THE CANADIAN TRADE COMMISSIONER SERVICE

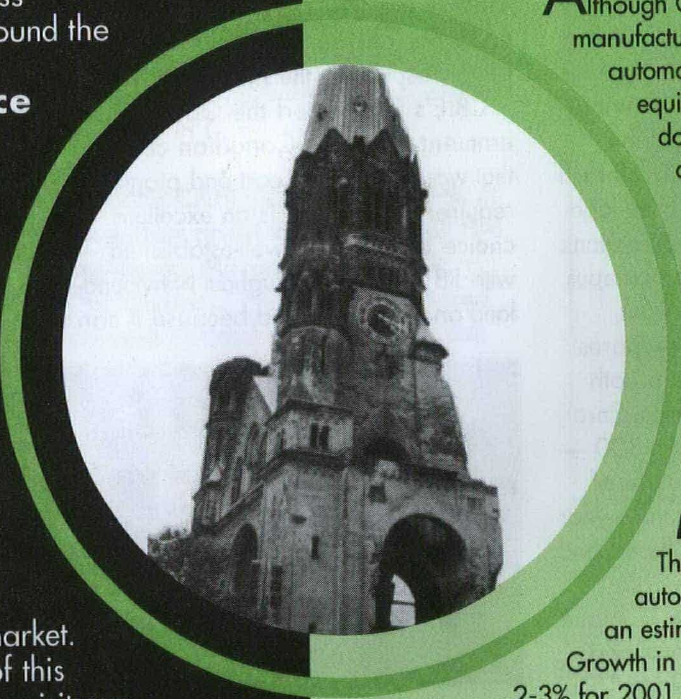
GERMANY

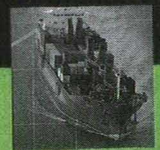
With a team of 500 business professionals in 140 cities around the world, the **Trade Commissioner Service** has the market knowledge you need to succeed in your target market. Our Market Research Centre and our offices abroad have prepared over 600 market studies available for free on our Web site. These studies will help you identify foreign business opportunities and learn more about your target market.

This is an overview of the market. For a more in-depth study of this market and for other studies, visit our Web site. When you are prepared to do business abroad, you can use our Web site to get in touch with our offices around the world and request personalized services electronically.

www.infoexport.gc.ca

The Industrial Automation Market





MARKET RESEARCH CENTRE

Over 600 market reports in 25 sectors available at:

www.infoexport.gc.ca

Although Germany has a strong manufacturing capacity in industrial automation and process control equipment, demand outweighs domestic supply. This gap has created opportunities for Canadian companies with innovative and competitive products. Leading segments of the market that show most promise for Canadian companies include factory automation, robotics, microsystem technology, and sensors.

Market Overview

The German industrial automation market was valued at an estimated $22.6 billion in 2000. Growth in the market was projected at 2-3% for 2001. Further investments in the manufacturing sector and increased competition among producers are expected to contribute to sustained growth in the market over the medium to long term.

Factory Automation

The German automobile industry accounts for 55% — or $12.5 billion — of the total German automation market. The energy sector and German plant manufacturers are the next leading consumers of industrial automation equipment. However, virtually every major manufacturing industry integrates automation technologies into their production processes. Strong commercial potential exists in this area for innovative software solutions.

Robotics

Robotics is a large and critical component of the factory automation segment. There are 109,000 robots operating in the German industry. In 2000, they installed 12,800 new robots, 21% more than in the previous year. Industry turnover reached $2.1 billion in 2000, representing a 10.5% increase over 1999. The industry is currently favouring small robots, and robots with five and six axles.

Microsystem Technology

Leading industry events, such as the annual spring Hannover Fair, have begun to showcase microsystem technology and the opportunities it presents in industrial automation. Growth in microsystem technology is expected to continue as diverse industries view the miniaturization of processes as integral to remaining competitive and mastering factory automation.

Sensors

The German market for measurement and analysing devices, sensors and process control equipment were worth roughly $7.2 billion in 2000. Demand for sensors grew by close to 9% in 2000. Commercial prospects in this segment for Canadian firms include intelligent sensors and bus-based sensors. The market for these products will broaden as highly sophisticated diagnostic tools become essential for efficient industrial operations.

Opportunities

Beyond factory automation, robotics, microsystem technology, and sensors, opportunities are expected to grow in other areas of the German industrial automation market. Canadian companies should explore prospects in the assembly and handling technology, industrial image processing, process and utility automation and process control market segments. The German process control market, alone, was worth $13.4 billion in 1999, while the assembly and handling technology segment was valued at $4.4 billion in 2000.

Market Entry

The most common and effective way for foreign companies to enter the German industrial automation market is through a commercial agent or distributor. Interested firms should also consider attending key industry events and familiarizing themselves with all aspects of the market, including import regulations and local standards.

See Potential?

To learn more about this market, read *The Industrial Automation Market in Germany*, prepared by the Market Research Centre of the Trade Commissioner Service. This report and hundreds of others are available on-line at **www.infoexport.gc.ca**

Published by the Trade Commissioner Service Marketing Division (TCW)

See insert for your Advanced Manufacturing Technologies Industries' contacts in Europe.