

MARKET PROSPECTS:

The following markets, grouped by region, represent a synopsis of global market potential for computer software products. Each individual market within the region has not been identified, as this assessment is principally structured to reflect the trade plans submitted by posts abroad. Each noted market is rated according to current marketing intelligence on the general potential of this market compared to other markets within the region and against other regions. These brief summaries are intended to provide a framework describing the general environment, and allow a comparison of markets based upon their relative merits, i.e., attractiveness as direct export opportunities. Known success of Canadian companies within a specific market, market access difficulties, funding availability and infrastructure development are also factored into the general market assessment. The markets are categorized as follows:

Tier A: Cash Market mostly; clearly defined market access procedures with few restrictions; interest and success of Canadian companies at a high level; an established infrastructure; a proven, relatively stable, market growth potential.

Tier B: Emerging markets with proven interest in Canadian products; some degree of Canadian success; evolving infrastructure with capability to deal with large development projects; generally moderate-to-high level of interest from Canadian companies. Intellectual Property legislation is in place and to some degree enforced.

Tier C: A combination of all or some of the following factors: long decision cycles; frequent complex business practices; intellectual property violations; lacking necessary infrastructure to adequately support development projects; not a high priority for most Canadian companies.

As with most other countries, the areas with the highest current potential and with the highest international activity by Canadian software producers are (in order of intensity): USA, Western Europe, Japan and SE Asia (including Taiwan).

Emerging markets with growing potential are: Mexico, Brazil, Argentina, Venezuela, and Chile in South America, Hungary, Czechoslovakia and Poland in Eastern Europe; and Australia.

Potential markets (ie. Potentially good future markets inhibited by current circumstances) are: South Africa, the ASEAN Countries, the Peoples Republic of China, Russia, and possibly other Eastern European states.