



OXFORD
ECONOMICS



THE ECONOMIC IMPACT OF KBR IN THE UK

JANUARY 2025



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EXECUTIVE SUMMARY

KBR delivers science, technology, and engineering solutions to governments and companies around the world. In the UK, KBR plays a role in supporting the country’s sustainability and security ambitions through its direct activities, as well as the activity it enables through its ownership share of several joint ventures (JVs).

This study, commissioned by KBR, assesses the impact KBR had on the UK economy in 2023 through its own business, as well as its ownership share of several JVs (hereafter referred to as KBR). We assess this through KBR’s contribution to UK gross domestic product (GDP), employment, and tax revenues. We also explore KBR’s innovative plastic recycling partnership with Mura Technology, and its work to deliver upgrades to and operate accommodation for almost 19,000 military and civilian personnel across Salisbury Plain and Aldershot.

In 2023, KBR is estimated to have supported a £913 million total contribution to UK GDP. This is the sum of three channels of impact. Some £358 million was generated directly by KBR. A further £246 million contribution to GDP was supported by its procurement spending and the activity this triggered in its supply chain—its indirect impact. Finally, the payment of wages by KBR and the firms in its supply chain, supported a further £308 million contribution to GDP—its induced impact.¹

As the total GDP impact across the UK economy is 2.5 times the direct impact alone, KBR can be said to have had a “GDP multiplier” of 2.5. In other words, for every £1 million contribution to GDP generated by KBR in 2023, it supported a further £1.5 million across the UK economy through its expenditure.

This economic contribution is estimated to have supported more than 12,800 jobs across the UK economy in 2023. KBR directly employed over 4,000 people. A further 4,900 jobs were supported along the UK supply chain by its procurement spend, whilst some 3,900 jobs were sustained through wage-induced spending.

£913 million
Total GDP contribution of KBR.



12,800 jobs
Total employment supported by KBR.



Over one-quarter of the jobs supported (or 1,370 jobs) by KBR's supply-chain spending were in the professional services sector.

In this case, the employment multiplier was 3.2. This means that for every 100 people directly employed by KBR, an additional 220 jobs were supported in other parts of the UK economy. The employment multiplier is higher than the GDP multiplier, as KBR's employees are highly productive. On average, KBR's workforce generated an estimated economic value of almost £88,000 per worker. This was around 21% greater than the productivity of the average worker in the UK economy.

KBR also supports the early career development of its workers.

In 2023, KBR employed 200 graduates and 47 apprentices, accounting for 7% of its UK workforce. Graduates and apprentices are given training and mentoring, as well as the opportunity to complete qualifications. This supports the UK's long-term competitiveness by upskilling its workforce.

KBR supported a total tax contribution to the UK Exchequer of over £366 million in 2023 through all channels of impact. For context, this was the equivalent to the salaries of approximately 8,700 full time teachers and other education professionals. Of this total, £212 million (or almost 60%) was contributed directly by KBR, primarily through VAT payments and labour taxes.



THE ECONOMIC IMPACT OF KBR IN THE UK

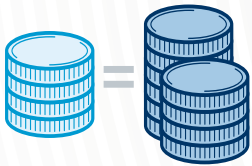
Supporting UK prosperity with a skilled and productive workforce



○ Direct ○ Indirect ○ Induced

£913 million

contributed to the UK economy by KBR in 2023.



2.5x GDP multiplier

For every **£1 million** GDP directly generated, an additional **£1.5 million** was supported elsewhere in the UK economy.



They also supported around **12,800 jobs.**



7% of KBR's direct workforce were early careers personnel.
Graduates: 200
Apprentices: 47



3.2x employment multiplier

For every **100 people** directly employed, an additional **220 jobs** were supported in other parts of the UK economy.



The higher employment multiplier relative to the GDP multiplier reflects high productivity of staff, with gross value added per worker **21% higher** than the UK average.



£366 million in tax revenues, Enough to fund the salaries of **8,700 teachers.** Almost **60%** of this was realised by KBR alone.



