

In general, then, Europe 1992 promises rather modest benefits for the Canadian pharmaceutical industry. The important possible exception is biotechnology.

d) Biotechnology

Canada has a number of new, energetic, small biotechnology firms, in particular in the areas of vaccines, insulin, and diagnostic kits. The recent competition for control of Connaught Bioscience between Institut Mérieux on the one hand and Ciba-Geigy and Chiron on the other attests to technical strength in this area. In addition, Canada's strong resource industries give Canadian companies a head start in applying biotechnology in those areas.

Biotechnology, moreover, is an area where Europe seems to lag behind somewhat, so that much of the trade liberalizing effect of Europe 1992 will redound to the benefit of non-EC firms: the principal competitors to Canadian

firms attempting to enter the European market will be American and Japanese firms. These will provide tough competition, but there are openings to be exploited and several Canadian firms are already successfully taking advantage of them.

In the medical section of this industry, product licensing is a sine qua non of market penetration. Product licensing in Europe has been a real problem in the past and there is some suspicion that a number of EC firms have intervened with government agencies to delay or deny granting of licences for competitors' products. If Europe 1992 actually delivers the standardized and transparent licensing procedures it promises, a number of Canadian firms that have been discouraged from entry into one or another EC national market in the past (but have secured entry into other EC national markets) are ready to attempt entry again.