

Europe's northern innovators beckon Canada

This special issue looks at trade and investment opportunities with Canada's northern neighbours: Denmark, Finland, Iceland, Norway and Sweden, now commonly referred to as the Nordic countries.

The region is linked to Canada by more than just climate and beauty. Canada shares numerous business ties with the region of 25 million people, and a mutual respect for innovation, fair business practices and intellectual property that make it an excellent trading partner.

"Industries in the Nordic countries have relatively small domestic markets so they become international players at an



Photo: CP Images/Erik Johansen

For the planet's sake: Prime ministers from the five Nordic countries launch a global seed bank on Norway's Svalbard Islands near the Arctic circle in June 2006. The bank is intended to protect the genetic materials of critical world food crops.

early stage," says Thierry Weissenburger, a senior trade commissioner with the Canadian Embassy in Denmark.

Weissenburger explains that to ensure global competitiveness, businesses in this region tend to put a great deal of importance on innovation, both in resource based sectors as well as in high-technology and science.

"The people of the region are also quality conscious and are very open to new technologies. This part of Northern Europe is often used as a test market by companies, since it can be a gateway to Western Europe, and increasingly, to Central and Eastern Europe too," he says.

Foreign Investors

Similarly, many Nordic companies use Canada as a gateway when expanding into the North American market.

Georges Lemieux, a senior trade commissioner with the Canadian Embassy in Oslo, notes that this region is among Canada's top 10 investors, accounting for \$7.3 billion of foreign direct investment into the country.

"Canada has been a favoured investment destination for the Nordic countries across several industrial and service sectors and in all Canadian provinces," says Lemieux. "Canadian embassies and provincial governments continue to actively promote investment to Canada."

This region covers an area equal to the size of Manitoba and Alberta. Gross domestic product (GDP) per capita is higher than the EU average and the region is one of the wealthiest in the world. It is also one of the most innovative parts of Europe, both in terms of money spent on research and development relative to GDP and to the number of patents filed.

For more information on Nordic opportunities, turn to the following pages.



GENERAL INFORMATION

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Opportunities abound as Nordic consumers lead phone revolution

Canadian leaders in information and communications technology can find windows of opportunity and world-class partners in the Nordic region.

The ICT market there is worth some \$80 billion a year, split almost evenly between IT and telecoms, says Euan Scott, a trade commissioner with the Canadian Embassy in Sweden. "This is a big market for anyone selling to big business."

One reason is that both corporations and consumers are early adopters of technology, offering good margins and big name references for Canadian suppliers. The market also serves as a good test bed for new products.

Outstanding infrastructure underpins the region's cutting-edge services, Scott says. For example, companies that once embraced electronic data interchange are today major investors in datacom interfaces.

"The region's mature mobile market also makes it ideal for products and other offerings that add value to mobile and fixed broadband services," says Johan Nyman, a trade commissioner with the Canadian Embassy in Helsinki. There is also a trend toward mobile and fixed broadband convergence, driven by massive restructuring.

With broadband services becoming more common at work and home, consumers are getting into more advanced, high-capacity mobile services, says Nyman.

Rapidly evolving environment

The business landscape in the Nordic region is also changing dramatically, creating new opportunities for Canadians. Telecom monopolies are competing across borders, and Internet and fibre optic networks are being bought up by major operators looking to dominate the interactive multimedia market that may one day displace traditional broadcast media.

The biggest Nordic operators are also deploying their solutions in operations in continental Europe and high-growth Russia and Eurasia. Deregulation in the telecom sector has also created numerous small operators, who have come from other fields such as cable TV and the utilities.

Moreover, Scott says that the region's high tax environment creates a powerful demand for efficiency yielding IT solutions in areas from engineering and the automotive sector to consumer services. "With electronic commerce and banking becoming increasingly popular, transaction security solutions are doing well here."

But sophisticated demand produces tough domestic competition, Scott says, and industry giants like Ericsson and Nokia are rich hunting grounds for many Canadian players. System integrators are numerous and specialized according to sector, offering good partnerships with corporate customers in the region and elsewhere. There are Nordic multinational companies—often market leaders—in every global sector, and they operate worldwide.

The public sector is a big player in the region and is also under pressure to achieve efficiency through interactive communication and transaction solutions, Scott says. Nationalistic preferences are not strong; public sector



It's your call: the Nordic telecommunications industry is opening up and Canadian exporters stand to benefit.

purchasers will go for the best deal, but only with framework approval from national procurement agencies.

But Scott warns that Canadian suppliers need local representation in selling to all areas of the market. That's where Canada's Trade Commissioner Service can help make the necessary introductions. If it's too early to establish a physical presence in the region, Scott advises it's important to have at least a distributor or reseller, or a regional office elsewhere in Europe.

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