

Canadian Construction Industry Builds On Europe 1992

A new emphasis on strategic partnering and joint ventures will be required by the Canadian construction industry if it wants to capitalize on export opportunities in the market created by the Europe of 1992.

That's one of the preliminary findings of a comprehensive study on the opportunities for the Canadian construction industry in the Europe of 1992 that is being prepared by External Affairs and International Trade Canada's European Community Trade and Economic Relations Division (REM).

REM, in close collaboration with the Institute for Research on Construction (IRC), intends to ensure that this Canadian industry will be well equipped to target opportunities in the framework of the New Europe.

To date, only preliminary feasibility studies have been prepared. Consultations with key construction organizations and associations are expected to be completed shortly.

The amalgamation of the European Community's (EC's) 12-member states into a Single Integrated Market will unquestionably bring about a major reformation of the global trade climate.

The following, based on preliminary analysis and prior to the detailed forthcoming comprehensive report, are some of the changes and trends forecast in the construction industry of Europe 1992:

- Key sectors for construction activity include: core renewal, prestige buildings, large transport facilities, environmental systems and high-density housing in selected countries.
- There is an acceleration of corporate mergers, takeovers and strategic alliances occurring as firms position themselves for the larger, more international market groupings. This is an avenue which Canadian firms should consider. Capitalizing on EC opportunities will require a new emphasis on strategic partnering and joint ventures.
- The basis for competition on large projects is moving toward advanced technologies and cost management techniques. Construction technology is becoming more industrialized, automated and information dependent. This is occurring both on-site and in the factory/design offices. Computer Aided Design (CAD)/Computer Aided Manufacturing (CAM), lasers and some robotics are the key tools.
- Firms which can best assure both contemporary quality and effective budget and delivery control are more likely to succeed.
- Construction consumers are demanding greater durability, efficiency, and performance security—often in the form of warranties.
- The environment, along with health and safety, is rapidly assuming critical importance as a factor in development proposals (as both a constraint and an opportunity).
- The major urban challenge of infrastructure renewal and replacement is starting to attract attention from governments as a priority for the early 21st century. This will likely accelerate the development of environmental and communication technologies.
- There is intensified competition among various material types (steel, plastics, wood composites, ceramics) as new material combinations and applications are developed.
- The investment by Canada's construction industry into research and development is low and transfer of innovations is slow and difficult.

To date the EAITC/IRC project on Construction Technology and Trade has concluded that Canada's industry must become more attuned to emerging technologies and a rapidly changing international trade environment.

The study is expected to be completed and available in Spring'91.

CanadExport will carry details on the report when they are available.

Protocol Tips: Middle East

A general knowledge of the customs—both business and social—and of the culture of foreigners with whom business is being conducted can often be the deciding factor in an exporter winning or losing a deal. An appreciation of the following may help Canadian exporters pursuing business in the Middle East:

- In the Moslem Middle East, business meetings begin with an obligatory cup of tea or coffee. Refusal is considered rude.
 - Meetings are rarely one-on-one. Expect to hold your sessions in the presence of other local associates, or even drop-in callers.
 - Lateness won't be held against you in Arab states. People assume there is a reason for it.
 - Sitting in a laid-back Canadian style can be offensive. Allowing the sole of your shoe to be seen or pointed at someone is taken as boorish.
 - Arabs are very protective of their women. Do not touch a Moslem woman except to shake her hand if offered.
 - When eating as a guest in an Arab household, try to use only your right hand. The left hand is considered unclean.
 - Don't bother trying to conduct business in the month of Ramadan in Islamic countries. In that month, Moslems are forbidden to touch food or drink from sunrise to sunset; consequently, little business can be accomplished. Ramadan varies with the lunar cycle, so check before you go.
- (Excerpted with permission from *Trader* (Spring 1990), World Trade Centre Toronto).