significant part of England's economic output. However, a lot of the heavy manufacturing industry was government-run and had failed to respond to world markets. State industries were sold off and over the 20th century many closed as they were unable to compete; a situation largely reflected in other Western industrialised countries. However, manufacturing still accounts for some 26% of the UK's [GDP](#).^[when?] England remains a key player in the [aerospace](#), [defence](#),

pharmaceutical and chemical industries, and British companies worldwide continue to have a role in the sector through foreign investment

Tourism

Tourism is the 6th largest industry in the UK, contributing £76 billion to the economy. It employs 1,800,000 full-time equivalent people — 6.1% of the working population (2002 figures).[\[1\]](#) The largest centre for tourism is London, which attracts millions of international tourists every year.

Regional variation

The strength of the English economy varies from region to region. [GDP](#), and GDP per capita is highest in [London](#). The following table shows the GDP (2004) per capita of England as a whole and each of the nine regions.

Rank	Place	GDP per capita in Euros
	England	26 904
1.	London	44 401
2.	South East	31 300
3.	East of England	27 778
4.	South West	27 348
5.	East Midlands	26 683
6.	West Midlands	25 931
7.	North West	25 396
8.	Yorkshire and the Humber	25 300
9.	North East	22 886

Two of the [10 economically strongest areas in the European Union](#) are in England. [Inner London](#) is number 1 with a €71 338 GDP per capita (303% above EU average); [Berkshire](#),

[Buckinghamshire](#) & [Oxfordshire](#) is number 7 with a €40 937 GDP per capita (174% above EU average).

Although being in South West England, which is the 4th strongest region in England, [Cornwall](#) and the [Isles of Scilly](#) (combined into a [NUTS:3](#) region for statistical purposes) is the weakest area in England, with a GDP per capita of €18 645 per capita, or 79% of the EU average of €21 503.