

The European Free Trade Association (EFTA), which consists of Austria, Iceland, Norway, Finland, Sweden and Switzerland, has three objectives: to achieve free trade in industrial products between member countries; to assist in the creation of a single market embracing the countries of Western Europe; and to contribute to the expansion of world trade in general.

In recent years there has been increased activity by all NATO nations in seeking to participate in NATO Cooperative Armaments Programs. This initiative was necessary to share the costs, risks and technology of the armaments necessary to meet the Soviet threat. Canada, both government and industry, has participated in several of these cooperative armaments programs. There will be more opportunities in the future. The Canadian government should assist Canadian industry to take a more active role in participating in NATO Cooperative Projects.

CONCLUSIONS

On the initial questions on what does NIAG want from Europe '92, and what does NIAG plan to do about Europe '92, there are a number of possible answers offered by members of the Canadian NIAG group more for discussion than as firm position statements. These include:

1. The formation of consortia will be more frequent and essential in the defence and defence-related sector in the future. Canadian companies should continuously be on the lookout for opportunities for such teaming arrangements and their industrial strategy should be reviewed to reflect the dynamics of such early consortia participation.
2. Research and development will be essential in not only keeping abreast of technology advances, but the goal should be to move well ahead of the competition. Industry must work increased R&D into their own industry strategies while keeping up the pressure for an adequate, tangible response from Government in the R&D field.
3. Canadian companies might look at their corporate business plans to ensure they fit the future. The period of return-on-investment might have to be lengthened to compete in the new EC 1992 market.
4. Companies must increase the quality and reliability of their products as they strive for excellence. At the same time, such products must meet the minimum requirement at a competitive cost. In addition, productivity must be improved to lower costs and therefore to become more competitive.
5. Companies could have closer or different arrangements with their parent companies to allow the Canadian component access to the European market. This is particularly important if the parent is an EC company.