

HARDWARE, SOFTWARE AND SERVICES: ENGINES OF GROWTH

Canada's software and hardware products and services rank among the world's very best. But this sector owes its dynamism, in part, to a healthy export market. Where can Canadian firms look to export their wares and form strategic alliances?

Denmark

Both in terms of computer penetration (computer resources per capita) and accumulated computer experience, Denmark enjoys leader status in Europe. Many Canadian hardware and software suppliers are already doing business there, and sales show encouraging growth.

The largest growth in software demand in 1994 is expected to be in the consumer market; growth in the manufacturing and commercial sectors will be more moderate. There is market potential for most types of software with the exception of administrative software; areas of potential include technical, graphics, communications, and utility and systems software at all hardware platform levels. In particular, the communications area appears to be growing rapidly. There is also potential for Windows applications.

Canadian suppliers of specialized software products are invited to contact the Commercial Division of the Canadian Embassy in Copenhagen for an individual market appraisal.

On the hardware side, Danish market potential lies primarily within the peripherals sector, for instance, add-on products for specialized applications in the areas of communications, emulation, imaging and high-end graphics.

Switzerland

The Swiss market for software and services reached about C\$3.7 billion in 1992. It is divided into

standard software (40%); individualized software (18%); services (37%); and training (5%). A growth of 4% is expected in the standard software sector, partly as a result of the new copyright law, explicitly covering computer software, that took effect July 1, 1992. Prior to that date, piracy was rampant, encouraged by the fact that Swiss software prices are two to three times higher than in the U.S. Canadian companies should keep this in mind and explore market possibilities for products that only now might be becoming competitive in the Swiss market. Further growth is expected in the services sector, mainly in newer areas such as networking, database services (online information), and problem-solving.

Czech Republic and Slovakia

Both the Czech Republic and Slovakia have very open import regimes: there are no import permit requirements and foreign exchange is available to local business people for any business purpose. From 1991 to 1992, Canadian exports to the former Czechoslovak federation increased five-fold to \$75 million. Establishing a foothold in the Czech or Slovak markets will also be a worthwhile first step towards doing business in the large markets of the former Soviet Union once the economic climate there has normalized.

Opportunities are very promising for Canadian companies with niche software products or leading-

edge hardware. Local representation can be obtained and sales networks are relatively well-developed. With respect to services, larger Canadian systems integrators should consider approaching these markets to take advantage of large-project opportunities, perhaps in partnership with a local enterprise. Computer specialists are highly skilled in both republics, but foreign firms can contribute business acumen and know-how that the two countries, for years limited by a centrally planned economy, are now keen to acquire.

Finland

The Finnish computer market is highly developed and the country boasts one of the highest PC densities in the world. Finnish software firms have indicated their interest in finding Canadian partners for joint marketing and product development efforts.

France

In France's software market, the main trend is in business administration, be it accounting, fixed asset and budgetary management, payroll and personnel, maintenance and production, or merchandising management. Three areas show particular promise: personnel management, maintenance management and purchasing management.

A high level of expertise already exists in France in the area of business administration software. Nevertheless, foreign competition does exist, particularly for large-system management software and wide-distribution software for microcomputers, in the project management and decision support areas, among others. Data management and software engineering packages for developers also offer potential.

The Netherlands

The total Dutch market for computer hardware, software and services in 1991 was estimated