

4. STRATEGIES

4.1 Private Sector Strategies

- . For the multinational corporations in the chemical industry the principal strategy is to monitor the changes in EC regulations. Those American multinationals that already have subsidiaries in Europe may, through membership in the CEFIC, also be given the opportunity to have some input into Community-wide standards set by CEN.
- . Smaller firms, particularly in pharmaceuticals and biotechnology, reported two major strategies. One was to pay little attention to what was going on in Europe, concentrating instead on developing markets in other parts of the world that promise to be more lucrative. The other was to qualify for treatment as a European company by setting up a European subsidiary, either wholly owned, jointly owned with another Canadian company, or as a joint venture with a European company.
- . There was an awareness on the part of some respondents in trade associations

and in some companies that one effect of Europe 1992 is likely to be more competition from European companies in markets outside Europe, including North America. No clear strategy was associated with this awareness, but there was a sense that firms ought to be conscious of what could lie ahead.

4.2 Public Sector Strategies

- . The chemical industry is a science-based industry. Respondents thought that the most important contribution government could make would be to provide assistance to R&D to better prepare for competition against stronger European companies. The importance of adequate government funding to R&D has been emphasized frequently by industry associations in recent years.
- . Some small firms emphasized the importance of government-organized trade missions in the development of new markets, having found them very useful in the past.