

place. Senior officials, responsible for industrial co-operation, have been appointed in both countries and, in Canada, an interdepartmental task force has been set up to co-ordinate economic relations. Canadian commercial banks have fostered trade growth, and non-governmental organizations such as the Canadian-German Chamber of Commerce have helped create an environment in which bilateral trade links are nurtured.

In addition to trade fairs and industrial co-operation activity, a steady flow of business visits from Canada to the F.R.G. have taken place by individuals or in the form of multicompany missions organized by federal or provincial governments. Individual Canadian firms have made wide use of the financial support offered under the Program for Export Market Development (PEMD) to further trade in Germany.

In recent years, the European travel market has become increasingly important to Canada. Each year, more than a quarter of a million Germans visit Canada, and the number is growing.

Future Market Opportunities

The German government's philosophy is to apply free-market principles in the management of its economy. The government exercises the levers of macroeconomic control, but economic initiatives are in the hands of the private sector. Consistent with this approach, Germany has adopted a liberal economic stance which gives foreign exporters ready access to a leading world market for industrial equipment and high-grade consumer durables. At the same time, this open domestic market policy has resulted in German industry attaining a high level of efficiency directed toward the pursuit of export markets.

These attributes, it is believed, will help the German economy weather the current economic slump and continue to remain an important market for Canada in the 1980s. Understandably, there are many competitors for Germany's attractive trade. Since trade channels are well established, both customers and middlemen require that the would-be Canadian supplier should earn his credibility and then assiduously maintain it.

To be successful, any approach to the German market must take account of its primary characteristics: it is large, affluent, sophisticated and diverse.

The following are those sectors where it has been established that focused support by the Canadian government can play a useful role in expanding Canada's market share:

Automotive Parts

The German automobile industry, a world leader in technology and style, has major component requirements in the F.R.G. and at branch plants abroad. Opportunities for Canadian suppliers are enhanced by duty remission schemes or other agreements with German manufacturers.

Computers, Communications and Related Products

This area is an expanding field throughout West-

ern Europe and especially in the F.R.G. in such areas as terminals, systems, and communications.

Defence Electronics/Avionics

The substantial German defence equipment requirements, established bilateral institutional structures, and existing Canadian business links present multiple trade opportunities in the defence electronics/avionics sector.

Timber Frame Housing

Key figures associated with the German housing industry have given concrete indications that the energy efficiency and construction advantages of the Timber Frame method can be adopted successfully in the F.R.G.

Manufactured Wood Products

Canadian timber resources and fabricating expertise in manufactured wood products place Canada in a position to expand the sales penetration already begun, led by softwood panelling.

Sporting goods

The German interest in active recreational pursuits offers an opportunity to enlarge current exports of Canadian winter sporting goods and to capitalize on this country's growing capabilities in the production of gymnasium and summer outdoor sports articles.

Apparel

The affluent and style-conscious German consumer represents a major market potential for those Canadian apparel producers who are able to supply attractive goods in the mid and upper-mid price ranges, including furs.

Fisheries

Fish, a major component of the German diet, will continue to be supplied to a large extent from foreign sources.

Opportunities in trans-sectoral projects related to industrial co-operation and co-operation in third country markets are expected to be available to Canadian industry and their German associates, further satisfying commercial relationships between both nations.

In addition to the above priority sectors identified in the plan, opportunities in a number of related areas — particularly in the export of forestry and agricultural products; and machinery and petrochemicals — will continue to receive attention. Canadian marketing efforts are expected to maintain, and possibly expand, current market shares, with substantial assistance forthcoming from federal and provincial governments in pursuit of those goals.

Overall Strategy

The thrust of this export development plan is directed at products that offer potential for improved sales and high value-added content. It is intended to strengthen economic linkages between the two countries and consists of a mix of new and existing trade instruments that will be used by the federal government to assist Canadian firms to increase their share