

For the first time, the German Information and Communications Technology (ICT) industry is anticipated to surpass the automotive industry as Germany's top sector. In 1999 total market size is expected to grow by 7.8 per cent to exceed DM206 billion (\$189 billion).

The sector includes information technology, hardware, software and services, as well as telecommunication services and equipment. Employment in the industry will grow to 1.5 million.

Telecom services grew by 7 per cent to DM80 billion despite a steep decline in telephone rates following the liberalization of the German telecom market on January 1, 1998. Orders for telecommunications equipment are expected to bounce back in 1999 following a severe slump in 1997/98 resulting from the completion of Deutsche Telekom's digitalization of its fixed network.

Strongest ICT growth impulses lie in the software and services sectors with both areas expected to register double digit growth in 1999.

On the hardware side, sales were strongest for local area networks, NT servers and mobile computers.

Update on the German ICT Market

Notebook PC sales are anticipated to break the 1 million unit mark in 1999, an increase of 25 per cent over 1998.

Telecommunication services have been strongly affected by the boom in mobile communications. The launch of Germany's fourth GSM network and the resulting drop in rates stimulated demand, resulting in a 70 per cent increase in the total number of mobile subscribers to 14 million within a total German population of 80 million.

Demand for fixed telecommunication networks should increase in the coming years not only because of rate decreases but also because of the introduction of new access technologies such as ADSL for the existing copper lines and the conversion of cable TV into a broadband data network for Internet and multimedia usage.

The ICT trade associations called upon the public sector to improve the

framework for further expansion in the ICT sector. Public authorities, including schools are encouraged to accelerate efforts, in entering the Online Age and introduce a 'high tech offensive'.

Hindrances to the establishment of an electronic economy such as import duties, taxes on media broadcast reception and equipment recycling regulations are to be brought in line with overall goals of retaining Germany's economic strength.

For more information on the German ICT market, contact Cliff Singleton, Commercial Officer, Canadian Consulate, Munich, tel.: (011-49-89) 21-99-57-0, fax: (011-49-89) 21-99-57-57, e-mail: cliff.singleton@dfait-maeci.gc.ca *

Automotive Industry

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Automotive Show in Montreal, April 14-16, 2000. Organized by the Automotive Industries Association (AIA) of Canada, it is Canada's largest automotive after-market trade show, alternating every two years between Toronto and Montreal.

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New Opportunity for Canadian Companies Specializing in Municipal Services

The Federation of Canadian Municipalities (FCM), in co-operation with the Department of Foreign Affairs and International Trade, has established an international business development program for Canadian companies specializing in municipal services. FCM is developing an on-line database for Canadian firms that offer expertise to municipalities in foreign countries. FCM will link this site to municipalities around the globe, allowing companies to gain access to major municipal contracts worldwide. FCM's strategic business Internet site (www.fcm.ca) will link some 1,000 Canadian companies to 200 key municipalities in the fastest-growing cities in Asia, Latin America and Africa.

Industry sectors include environment, waste management, roads and infrastructure, housing and construction, information technology and telecommunications, business and local government management systems, education and training, transportation, energy, tourism, marketing and investment.

The new international site will also be a key business tool and source of information for international financial institutions, Canadian trade commissioners, and government departments and agencies that source Canadian municipal solutions. *