

REPORT ON EUROPE 1992 AND THE TELECOMMUNICATIONS AND INFORMATION SECTORS

Introduction

This overview on Europe 1992 is based upon:

- a) the work of an Interdepartmental Working Group on informatics and telecommunications; and
- b) a visit to the European Commission from April 11-14, 1989, by six senior officials from the Department of Communications, Industry, Science and Technology Canada (ISTC) and the Treasury Board Secretariat.

Over the course of the past 10 months, the Interdepartmental Working Group reviewed recent internal measures of the European Community (EC) and its executive arm, the European Commission, that could affect Canadian providers of computer and telecommunications equipment and services. In addressing its task, the Working Group established four subgroups on:

- a) Market Access and Government Procurement;
- b) Telecommunications Standards;
- c) Regulations;
- d) Technical Cooperation.

Each of the subgroups assessed European developments within the indicated areas. The work of these subgroups will continue in order to maintain an ongoing oversight of the continuing developments in Europe as they affect Canadian industry and the positions to be adopted in the GATT negotiations.

The mission to the European Commission, led by the Assistant Deputy Minister, Technology, Research and Telecommunications, Department of Communications, represented the first high level consultations with the European Commission on telecommunication policies and provided a first-hand assessment of European developments. These consultations, which took place on April 13 and 14, 1989, followed directly upon a mission to Germany of senior Canadian officials, led by the Deputy Minister of Industry, Science and Technology Canada which examined that country's science policies. This sequence of meetings provided a unique opportunity to review the policies of both the European Community and those of a leading Member State. There was a general feeling among both delegations that similar consultations should be organized in the future.

The European Context

The European Community is in the midst of a determined effort to forge a single European market for goods and services by 1992. This commitment to an economically united Europe is based upon the realization that the existing segmented national markets will not allow Europe to compete on an international scale. To achieve its goal, the Community has put into play policies that will: a) dismantle national protectionist barriers, including state monopolies; b) introduce more vigorous competition policies at the European and national levels; c) provide long term scientific and technological (R&D) funding in sectors where Europe's perceived comparative advantages should lead to successful commercialization; and d) encourage a pan-European approach to the production of goods and the supply of services.

Since the late 1970s, the telecommunications and computer and information sectors have been targetted by the Commission and the Member States as sectors vital to the restructuring of their national economies and international competitiveness. These sectors were also perceived as a source of major internal economic growth in the 1990s. In their analysis, the Europeans recognized that they were burdened with two major impediments. First, in the telecommunications sector, the Post, Telegraph and Telephone (PTT) authorities operated as traditional state monopolies and, as such, were expected to fulfill numerous political, social and economic objectives, including national