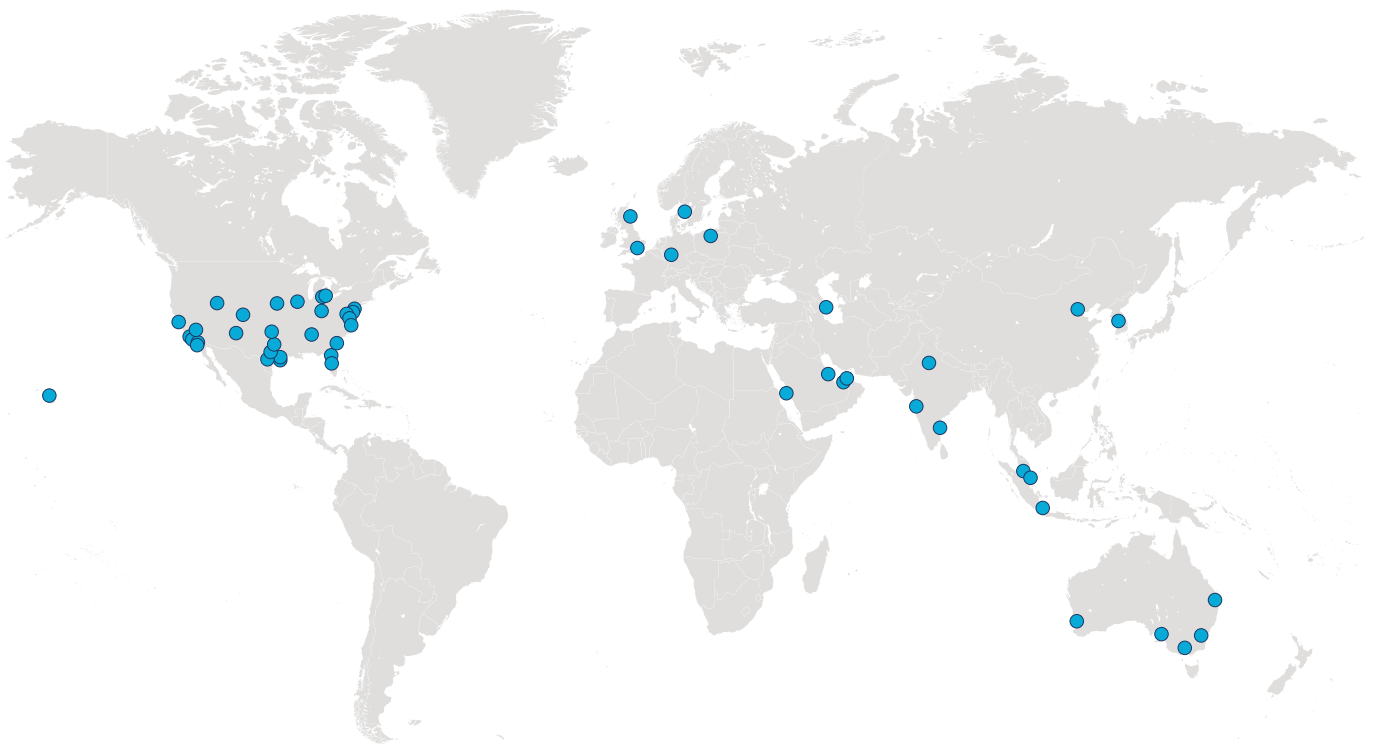
1. INTRODUCTION

KBR’s activity encompasses a range of market sectors including energy transition and energy security, defence, national security, infrastructure, nuclear, cybersecurity, and space exploration.² While KBR’s global headquarters is in the United States in Houston, Texas, the company has operations all over the world, employing around 38,000

people across 34 countries. Its operations span across its two primary business units:

- **Mission Technology Solutions (MTS)**—applies leading-edge technologies to innovate and modernise systems for national security, defence, science, health, and commercial entities.
- **Sustainable Technology Solutions (STS)**—applies process technologies, intellectual property, and large-scale delivery expertise in energy, industrials, chemical, infrastructure, and environment—supporting both commercial businesses and national governments.

Fig. 1: KBR key global office locations



1.1 KBR IN THE UK

In the UK, a key priority for KBR is to support the country's sustainability and security ambitions. For instance, KBR is pursuing the development of new energy technologies, systems, and processes—in line with the UK's net zero ambitions. KBR-owned Frazer-Nash Consultancy has been working with the Department for Energy Security and Net Zero (DESNZ) since 2021 to develop its programmes and assess and monitor the projects being delivered within the Net Zero Innovation portfolio. The UK Government recognises the urgency of the global climate challenge and has set a goal of becoming a clean energy superpower.³ Alongside 11 other organisations, Frazer-Nash will continue to provide services to the UK Government and support its goal to power the UK with entirely clean electricity by 2035 and have net zero carbon emissions by 2050.⁴

KBR has a strong history of delivering complex energy projects, which are being achieved with an ever-increasing focus on decarbonisation and sustainability. Since 2017, KBR has been studying and engineering clean hydrogen production facilities, a critical driver of the energy transition.

In the UK, the team recently delivered early project planning of a 1 GW hydrogen facility for Essar and partners at the Stanlow refinery, near Liverpool. Further to this, KBR has over 50% market share of the world's clean ammonia solutions, one of the most scalable pathways to decarbonisation.

Additionally, KBR has supported the UK Nuclear Mission through its work at Sellafield, one of the world's largest nuclear decommissioning sites. Of the 1,500 people working at the site, 350 are KBR employees, supporting important work to safely process nuclear waste and decommission the site.⁵ KBR's nuclear workforce in the UK has grown rapidly in recent years, from 182 people in 2020 to over 1,000 in 2023.

KBR also contributes to the defence and national security of the UK and its allies. The company is one of 40 Strategic Suppliers to the UK Government, mainly for its involvement in UK defence.⁶ It supports the naval sector through its KBS Maritime Joint Venture with BAE Systems and wider naval infrastructure delivering through the Defence Infrastructure Organisation (DIO) NTSP framework.⁷

It also supports the British Army with Heavy Equipment Transporters (HET) and sponsored reserves through its subsidiary FTX logistics, providing training aircraft through Affinity, and the management of facilities—providing accommodation for 30% of the British Army—through Aspire.⁸

Finally, the company has been using its expertise and capability in AI to support the UK Ministry of Defence (MOD) and the Defence Science and Technology Laboratory (Dstl).⁹ Frazer-Nash Consultancy has advanced the use of AI and Autonomy in intelligence, surveillance, and reconnaissance, ensuring the UK maintains its strategic position and operational advantage. This is particularly important for UK defence, with *“modernisation and transformation...through the rapid and consistent application of Digital Age technologies”* being a key theme of the UK Government's Strategic Defence Review.¹⁰ Frazer-Nash Consultancy was part of a series of AUKUS AI and autonomy trials held by Dstl in 2023 and 2024, where significant improvements in the application and viability of Resilient and Autonomous Artificial Intelligence Technologies (RAAIT) were demonstrated.^{11,12}

³ UK Government, “[King's Speech 2024: background briefing notes](#)”, accessed August 2024

⁴ Frazer-Nash Consultancy, “[Frazer-Nash Consultancy extends support to UK Government's Net Zero Innovation Portfolio](#)”, 2023, accessed June 2024

⁵ KBR, “[KBR's Team of Teams Supports the UK Nuclear Mission](#)”, 2023, accessed June 2024

⁶ Crown Commercial Service, “[Crown Representatives and strategic suppliers](#)”, accessed June 2024

⁷ NTSP framework is the Nuclear Technical Support Provider framework which delivers specialist nuclear technical services

⁸ KBR for UK Parliament, “[Written evidence submitted by KBR and Frazer-Nash Consultancy](#)”, 2024, accessed June 2024

⁹ KBR for UK Parliament, “[Written evidence submitted by KBR and Frazer-Nash Consultancy](#)”, 2024, accessed June 2024

¹⁰ Ministry of Defence, “[Strategic Defence Review 2024-2025: Terms of Reference](#)”, accessed August 2024

¹¹ AUKUS is a trilateral security and defence partnership between Australia, the UK, and the US

¹² DSTL, “[AUKUS takes another step forward with real-time AI trials](#)”, accessed August 2024

1.2 HOW KBR SUPPORTS THE UK ECONOMY

To support its operations, KBR and its partners purchase millions of pounds of goods and services from suppliers across the UK. These suppliers in turn procure their own inputs from other UK businesses. In this way, on top of its direct economic contribution, KBR indirectly supports further economic activity in the UK through its supply chain. Still more economic activity is supported when employees of KBR, and of its suppliers, spend their wages in consumer-facing sectors.

