

## CONCLUSION

Once the EC's 1992 program is completed, the 12 countries of the European Community will make up the largest single automobile market in the world.

Although it is probable transitional measures will be taken to prevent a disruptive surge in Japanese imports after 1992, a "Fortress Europe" scenario is considered unlikely for automobile imports generally, and those from North America in particular.

The next decade will see continued growth in the automobile market in the EC. The parts sector is expected to experience strong growth as a result of the increased technical sophistication of vehicles and the growing demand by European consumers for more equipment, comfort and power.

Important opportunities will also open up for EC-based parts producers as a result of developments in Eastern Europe. Eastern bloc producers are expected to produce 4.5 million automobiles annually by the end of the century, and they will be seeking joint ventures and technology transfer, especially with suppliers with a presence in Western Europe.

The creation of a single integrated automobile market in the EC will present Canadian-based automotive firms with new challenges and new opportunities. Niche opportunities will increase for firms in all the major subsectors (vehicle assembly, OE parts, and aftermarket parts) especially for those companies that have unique products and proprietary technologies.

The restructuring that is taking place in the European automobile industry will lead to more globally competitive firms, as well as to changes in supplier relationships in Europe. These developments will result in joint-venture and technology-sharing opportunities for Canadian parts producers, both in the EC and in North America.

The keys to success for Canadian firms in the new European market will be drive and vision. Only those companies in Canada that are prepared to actively seek out opportunities and take a strategic approach to the European market are likely to be successful over the long term.