

approximately four out of five people live in urban or suburban areas. In Scotland and Wales the number of city dwellers is lower. Population growth in the U.K. has stood at less than 0.5 per cent per year. Eighty per cent of the land is developed for agriculture. Major natural resources include offshore oil, gas and coal.

## Economy

The U.K. gross domestic product (GDP) in 1988 was £400 billion thus ranking fifth in size among Western nations, although ninth in terms of per capita GDP.

The government has introduced a large-scale privatization program and many organizations previously under government ownership have returned to the private sector. Steel, transport, oil and gas, telecommunications and power have all figured prominently in this scheme.

The maturation of the offshore oil and gas industries, the growth in the service industries (especially financial services) leading to an expanding invisible trade surplus, the rapid development of electronic and micro-electronic technologies, and industry preparation for the single European market have dominated recent trends.

Economic recovery started in mid-1981 and has continued through 1988 to produce a real increase in GDP of over four per cent. The immediate outlook is for continued growth at a diminished rate.

## Trade Policy and Characteristics

Foreign trade is within the competence of the EEC. Tariff levels applying to Canadian exports to the U.K. are those of the Common Customs Tariff established by the EEC.

In effect, Canadian products now enter Britain at the same rates as those applied to products from the United States, Japan and Australia. In contrast, industrial products from members of the Common Market and EFTA benefit from duty-free entry into the U.K.

In addition, a range of products can enter the U.K. from less developed countries under the general preferential scheme for such countries.

British import duties are for the most part assessed on an ad valorem basis that includes freight, insurance, commission and all other charges to the port or place of importation. The invoice price, if negotiated under open market