

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 703 BRUSSELS, NAC

Country: 038 BELGIUM

THE TRADE & IND'L DEV. (TID) PROGRAM AT THE DELEG'N IS CONSIDERABLY DIFFERENT FM NORMAL POST PROGRAMS. THE MAJOR DIFFERENCES ARE AS FOLLOWS: A) SECTORS. AS REPORTED IN SECTION ONE, ACTIVITIES ARE PRINCIPALLY IN THE DEFENCE PRODS SECTOR & RELATED COMMUN'NS AND ELECTRONICS SECTORS. B) MULTILATERAL FRAMEWORK: THE DELEG'N TID PROGRAM IS A MIXTURE OF TRADE PROMOTION, SYSTEMS DEV. PROJS & BID SUPPORT DEFENCE POLICY & ARMAMENTS COOP. FRAMEWORK POLICIES DEV. IN NATO OFFER CONSIDERABLE OPPORT. TO IMPROVE DEFENCE PRODS MKT ACCESS IN NATO NATIONS & THE COMMITTEE STRUCTURE IS OFTEN USED TO INTRODUCE PROD. & TECH. BRIEFINGS BY CDN FIRMS TO GROUPS OF NAT'L EXPERTS AS WELL AS NATO AGENCIES. SYST. DEV. PROGRAMS ARE MAINLY THE PURVIV OF THE CONF. OF NAT'L ARMAMENTS DIRECTORS & ITS SUBORDINATE GROUPS. BID OPPORT. ARE FOUND IN NATO INFRASTRUCTURE FINANCED PROGRAMS, AS WELL AS A NUMBER OF NATO AGENCIES. NATO ALSO SPONSORS OR SUPPORTS A LARGE NUMBER OF SEMINARS & SYMPOSIA WHICH ARE USED BY CDN FIRMS & GOVT OFFICERS TO PROMOTE TRADE & MKT AWARENESS. C) STATISTICAL BASE. THERE IS NO REALISTIC BASIS FOR IDENTIFYING MKT SIZE, MKT SHARES ETC AS IN NAT'L MKTS. THE NATO INFRASTRUCTURE, MILITARY & CIVIL BUDGETS AS WELL AS BUDGETS OF NATO AGENCIES ARE FINANCED BY NAT'L CONTRIBUTIONS AND ARE USED FOR A WIDE VARIETY OF PURPOSES OF WHICH ONLY A PORTION IS BID OPPORT. RELATED. DVLPMNT PROGRAMS ARE FINANCED BY NAT'L R&D SHARES WHICH WILL RESULT IN LARGE TRADE PAY-OFFS WHEN THEY REACH PROD'N. DEFENCE PROGRAMS BUREAU STATISTICS SHOW SALES OF SOME \$150 MN TO NATO AGENCIES OVER THE PERIOD 1962-86. HOWEVER, THESE STATISTICS DO NOT REFLECT THE MAJOR SOURCE OF CDN SALES FOR NATO PROGRAMS - SUB-CONTRACTS TO MAJOR PRIMES & INTRA-CORP. SALES. EXAMPLES INCL. NORTH. TELECOM SALES TO THE U. S. AIR FORCE & SUBSEQUENT INSTAL'NS AT NATO BASES, COMPUTING DEVICES AIR DEFENCE DISPLAY SALES TO HUGHES, SENSTAR INC. SECURITY SALES TO PHILLIPS & SYSTEMHOUSE SALES TO RAYTHEON (U. S.) FOR NATO PROGRAM SOFTWARE. INTRA-CORP. SALES EXAMPLES INCL. AEL MICROTTEL/GTE & CDN MARCONI/MARCONI EUROPEAN COS. SUCH SALES ARE RECORDED AS BILATERAL SALES IN BOTH CASES. THE DELEG'N TID PROGRAM IN THE COMING YR & FOR SUBSEQUENT YRS WILL THEREFORE CONCENTRATE ON TRADE PROM'N/MKT ACCESS, SYST. DVLPMNT OPPORT. & PURSUIT OF BID OPPORT. FOR BID OPPORT., EMPHASIS WILL BE PLACED ON DIRECTING CDN FIRMS TOWARDS JOINT VENTURES AND SUB-CONTRACTS WITH MAJOR INT'L PRIME CONTRACTORS. DVLPMNT OPPORT. EXIST IN A MAJOR WAY WITHIN CNAD PROJS. EXAMPLES INCLUDE NAVAL SYST., PRECISION MUNITIONS, AIR FORCE WEAPONS, COMMUN'NS & ELECTR. PROJS. A MAJOR LIMITATION WILL BE AVAILABLE R&D FUNDS IN DND/CRAD & DRIE/DIPP TO SUPPORT CDN IND'L INVOLVEMENT. FINALLY, THE DELEG'N INTENDS TO CONTINUE A CLOSE WORKING ASSOC. WITH THE CDN NATO IND'L ADVISORY GROUP TO PROMOTE WIDER CDN IND'L AWARENESS OF NATO DEVELOPMENT OPPORTUNITIES AND POSSIBLE TRADE-OFFS FOR BILATERAL DEVELOPMENT PROJECTS.