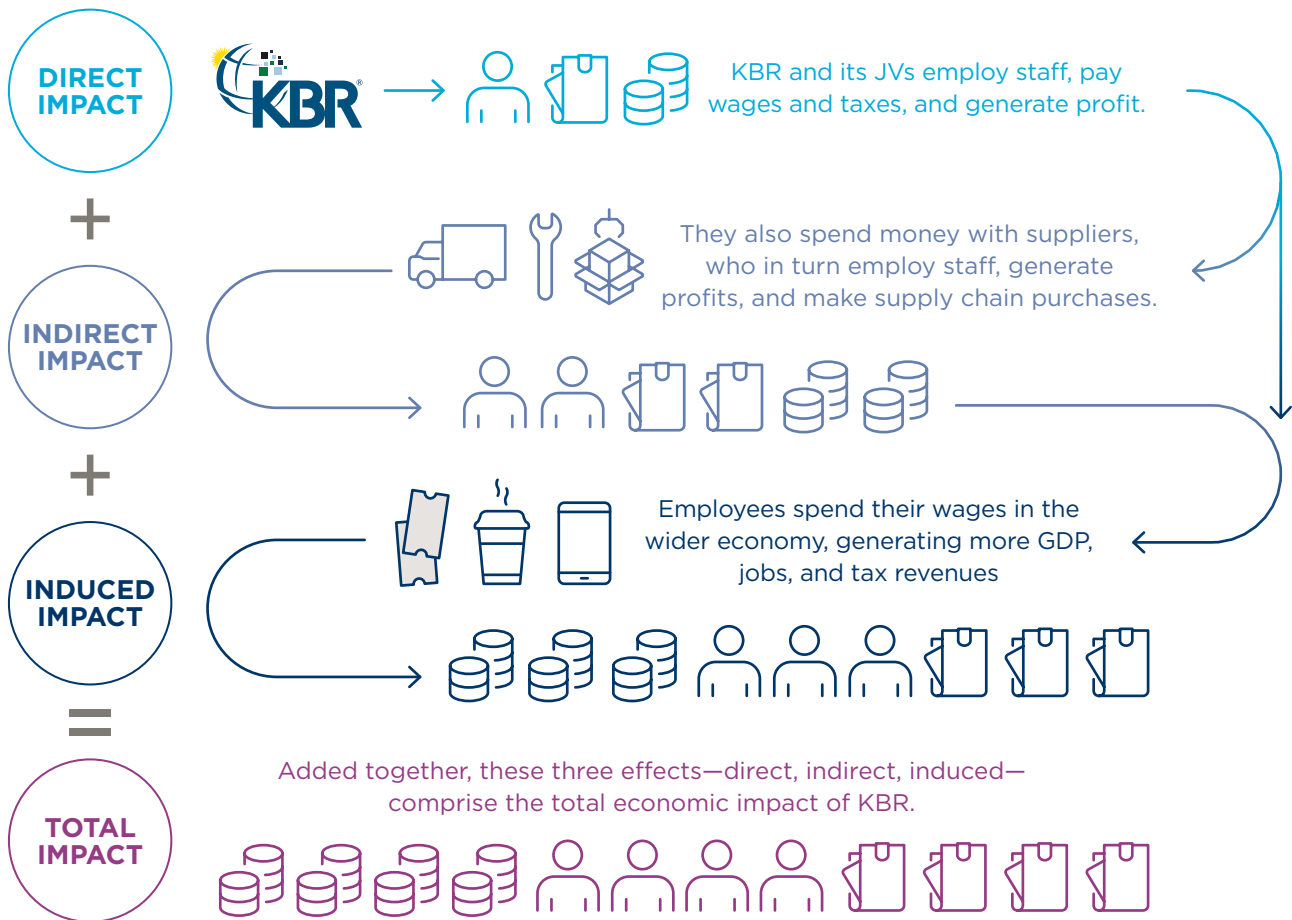
We carry this out using a standard means of analysis called an economic impact assessment. Three “channels of impact” are captured by the assessment—the direct channel, the supply chain or “indirect” channel, and the wage-spending “induced” channel. This is summarised in Fig. 2 below:

The **total economic impact**—or core economic “footprint” as it is also known—is the sum of these three impacts.

This is measured by three metrics: the gross value-added contribution to GDP (hereafter the “GDP contribution”); the employment supported; and the tax revenues generated.

Finally, KBR’s contribution to the UK extends beyond this economic footprint. We include two case studies, selected by KBR, to highlight the wider impact the company has across the country.

Fig. 2: Channels of impact assessed for KBR’s core economic footprint



1.3 STRUCTURE OF THE REPORT

The remainder of this report is structured as follows:

- **Chapter 2** describes KBR's direct impact on the national economy.
- **Chapter 3** assesses the total economic footprint of KBR on the UK economy, taking the indirect and induced channels into account.
- **The Appendix** provides a description of the methodology.

CASE STUDY—MURA

This case study is based on material provided by KBR

- Mura Technology's Hydro-PRT® is an advanced plastic recycling technology which uses supercritical water—a highly compressed fluid that combines the properties of gases and liquids—to convert mixed, contaminated and end of life waste plastics into industry-ready, circular hydrocarbon products.
- KBR is Mura's global licensing and engineering partner. With Mura, KBR has a target of reaching 1.5 million tonnes of recycling capacity annually by 2032.
- KBR offers a completely modularised Hydro-PRT solution. According to KBR this reduces costs, time, and risk while maximising capital and overall fabrication quality. In addition to the Hydro-PRT conversion unit, KBR offers both upstream and downstream solutions—including feedstock preparation and circular hydrocarbon upgrading technologies.
- To date, KBR has invested over \$100 million in Mura Technology to accelerate the development of plastic recycling projects. In 2023, Mura opened its Wilton plant in Teesside, UK, as the world's first commercial scale Hydro-PRT advanced plastic recycling site. This showcases the company's ability to build such facilities at scale.
- Asia represents 48% of global plastic production, and KBR and Mura have been able to establish their footprint there through licensing agreements with Mitsubishi Chemical Corporation in Japan and LG Chemical in South Korea. These facilities will each process over 20,000 tonnes of waste plastic annually, preventing this plastic from entering landfills, being incinerated, or leaking into the environment.
- Overall, Hydro-PRT aims to support a circular economy for plastic with the objective of helping combat plastic pollution and is a crucial milestone in KBR's commitment to sustainability.







