The Action Plan

The High Commission in London actively pursues market opportunities for Canadian health care companies by:

- tracking and monitoring market trends in key sectors, technologies, legislation, policies, and practices;

- assisting Canadian companies in finding U.K. distributors, agents, or contract manufacturers;

- hosting presentations by Canadian companies with established distributorships in the U.K.;

- alerting U.K. industry to specific opportunities for technology partnerships with Canadian companies and to the advantages of transferring R&D activity to Canada; and

- producing a guide for Canadian exporters with case studies of how Canadian companies have been successful in selling into the U.K. or in establishing technology partnerships with British industry.

For further information contact:

Patrick Stratton
Canadian High Commission
Commercial/Economic Division
Macdonald House
1 Grosvenor Square
London W1X 0AB
Tel.: (011-44-171) 258-6654
Fax: (011-44-171) 258-6384
Email: patrick.stratton@ldn02.x400.gc.ca

INFORMATION TECHNOLOGIES

The information technology (IT) market is composed of three subsectors:

- computer hardware, software, and services;

- data communications equipment and services; and

- telecommunications equipment and services.

The U.K. IT market is challenging France as the second market in Europe, after Germany, with a 17 percent share of the total EU market, compared with Germany's 28 percent. The U.K. market is growing at an average rate of about 5 percent annually, a figure in line with its major European competitors. The total U.K. IT market is worth around $80 billion, over half of which is represented by telecoms equipment and services. Within this overall market, the main growth areas include:

- personal computers (PCs);
- local-area networks;
- network services;
- education and training software;
- professional software services; and
- Internet/Intranet software and services.

Industry sources suggest that there were 7 million PCs in U.K. homes in mid-1996 and 5 million networked PCs. The U.K. datacoms equipment market is estimated to be the largest in Europe at $2.5 billion, due to high sales of multiplexors and modems in what is a highly liberalized and competitive telecoms market.

In June 1996, Mercury Communications announced a $600 million investment in data services over the following five years, which included the first public frame-relay service in the U.K. Both Newbridge and Nortel have been closely involved in developing Mercury's data service platform.

The information technologies market is large, lucrative and very competitive.

The U.K. software and service market is worth around $22 billion, with services representing over two thirds and applications software, around 17 percent. The 1996 Holway Report shows that in at least the last ten years, 1995 was the best year for the British software and computing services industry. The subsector grew by 18 percent in 1995, and the U.K. is now the fastest-growing market for these products in Europe. Outsourcing – in all its guises – was the single most important contributor to the exceptional revenue growth.

IT now has a high profile in U.K. education. Successive changes to education legislation have brought about the introduction into the national curriculum of technology courses combining