

In 1991 there was a further liberalisation of the market, allowing the entry of new long distance telephony operators. In addition UK Cable TV operators, many of them Canadian owned, were permitted to offer telephony services directly to their customers. At the same time British Telecom (BT) was tightly regulated to permit this new competition to flourish.

The UK does not use North American telecom standards, but CCITT, ETSI (European Telecoms Standards Institute) and BSI (British Standards Institute). The approvals body for most equipment is the British Approvals Board for Telecommunications (BABT). BABT Approvals can only be held by a UK registered company and it is strongly advised that Canadian companies do not use their distributor as approvals holder, but form their own UK company for that purpose.

### **Computing**

The UK is one of the largest and most developed markets for computer products and services in Europe, with a strong local supplier industry in most sectors including mainframe computers (ICL-now owned jointly by Fujitsu-80% and Northern Telecom-20%). The UK market researcher, Ovum, has estimated that the UK "Information Technology" (IT) market was worth about \$23 billion in 1990, of which roughly 33% represented hardware. Billings of software and services in 1990 were over \$8 billion according to the UK's Central Statistical Office (SDQ9 Fourth Quarter 1990), whilst the Economist Intelligence Unit in March 1991 estimated the UK Packaged PC Software market at over \$680 million in 1990.

As in North America, the PC market has been one of the fastest growing sectors. Significant changes are occurring in UK distribution channels for PC hardware and software, mirroring developments in the USA. The first UK PC Supermarket, PC World, opened at the end of 1991 with support from major suppliers like IBM, Dell, Apple, Hewlett Packard, Microsoft, Lotus etc. Increasingly resellers are having to add value to the hardware and software which they sell, in order to compete with direct sales.

The best opportunities in the UK are for specialist vertical market software packages, with some unique features, running under Windows or UNIX, specialist computer peripherals, including multi-media and data communications equipment and devices.

### **Commercial Electronics**

Total sales of electronic components to OEMs (Original Equipment Manufacturers) in the UK are approximately \$Cdn 5.5 billion per year, of which 30% is through distributors and 70% direct from manufacturers. The major suppliers are the US and Japanese multinationals. The highest-value components are semiconductors, which account for almost 40% of the total. Other significant items are connectors, valves and printed circuit boards, each making up around 15%. There are now few UK-owned electronics companies, of which the largest is the GEC Group.