2. KBR'S DIRECT IMPACT IN THE UK

The day-to-day activities of KBR lie at the centre of its contribution to the UK economy. These exert a direct footprint on the UK economy through the wage payments it supports, the profits it generates, the employment it sustains, and the taxes it pays. In this chapter we assess the direct contribution of KBR and its joint ventures to the UK economy in 2023.

2.1 KBR'S JOINT VENTURES

KBR has several joint ventures (JVs) with defence companies across the UK, which provide their own specialised services. These JVs include:

- **Affinity**—in partnership with Elbit Systems, supports UK military air capability by supplying and operating training aircraft as part of the UK Military Flying Training System (UKMFTS) with the MOD;
- **Aspire**—delivers and manages army accommodation in the Aldershot and Salisbury Plain area;
- **Fasttrax**—operates the British Army's Heavy Equipment Transportation (HET) Service to rapidly move heavy armour; and
- **KBS Maritime**—in partnership with BAE Systems, delivers ship asset management, repair, and maintenance for the Royal Navy's Portsmouth flotilla as well as infrastructure, asset management, and general services for the naval base.

2.2 DIRECT GDP CONTRIBUTION

We estimate that in 2023, the direct contribution of KBR to UK GDP was £358 million. This figure is calculated by summing KBR and its JVs' employment costs, profits, and business taxes (the "income approach" to measuring GDP). The economic value is created as a result of KBR and its JVs' science, technology, engineering, and logistic support solutions for the UK government and the private sector.

The direct tax impact of KBR is also estimated to have been £212 million in 2023. This was predominantly comprised of VAT payments and labour taxes.

2.3 DIRECT EMPLOYMENT CONTRIBUTION

KBR has a significant presence in the UK—employing 4,035 people in 2023. Of this, 3,787 workers were directly employed by KBR itself, spread across its 21 sites around the country, while an additional 248 workers were employed by its JVs. KBR's major sites include:

- KBR's UK headquarters in **Leatherhead, Surrey**, with 1,033 employees—or 27% of its total employees;
- Specialist naval defence facility in **Plymouth**, with 54 workers providing support to the Defence Nuclear Enterprise;

- Frazer-Nash's largest office in **Bristol**, with 501 employees;
- A northwest base in **Manchester**, with 41 employees; and,
- Nuclear support in **Cumbria**, with 142 employees working as part of the Programme and Project Partners (PPP) contract at Sellafield with the Nuclear Decommissioning Authority.

Fig. 3: KBR’s UK office locations



The employees of KBR are highly productive: in 2023 they supported an average GDP contribution of over £88,800 per worker—around 21% greater than the productivity of the average worker in the UK economy.¹³

KBR having highly productive workers is important for the wider economy as it boosts the standard of living for the UK’s residents. It also helps to address the UK’s historic productivity gap with the other six G7 economies. A key theme of the Government’s Strategic Defence Review is to consider ‘the contribution of Defence to the government’s Growth Mission’, and KBR is well placed to support this given its high productivity.¹⁴

This higher-than-average productivity could reflect the skills required for KBR’s operations, as in 2023, 1,334 of its workers—or 35%—were in advisory and technical roles.

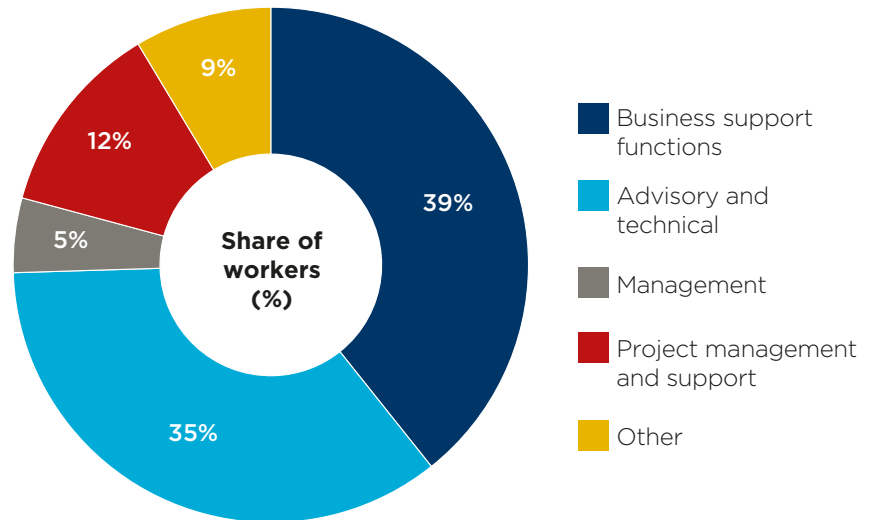
These employees were from a range of skilled professions including mechanical engineering, chemical engineering, civil engineering, and naval architecture. However, jobs at KBR also span a variety of other disciplines. A further 39% of the workforce worked in business support functions such as administrative services, human resources, and IT, while 12% worked in project management and project support, 9% worked in other roles such as camp operations and transportation, and 5% worked in management.

¹³ UK average was £73,100 in 2023.

¹⁴ Ministry of Defence, “Strategic Defence Review 2024-2025: Terms of Reference”, accessed August 2024

The company also supports the early careers development of its workers. In 2023, 7% of KBR’s direct workforce were early careers personnel, as it employed 200 graduates and 47 apprentices. Graduates are provided with mentoring, targeted skills training, and project experience through rotations to kickstart their careers. Apprentices at KBR can complete qualifications in a range of subjects from quantity surveying to leadership and management. The knowledge and skills that these workers gain through these programmes could improve the country’s long-term competitiveness and contributes to KBR’s goal of securing the UK’s position as a science and technology superpower.

