

# Doing Business in the U.K.

*Although doing business in the United Kingdom is in many ways similar to doing business in Canada, there are a number of considerations that should be taken into account when entering into transactions in various sectors.*

## General

To be successful in the U.K., companies need to have good local representation. Larger companies have subsidiaries in this market, while smaller firms tend to select a local partner that is involved in a complementary business. This is often the only way for smaller companies to compete in this market.

## Aerospace/Defence

Given the high technical standards in this sector, ISO-9000 certification is often a prerequisite for bidding. European standards for Radio Frequency Interference and Electromagnetic Compatibility must be met. Companies with unique defence products should contact the Procurement Office of the U.K. Ministry of Defence. Companies seeking to become long-term suppliers may need to invest in a local facility to ensure regular service and liaison.

## Agriculture, Food and Fish Products

As well as the regulatory and statutory framework that surrounds the U.K. market, the level of the "service package" required is critical in realizing export success. This means that Canadian exporters need an understanding of the market structure, the importance of key players at the import, wholesale and retail levels, production distribution factors, product quality and presentation, packaging, supply and pricing.

## Consumer Products

Import tariffs, for most consumer products from Canada range from 5 per cent to 17 per cent.

These products generally have to comply with packaging, labelling, user information and safety requirements.

## Cultural Products

Sales of recordings are often inextricably linked with live performances. It is important, particularly in the pop/rock fields that musicians are prepared to tour. It is difficult to arrange a tour in the U.K. from a Canadian base and it is recommended that a U.K. tour manager be employed for this purpose. Book publishers are encouraged to make personal contact by attending fairs like the London International Book Fair and work through a local distributor or agent.

## Environmental Equipment and Services

Any Canadian company wishing to enter this market must establish a local presence. Technology licensing and strategic alliances are the obvious strategies for most companies, while alliances with public limited-liability companies also offer opportunities to introduce Canadian technologies.

## Forest Products

Softwood imports from Canada are subject to EU phytosanitary requirements that stipulate the removal of all bark. Furthermore, such products must be either kiln dried or heat treated. Under discussion with the European Commission is an Enhanced Visual Inspection Program which would obviate these requirements. More recently, some end users are requesting that products originate from sustainably managed forests.

## Building Products

Building products must conform to the appropriate British standards and companies are also advised to obtain certification from the British Board of Agreement.

## Information Technologies

Equipment must meet European standards for electrical safety and Radio Frequency Interference and Electromagnetic Compatibility. The equipment must also carry a "CE Mark" to show that it may be legally offered for sale. (See page II.) Marketing major systems may require companies to have ISO-9000 quality registration and associated IT standards. Any equipment using radio frequency spectrum will come under particular scrutiny and a shift of frequency may be required. Telecommunications services are licensed by the Department of Trade and Industry in co-operation with the Office of Telecommunications and the Independent Television Commission for cable and terrestrial TV.

## U.K. On-Line

Visit the United Kingdom page of the DFAIT Web site to find sector reports and contacts. In the reports, you will find the e-mail address of the sector officer at the Canadian High Commission in London or the URL for some key companies in your sector. You will also find *Canada's Action Plan for the United Kingdom*.

The U.K. page is <http://www.dfait-maeci.gc.ca/english/geo/europe/e-Unking.htm>