

Belgium a Great Test Market at the Heart of the European Union

BELGIUM is one of the most attractive markets in the European Union (EU) for Canadian companies wishing to position themselves in the continental European market.

With a population of 10 million, it is relatively small, yet it is the sixth largest importer in the EU and accounts for 3.2 per cent of international trade.

Located in one of the world's most industrialized and competitive regions, where 75 per cent of the EU's purchasing power can be found, Belgium is a "value-added" country, with imports amounting to about 60 per cent of its Gross Domestic Product and exports accounting for 70 per cent.

The country is characterized by numerous export-oriented small and medium-size companies that occupy niche markets. This helps to make it an important source of potential strategic alliance partners and positions it to work well with Canadian firms—both in the

EU and in the NAFTA markets.

Belgian industrial expertise lies mainly in metallurgy, chemicals, pharmaceuticals, biotechnology, advanced industrial materials, textiles, glass, aerospace, and food processing. Belgians also excel in certain service industries, such as transportation, shipping, distribution, and banking.

Belgium is one of the countries benefitting most from European integration. Brussels has been designated the capital of the "new Europe" and the Single Market gives Belgium the opportunity to capitalize fully on the comparative advantages it draws from its location between France, Germany and The Netherlands, its multilingual and cosmopolitan population, and the openness of its economy. As well as being the host of the European Commission, Belgium is the European headquarters of many multinational organizations.

When elaborating their European strategy, Canadian firms should be aware that most marketing experts consider Belgium to be one of the best — if not *the* best — test markets in Europe. If

a product is launched successfully in Belgium, it stands a good chance of being successful in other EU member countries.

It is also one of the most challenging markets, in part because of its cultural duality, enabling the exporter to experience both the Latin and Germanic ways of doing business. Sales and marketing experience in Belgium could therefore prove invaluable for future exports to the rest of Europe.

Belgium is one of the choicest places in Europe to set up a sales office, not only because of its strategic location, but also because of the relatively low costs involved, the availability of multilingual staff, and excellent communication, financial, and support services. Further, the country offers one of the best transportation systems in Europe and is easily accessible by air, sea, road, rail, and inland waterways.

Not surprisingly, some 88 Canadian companies have established a presence in Belgium.

For more information on opportunities in the Belgian market, parties may consult the sectoral market studies on page 7.

CONTRACTS

An alliance of six British Columbia marine companies, **Western Canada Marine Group (WCMG)**, has been awarded an \$18 million contract to design and equip a 76-meter patrol vessel for the Coast Guard of Mauritius. The Group, which also is bidding worldwide on other ship design and equipment packages worth \$200 million, was successful against nine other bids. It took 15 months, seven trips to Mauritius and well in excess of \$100,000 to secure the contract.

EDC Line of Credit with Czech Bank

Canadian companies looking to sell goods and services to the Czech Republic can benefit from a US\$10 million line of credit agreement between the Export Development Corporation (EDC) and Komerční Banka (KB).

This is the first financing facility that EDC has established with KB, one of the leading commercial banks with the largest branch network in the country, and should be a particularly helpful marketing tool for small and medium-size enterprises doing business in the Czech Republic.

Potential SME exporters can have their transactions qualified for financing under this credit facility through any of EDC's eight regional offices, located in Vancouver, Calgary, Winnipeg, London, Toronto, Ottawa, Montreal and Halifax.