

TRADE AND ECONOMIC OVERVIEW

Germany is Europe's most powerful country economically, with a GNP exceeding \$2.3 trillion. Germany is the world's largest exporter and second-largest importer of goods and services. Among Canada's international trading partners Germany stands fourth in the world, and second in Europe, after the United Kingdom. Canada's trade with Germany has increased steadily for several decades, and in 1993, Canadian exports to Germany were 2.4 billion. Despite the decline in German imports due to economic restructuring, this represented an increase of 9 percent over 1992, and 23 percent over 1989.

Doing business in Germany requires a good deal of patience on the part of Canadian business people. There is no such thing as a lightning-fast contract when dealing with knowledgeable German importers, and telephone soliciting should be avoided. To obtain a significant trade agreement, a Canadian company must be visible in the German market for a number of months, at the very least. For the most part, being in Germany for a few days only, without planned follow-up, in most cases will simply be a waste of time. German business people are technically-minded, careful in assessing a product, proud of their trade regulations, and conservative in their approach to new products. German business people often expect detailed technical catalogues, knowledge of the specific intentions of the firm soliciting them, and a lasting business relationship.

History has shown the importance of trade fairs in the economic dynamics of Germany and, consequently, of Europe. Germany's trade fairs are the most numerous and rank first in importance, with names such as ANUGA, Medica, CeBIT, and the Hannover Fair. Year in and year out, Germany has approximately 120 major trade fairs, the main ones being in Hannover, Frankfurt, Cologne, Munich and Düsseldorf. Among the various trade expansion options open to Canadian companies, trade fairs and missions are the most effective means of penetrating the German market. Trade fairs furnish an excellent birds-eye view of the market and its trends and gives opportunities to meet new agents and distributors; to maintain food business relations; and above all, to see what the competition is doing in the German market.

Realizing the ultimate importance of the German fairs as a vehicle for promoting Canadian international trade, the Western Europe Trade, Investment and Technology Division of Foreign Affairs and International Trade (see *Geographic Trade Division* section at back) has, with private-sector associations, other federal and provincial departments, and Canadian trade missions in Europe, planned some fifteen trade fairs and missions to Europe in early 1995. These activities rest on the premise that businesses wishing to export their products to European markets gain valuable experience when they exhibit their products at the right trade fairs.

No expanding Canadian business can afford to ignore the European market, and Germany is the hub. Even if Germany does not figure among a company's target countries in Europe, it is still an excellent yardstick for the entire European continent. If a product meets German environmental and other standards, it will probably meet all the European criteria as Germany provides an opportunity to penetrate the markets of Eastern Europe.