Fig. 4: Share of employment by job function, 2023



Source: KBR, Oxford Economics

CASE STUDY 2—ASPIRE DEFENCE

This case study is based on material provided by KBR

In 2006, Aspire Defence, one of KBR's joint ventures, was awarded the largest UK Ministry of Defence Infrastructure Private Finance Initiative contract to date to support soldiers in the British Army through the provision of living and working army garrisons in Salisbury Plain and Aldershot via Project Allenby/Connaught (PAC).¹⁵

The £8 billion 35-year contract—spanning between 2006 and 2041—is aimed at upgrading and overseeing the management of accommodation, leisure, and recreational facilities for some 18,700 military and civilian personnel across six UK British Army garrisons in Aldershot, Bulford, Tidworth, Perham Down, Larkhill, and Warminster in the south of England.¹⁶

PAC has already delivered upgraded living and working accommodation for over 11,000 military and civilian personnel.

Aspire Defence Capital Works (ADCW) and Aspire Defence Services (ADS), both KBR entities, play a wide-ranging role across PAC through the design, programme management, construction, and day-to-day management of the facilities. ADCW has completed a £1.5 billion construction, demolition, and refurbishment programme of 541 buildings between 2006 and 2014. Meanwhile, ADS provides key support services from catering and cleaning to transport and estate management across existing garrisons. Each year, ADS delivers around 8 million meals, 400,000 laundered items, and 100,000 tailored items to personnel. Additionally, the buildings' maintenance helpdesk takes over 5,000 calls each month.

In 2016, the contract was expanded to facilitate an additional construction phase worth £680 million to accommodate a further 3,000 troops as part of the Army Basing Programme. The project will deliver a full suite of facility management services until 2041.



¹⁵ KBR, 'KBR Continues to Deliver for UK MOD under Aspire Defence Joint Venture', 21 March 2027

¹⁶ <https://aspiredefence.co.uk/about-us/faq/>

A woman with long dark hair, seen from behind, is wearing a bright yellow high-visibility safety jacket. The jacket has reflective grey stripes on the sleeves and a wide reflective band across the back. Printed on the back of the jacket in blue and black text is "KBS Maritime" and "A KBR and BAE Systems Joint Venture". She is standing on the deck of a large grey ship, with various structures, antennas, and a tall mast visible in the background under a bright, slightly cloudy sky.

KBS Maritime
A KBR and BAE Systems Joint Venture



3. KBR'S WIDER IMPACT IN THE UK

The economic footprint of KBR is more than just its immediate impact on the economy. It also generates subsequent impacts through the purchases it makes with suppliers (indirect impact) and the wage-funded spending of the workers it employs, as well as workers in its supply chain (induced impact). In this chapter we analyse these secondary channels and assess KBR's total economic impact.

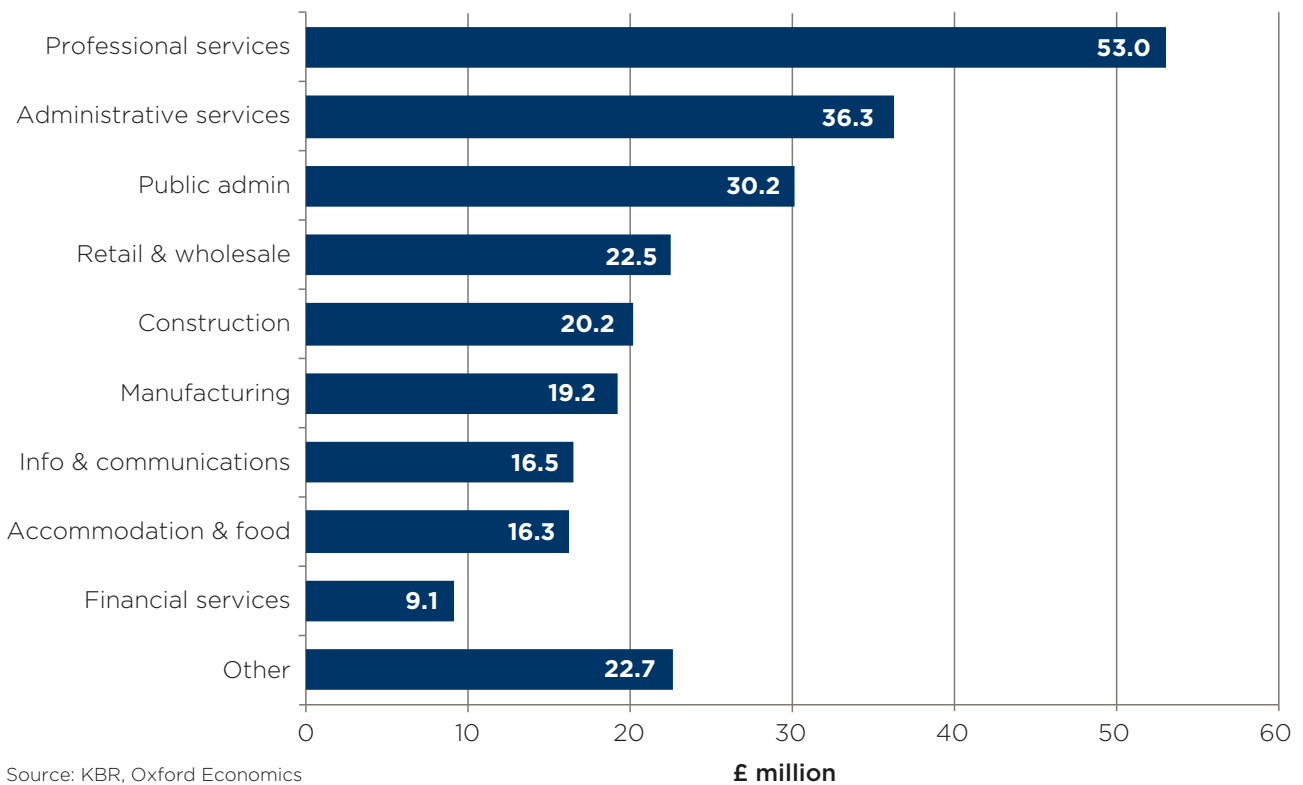
3.1 INDIRECT IMPACT

The indirect economic impact of KBR refers to the GDP, employment, and tax revenues supported in its UK supply chains, as a result of its purchases of goods and services from other businesses in the country. This includes the activity of its own suppliers, but also that of further rounds of suppliers throughout the wider UK economy.

