

telecommunications sector has been a top priority for the export promotion efforts of Canadian embassies in the region.

Canadians are respected for their research and development in this sector, as well as for their expertise. Nevertheless, seeking alliances with local companies and making solid agreements for local distribution would enhance the success of Canadian manufacturers in the CEFTA region.

Major investments have been made by the Czech Republic to open up and modernize its telecommunication sector. Deregulation of this sector has allowed the introduction of many new players and competitors, and resulted in the emergence of new opportunities. Major Czech industrial firms and utilities are joining with international telecom partners to build fibre optic data transmission systems to compete head-to-head with SPT Telecom, the former state monopoly.

Unlike the government of the Czech Republic, the Slovak government has continued with its plan to modernize the telecom system while retaining direct government ownership, at least until the year 2000. The Slovak telecom market is smaller than the Czech market, with fewer players.

Poland's interest in telecommunications is a result of its dynamic economic growth and its need to make up for technological backwardness. The public telecom market is strictly monitored

and regulated by the Polish government. However, local networks and end-user markets remain fully open to private investment. Among the key players in this market are: AT&T, Siemens, Alcatel, Ericsson and Kapsch.

In Hungary, there are at present 2.1 million telephone lines, or 28 lines per 100 residents. MATAV, the national telephone company, will have a monopoly until 2001, when competition is expected to heat up. MATAV is partly privatized. It invests C\$ 350 million annually in telecommunication services.

Opportunities and Constraints

Significant opportunities exist for suppliers of equipment and technology in basic telecoms, digital switches, systems networking and integration, specialized equipment, cellular, GSM and other wireless communication, and rural telephony systems. Many Canadian manufacturers have already successfully penetrated these markets and continue to enjoy an excellent reputation as reliable providers of quality equipment.

Poland's population of 38 million has access to only 5 million telephone lines. Polish plans call for this to more than double to 11 million lines by the year 2000. Key opportunities lie in mobile and satellite telecommunication, value-added telephone services, data communications, POS equipment, and multimedia.