

element in securing sea lanes for rapid deployment purposes. Market growth areas include: mine warfare (sensors, on-board computing, long duration power supplies, etc.); surveillance (coastal radars, underwater detection, sensors, etc.); submarine equipment (sensors, weapons control, deployable antennae, etc.); and command, control and communication (C3) systems.

Coastal Interface

Coastal interface projects in Europe are primarily to maintain the commercial viability of ports by means of channel dredging and conservancy works. This is of particular concern to the U.K., the Netherlands, Denmark and northern Germany. Throughout Europe, coastal defence works are regarded as a public works activity with procurement subject to the open tender rules laid out in the E.C. Public Works Directive. The principal opportunity for new technology lies in instrumentation, communication and recording systems.

Conclusions

The key conclusion reached in this study is that, for the ocean industry, Europe 1992 will likely not produce a Single European Market for many years to come. Consequently, there will still be 12 single markets and any strategy will need to recognize that fact. In other words, Canadian companies selling into Europe will be dealing more or less with the same factors that exist today, including nationalistic protectionism.

Evidence of the lack of single market uniformity is the attitude of Member States to E.C. Directives. Although these are binding on Member States, each state is responsible for enacting domestic legislation to implement the directives. For example, the U.K. has been quick to enact the necessary legislation whereas Italy has been slow. This, to some extent, also reflects the attitudes of the countries toward imports. Some, such as the U.K., are relatively open while others, such as Italy, are more protectionist.

Although the European marketplace will not change appreciably, there are certain ongoing actions that will have an impact on Canadian market strategies. For example, the E.C. common external tariff ensures that goods imported from non-E.C. countries are subject to the same customs duties wherever they enter the E.C. Moreover, certain goods, appropriate to the Canadian ocean industry, can be imported duty-free or under a temporary suspension of duty. Another area is technical standards. An objective of the Single European Market is to harmonize standards so that any product that meets the standards in any Member State can be freely marketed in all other states.

A negative but important factor is represented by the E.C.'s public purchasing policies, which allow government purchasers to reject a tender where less than 50 percent of the value of the products is of E.C. origin.

Possible Market Strategies

The most important element of an overall Canadian marketing strategy is Canadian innovation in products and techniques. The strategy could be built around Canadian-developed innovations, treating them as initial door-openers to new European markets and as measures to solidify and expand existing markets.

An overall industry/government strategy could be developed, aimed at Europe 1992 to aggressively promote Canadian ocean industry leading-edge expertise in each of its sectors. The objectives would be, first, to gain recognition of Canadian technological and engineering innovation and, second, to develop an awareness in Europe that Canada has high-performance firms that deliver reliable products and services.

In general, the fundamental company strategies are as follows:

- Companies should have a presence in Europe through subsidiaries (or branch offices for the larger Canadian companies), strategic alliances or distributors/sales representatives.