KBR supported an estimated £246 million GDP contribution to the UK economy through the indirect channel of impact. The largest indirect GDP contributions of £53.0 million and £36.3 million

were seen in the professional services, and administrative service sectors, respectively. These sectors accounted for large shares of the expenditure, as professional services accounted for 39% of KBR's own spending, which included consultant and contractor costs, while administrative services accounted for 15% of the total spend by KBR and its JVs. Other notable contributions were seen in sectors such as public administration and defence—reflecting spending on military activity—and retail, reflecting spending on general office equipment.

Fig. 5: KBR's indirect GDP impact by sector

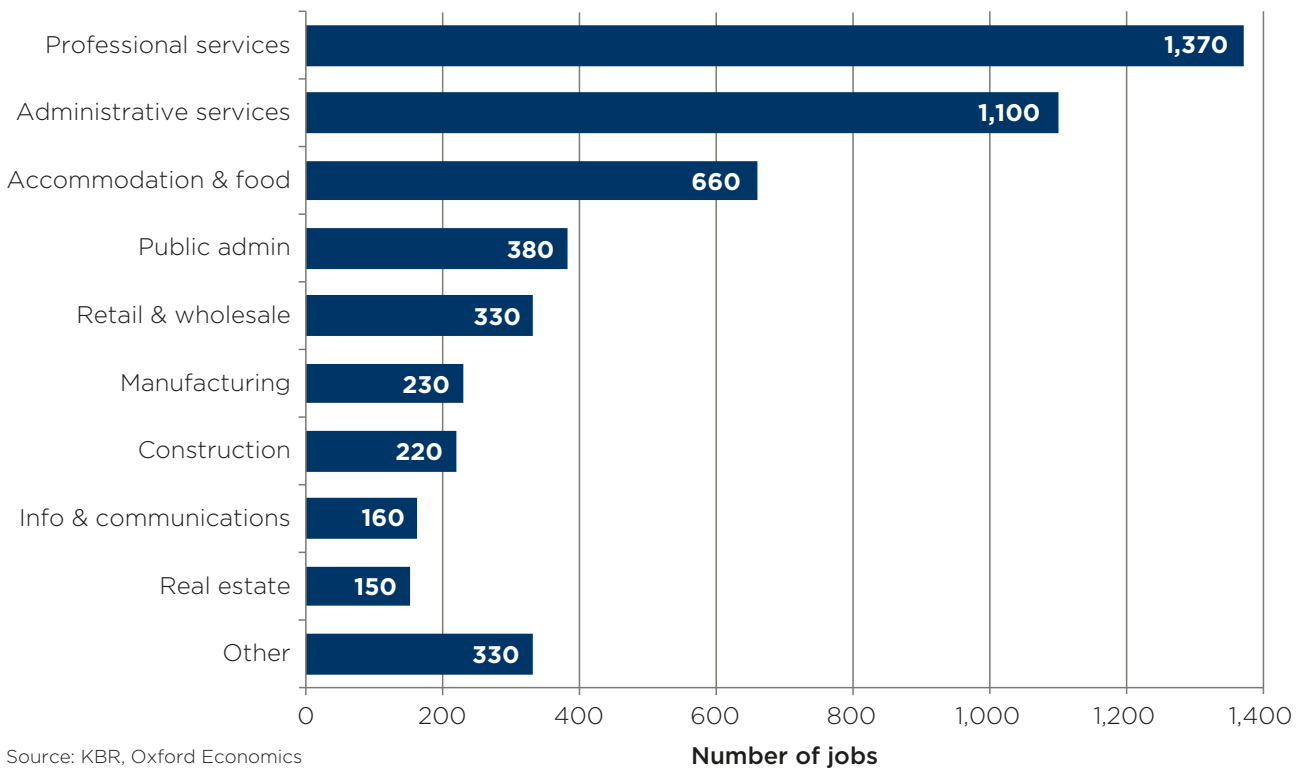


Considering impacts along the supply chain, KBR also supported around 4,900 jobs in 2023. Similar to the GDP impact, the greatest share of jobs was supported in the professional services sector (1,370 jobs). This was primarily driven by KBR’s employment of contractors, which accounted

for approximately two-thirds of the jobs supported in this sector. While the accommodation and food sector supported the third largest indirect employment contribution (13%), it supported a smaller share of indirect GDP (7%) due to the labour-intensive nature of that sector.

We also estimate that £67 million in tax revenues were supported in the indirect channel. This was comprised of corporation tax, taxes on production and products, income tax, and employer and employee social security contributions.

Fig. 6: KBR’s indirect employment impact by sector



Source: KBR, Oxford Economics

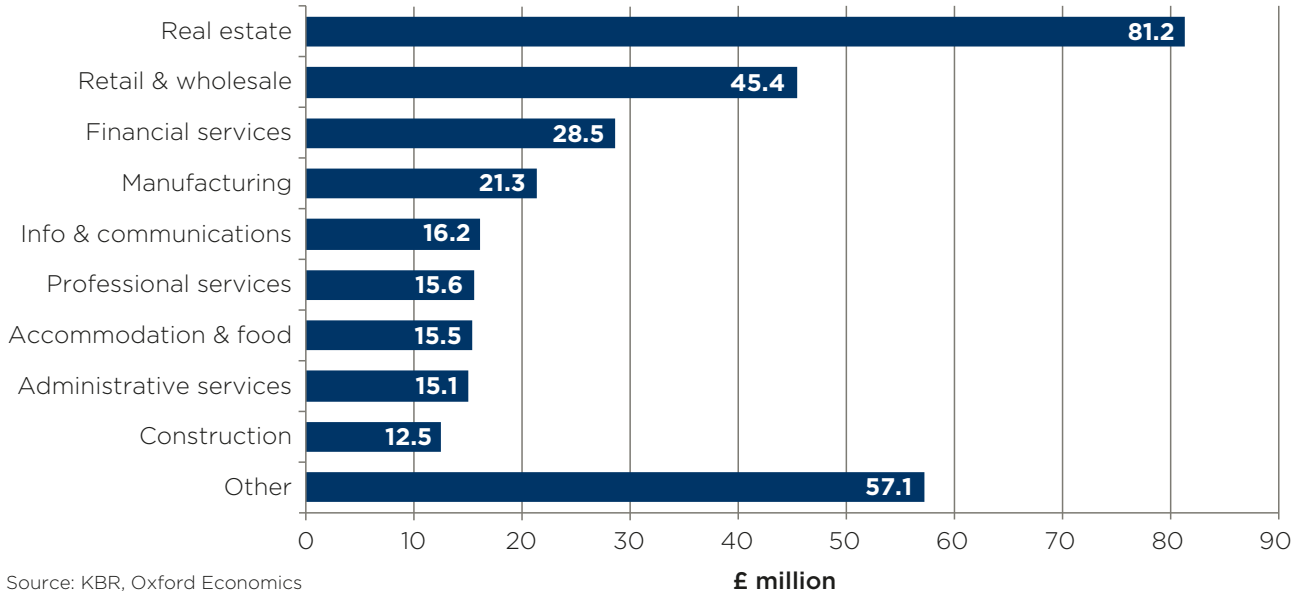
3.2 INDUCED IMPACT

KBR also support the wider UK economy through the induced channel of impact. This reflects activity supported by the wage-funded spending of its employees, and of workers in its supply chains, in other parts of the UK economy.

