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### *III. BRITAIN (U.K.)*

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#### **The Canada-U.K. Environment**

Even though the U.K. remains Canada's third largest bi-lateral trading partner and most important customer in Europe, Canadian exporters must appreciate the reality of the U.K.'s greater involvement in Europe, and intensify efforts to promote effective and long-term trading relationships with the country.

Canada's preferred access to the U.K. market is a thing of the past. The product and the price must now overcome EEC tariffs and possibly other trade restrictions and still be competitive with high-quality European goods and services that enter the U.K. duty-free.

Generally, attitudes toward doing business with Canada are positive but misconceptions of Canada as essentially a supplier of industrial raw materials, forest products and grain are still widely held. Similarly, some Canadians have equated the U.K. with outdated, inefficient industrial processes and are not themselves aware of the scale of the transformation taking place.

While stereotyped impressions are breaking down and more realism is developing in the relationship, the degree and diversity of trade interdependence remain far below potential.

#### **Population and Environmental Characteristics**

The U.K. (England, Wales, Scotland and Northern Ireland), with a population of 56 million, is 1 000 km from the south coast to the extreme north of Scotland and 500 km across at the widest point. Transportation facilities and services are excellent with major sea ports in London, Liverpool and Southampton; a railway system between all main cities and towns, probably more kilometres of roadway for its area than any other country; and numerous international and domestic airports.

Important population/marketing areas include greater London (7 million), West Midlands (2.4 million), greater Birmingham (2.3 million), Tyneside (Newcastle) (797 000) and West Yorkshire (Leeds and Bradford) (1.7 million). In England,