

suppliers, distributors, and customers. The disadvantages are vulnerability to litigation and environmental audits in the future, and the high costs of streamlining and/or restructuring that come with buying into an inefficient operation.

Greenfield investments are now becoming more frequent, and are often made in the absence of suitable local partners, or when technological differences are so great that it is less expensive to start a new business than to restructure an existing one. Some greenfield investments have exploited previously untouched natural resources, or taken advantage of local competitive advantages, as exemplified by Suzuki's decision to begin automobile assembly in Hungary.

The CEFTA region is attracting an increasing amount of foreign direct investment, in part because of low wages and a well-educated work force. Neighbours like Germany and Austria, with their sophisticated technology and easy access to capital, are among the most active in the region. In general, there are no impediments to FDI save in a few key strategic sectors; in these, national governments intend to keep control by establishing national agencies and/or limiting foreign participation. Depending on the country, these key sectors may include oil refining, electric power, and telecommunications, although there is some movement towards privatization as well as openings for FDI in those sectors.

Hungary benefited from large volumes of FDI in the early 1990s - over US\$ 15 billion, more than the Czech Republic and Poland put together.

**TABLE 4 (Estimates)**

Country	Canadian FDI into Country*	Country FDI into Canada*
Czech Republic ('95)	\$ 150.0 ('96)	\$20.0
Slovakia	\$ 10.5 ('96)	N/A
Hungary	\$ 200.0 ('96)	N/A
Poland	\$ 150.0 ('96)	N/A
Slovenia	N/A	N/A

\* In millions of Canadian dollars

## TRADE PROMOTION / ADVERTISING

Advertising is a growing and successful phenomenon in the region. Often, dealers and representatives of foreign companies find trade fairs to be excellent avenues for promotion and for gaining access to local customers.

In terms of direct or public advertising, all the mass media are used: television, radio, magazines, and mobile and fixed billboards. Most large Western advertising agencies have local branches or partners in the CEFTA countries, and there are a growing number of high-calibre local agencies as well. Product demonstrations and personal selling, as used by Avon and Amway, have proven popular. With the increasing penetration of cable television, especially in Hungary, home shopping channels are becoming available to a greater percentage of the