We estimate KBR supported a GDP contribution of £308 million in 2023. As the induced impact is driven by consumer expenditure, rather than expenditure by businesses, the pattern of activity by sector differs to that in the indirect channel. The largest

contributions were seen in consumer-facing sectors, with over one-quarter of the impact—or £81.2 million—supported in the real estate sector, followed by £45.4 million in the retail and wholesale trade sector.

Fig. 7: KBR's induced GDP impact by sector



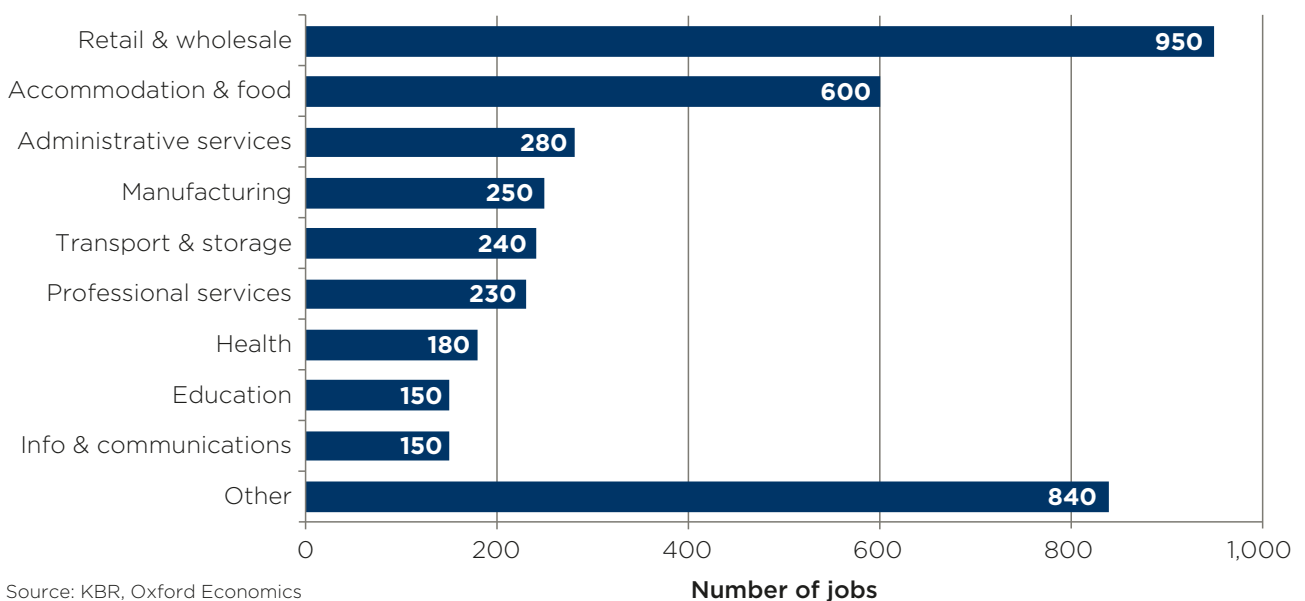
Source: KBR, Oxford Economics

KBR also supported an employment impact of around 3,900 jobs through the induced channel. The greatest number of jobs were supported in the retail and wholesale trade, and

accommodation sectors with 950, and 600 jobs, respectively. While the real estate sector accounted for 26% of the induced GDP impact, it only accounted for 3% of the induced jobs

impact due to the high levels of productivity in this sector. Additionally, KBR supported £87 million in tax payments through this wage-funded channel.

Fig. 8: KBR's induced employment impact by sector



Source: KBR, Oxford Economics

3.3 TOTAL ECONOMIC IMPACT

We estimate KBR supported a total GDP contribution of £913 million across the UK in 2023.

This is calculated by summing together the direct, indirect, and induced channels. Since the total GDP impact was 2.5 times the direct GDP impact alone, this means KBR had an estimated GDP multiplier of 2.5 in the UK. In other words, for every £1 million contribution to GDP generated by KBR in 2023, it supported a further £1.5 million across the UK economy through its expenditure.

The GDP multiplier of KBR is higher than the average for the public administration and defence sector.

While some highly productive sectors, such as scientific research and development, have a higher average multiplier of 3.3, other sectors included in KBR’s activities such as accommodation and repair and maintenance of ships have lower multipliers. This demonstrates the extent of KBR’s supply chain impacts.

A total of 12,800 jobs were supported by KBR across the country in 2023.

In this case, we estimate the employment multiplier was 3.2. This means for every 100 workers employed by KBR; an additional 220 jobs were supported across the UK economy in 2023. The higher employment multiplier, relative to the GDP multiplier, is stimulated by the high productivity and spending

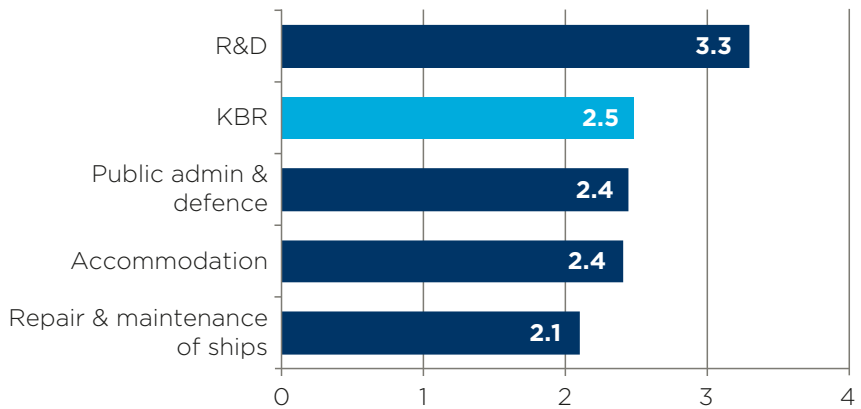
power of KBR’s employees, in turn supporting more jobs, on a relative basis, in other parts of the economy.

