

niche players. To be competitive, such niche players must be active in all major markets for their products. The size and importance of this market is such that Canadian companies must improve their performance in it if the industry is to maintain its competitiveness.

Canadian exports to Europe in 1989 were about \$280 million, only 0.7 per cent of the market.³ The Canadian Telecommunications Action Committee (CTAC), an industry-led initiative of the Canadian telecommunications equipment industry, has set an objective of increasing Canadian production to \$20 billion (in 1990 dollars) by the year 2000⁴. To accomplish this, Canadian sales in all of the major markets of the world, including Europe, must grow significantly.

Growth by the year 2000 to a realistically attainable three per cent Canadian share of the European market would mean an increase in Canadian sales to \$3 billion, more than a ten-fold increase during the next decade. From the viewpoint of growth potential, the European market is therefore one of the most promising markets for Canadian telecommunications suppliers.

There are a number of Europe-wide industry-based technology development programs⁵ in the field of telecommunications: for example, RACE (Research and Development in Advanced Communications Technologies in Europe), a European initiative that has the objective of developing the key technologies required to introduce an Integrated Broadband Communications Network in Europe by 1995; and ESPRIT (European Strategic Program for Research and Development in Information Technology), a program of collaborative pre-competitive research in information technology that is co-funded by the European Community and organized in close cooperation with industry, national governments and the academic research community.

The competition from European telecommunications equipment suppliers can therefore be expected to intensify. The maturing of these programs will result in a significant increase in the ability of European companies to supply the innovative and technically advanced equipment sought by more demanding users in the evolving telecommunications services markets of Europe.

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- 1 *1992: Implications of a Single European Market: Telecommunications and Computers*, External Affairs and International Trade Canada, December 1989.
 - 2 Derived from various articles in *Telecommunications*.
 - 3 *A Proposal Towards a Strategic Plan for the Canadian Telecommunications Equipment Industry. Part 1 — The Canadian Telecommunications Equipment Industry in a Global Context. Part 2 — A Framework for Action*, NGL Consulting Ltd. for Industry, Science and Technology Canada and the Canadian Telecommunications Action Committee, January 1991.
 - 4 Ibid.
 - 5 See, for example, J. Hothi and D. Byron, *International R&D Collaborative Programs*, Communications Canada, March 1990.