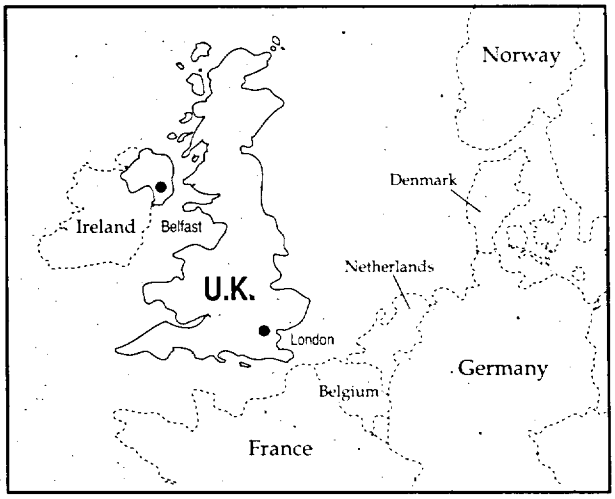
United Kingdom

HEAD OF STATE: Her Majesty Queen Elizabeth II
HEAD OF GOVERNMENT: Prime Minister John Major (Conservative Party)
POPULATION: 57 970 000

GROSS DOMESTIC PRODUCT (GDP): $1.19 trillion (1993)
GDP GROWTH: 4.0% (1994)
PER CAPITA GDP 1993: $22,162

UNEMPLOYMENT RATE: 9.3% (1994)
INFLATION RATE: 2.5% (1994)
EXPORTS AS A PERCENTAGE OF GDP: 26.9% (1993)



Trade and Investment

As a former part of the British Empire and, later, the Commonwealth Canada has enjoyed close relations with the United Kingdom (U.K.) for many years. The bilateral trading relationship remains strong, with two-way trade valued at $7.2 billion in 1993, making Britain our largest commercial partner in Europe and our third largest globally. The U.K. is Canada's third largest consumer of exports. Canadian companies invested $12 billion in the United Kingdom in 1991 — more than triple their investment in 1984. British direct investment in Canada stood at $17 billion at the end of 1991, this makes the U.K. by far Europe's biggest investor in Canada. In addition, British investors hold more than $23 billion worth of Canadian bonds.

Four prime ministers of Canada Sir John A. Macdonald, Alexander Mackenzie, Sir Mackenzie Bowell, and John Turner, were born in the United Kingdom. One British prime minister, Andrew Bonar Law, was born in Canada.

Bilateral Relations

Historical ties, the monarchy, and a shared heritage mean that Canada's relations with the United Kingdom are the closest and most extensive we have in Europe. More than 100 Canadian departments and agencies have exchanges or other co-operative ventures with their British counterparts. The Canada-U.K. Colloquium has been an integral part of public policy exchanges. Public and private sector people from both countries gather annually to share information and ideas. In 1994, at the 10th anniversary of this annual event, the colloquium focussed on foreign policy. The Canadian and British governments consult closely on a wide range of multilateral and security issues.

Current Issues

In 1973, Britain joined the European Community, now the European Union. Canada has since become a member of the Asia-Pacific Economic Co-operation forum (1989), the Organization of American States (1990), and the North American Free Trade Agreement (1994). Through the historical links between the two countries, Canadian businesses see the U.K. as a principal gateway to establishing a presence in the European Union. By the same token, Canada acts as a link into the North American market for British businesses. While each country has come to focus more on its immediate region as a result, both countries remain firmly committed to the transatlantic partnership embodied in NATO.