Finally, in 2023, KBR also supported a total tax contribution of £366 million.

Its direct impact accounted for

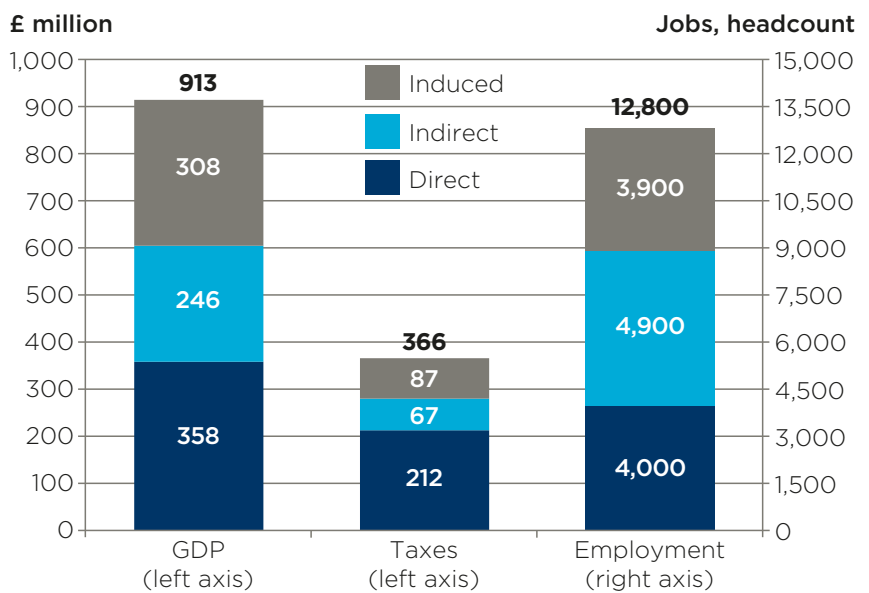
the largest share of this total, at around 60% (equivalent to £212 million). To place this total tax contribution into context, this contribution was enough to pay the salaries of 8,700 full time teachers and other education professionals in the same year.¹⁷

Fig. 9: Multiplier of KBR and its JVs compared to UK sectors



Source: ONS, Oxford Economics

Fig. 10: KBR’s total economic impact in 2023, by channel




Source: KBR, Oxford Economics

Note: figures may not sum due to rounding

¹⁷ ONS, Annual Survey of Household Earnings 2023, data downloaded August 2024
Median wage taken for full-time employees in education.

BR

Delivering Solutions

 Please use our recycling centre

food waste



aluminium cans



general waste



multi-recycling



WE DELIVER

Strategic Objective #4 – Sustainable Development

2030 We do things that matter, leveraging our expertise to address societal and environmental challenges with our clients. We lead by example, embedding sustainable practices into our operations to deliver positive change for society.

Sustainable Development Goals
Develop a roadmap for aligning our plans to relevant SDGs

Decarbonisation / SBTi
Appoint decarbonisation champions to advise teams



to address
clients and partners.
practices throughout
society and the planet.

Energy
Switch to renewable electricity
tariffs and sustainability
awareness training

Social value
Publish our Social Value strategy



Strategic Objective 84 – Sustainable Development

We do things that matter, leveraging our expertise to address societal and environmental challenges with our clients and partners. We lead by example, embedding sustainable practices throughout our operations to deliver positive change for society and the planet.

Sustainable Development Goals
Review a roadmap for aligning our plans to relevant SDGs

Energy
Switch to renewable electricity tariffs and sustainability awareness training

Social value
Publish our social value strategy



APPENDIX—METHODOLOGY

Economic Impact Modelling

Economic impact modelling is a standard tool used to quantify the economic contribution of an investment or a company. Impact analysis traces the economic contribution of an investment through three separate channels:

- **Direct impact**—refers to activity conducted directly by KBR in the UK.
- **Indirect impact**—consists of activity that is supported as a result of the procurement of goods and services by KBR in the UK, purchases by those companies in turn, and so on.
- **Induced impact**—reflects activity supported by the wage spending of direct and indirect employees.

Direct impacts

The direct value added of KBR is calculated as the sum of compensation of employees, profits, and business rates. Direct employment is comprised of workers employed by KBR, and direct tax contributions represent the taxes it paid over the year. Inputs from KBR’s JVs are adjusted to reflect the share of the business that is owned by KBR itself.

Indirect and induced impacts

Indirect and induced impacts are estimated using an input-output model. An input-output model gives a snapshot of an economy at any point in time. The model shows the major spending flows from “final demand” (i.e., consumer spending, government spending investment, and exports to the rest of the world); intermediate spending patterns (i.e., what each sector buys from every other sector—in other words, the supply chain); how much of that spending stays within the economy; and the distribution of income between employment and other forms such as corporate profits.

An input-output model uses a matrix representation of a nation’s interconnected economy to calculate the effect of changes by consumers, by an industry, or by others, on other industries and therefore on the economy as a whole. These input-output tables ultimately measure “multiplier effects” of an industry by tracing the effects of its inter-industry transactions—that is the number value of goods and services that are needed (inputs) to produce each pound of output for the individual sector being studied.

These models can be used to measure the relationship between an economic change or “shock,” and the final outcome across the whole of the economy. In essence, an input-output model is a table which shows who buys what from whom in the economy.

Oxford Economics used the input-output analytical table for the United Kingdom for 2018, published by the ONS in 2022, for this analysis. This was the most recent dataset available at the time of analysis. Direct, indirect, and induced employment figures in this report have been rounded, generally to two significant figures.

To avoid double-counting, KBR’s procurement data have been adjusted to remove any purchases between business units. Indirect jobs are presented including the contractors that KBR hires.

OXFORD ECONOMICS

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts, and analytical tools on more than 200 countries, 100 industries, and 8,000 cities and regions. Our best-in-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social, and business impact.

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