

Canadian Companies Secure ITALY

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frames, instrument panel support structures and steering wheel frames for major European car producers and aerospace companies.

Components in magnesium are increasingly in demand as the European auto sector faces pressure to reduce car weight to comply with emission standards and anticipated changes in road taxes calculations.

The new facility is the largest plant of its kind in the world. When fully operational it will produce Cdn\$75 million in magnesium components annually.

The new factory is located at Verrès in the Aosta Valley, an autonomous French-speaking region in North-western Italy. The plant, which represents a total investment of \$63 million, will employ 160 to 200 highly-skilled workers. (Meridian will invest Cdn\$42,000 on training per employee.) The plant opened within a year of the ground-breaking, thanks to the strong commitment of the regional authorities.

Meridian has five other plants in Canada and the U.S. employing 1,200; another European facility, location to be announced shortly, will open in 1998.

ENVIRONMENTAL

The ribbon cutting on **Ensyn Technology's** Rapid Thermal Processing unit, built for Italy's state electrical utility (ENEL), is set for late September. Ensyn, based in Greely, Ontario, is a relatively young, high-tech company designing and manufacturing units for cracking biomass waste material into fuel oil. The process uses wood and agricultural wastes (straw, bagasse and rape seed).

The initial contract with ENEL was for a small testing unit worth C\$2.3 million. The contract signing was delayed by over a year due to legal difficulties, but has now been put into operation, thanks, in part, to the assistance of the Canadian Commercial Corporation and the Canadian Embassy in Rome.

Italy offers great potential for the use of this technology, both as a means of reducing the volume of organic wastes, and generating bio-fuel in an energy-poor country. The Italian government has provided a substantial tax incentive for bio-fuels to encourage their development.

As a leading edge Canadian company in this niche technology, Ensyn stands to gain a significant market share once the ENEL plant commences operation.

JOINT VENTURE

Lambton Manufacturing of Lambton, Quebec has just concluded a joint venture with an Italian firm

which encompasses co-production and co-marketing.

Through this deal, Lambton shares in the Italian firm's proprietary CAD-CAM technology which will enable the Quebec-based firm to manufacture metal and wooden staircases for the North American market according to the customer's exact specifications. As part of the deal, Lambton also will supply its Italian partner with wooden components for the Italian company's European sales.

Lambton met its Italian partner at a European trade fair; the terms of the partnership took shape through four visits to each other's plants. This investment of time was crucial to build confidence and demonstrate the viability of the collaboration based on an equal commitment to quality.

SECURITY

Scintrex Ltd. has won one of the largest bids (just under \$1 million) ever awarded by the Italian Ministry of the Interior. The Concord, Ontario firm will supply an initial order of 60 hand-held explosive detection units to Ministry Police forces.

Scintrex joins a list of Canadian companies (among them Med Eng, Pedesco, Barringer, Proparms) which, together, sold millions of dollars worth of security products and instrumentation to Italy's police forces and major airports.

The prominence of Canadian firms in the security sector grew out of a mission, organized five years ago by the Canadian Embassy in Rome, which brought to Canada key Italian government officials involved in anti-terrorism and security matters including EOD and narcotics experts and procurement officials from Italy's Ministry of the Interior, the Ministry of Finance, the national police forces, and the Rome and Milan airports.

SOFTWARE

Taken as a whole, **Corel Corporation's** experience in the Italian market has been very positive. Sales growth has been among the highest in Europe since Corel first began working actively in the market in 1992, and the rapid evolution of the retail sector is continuing to produce impressive results.

It should be noted that 1992 was also the year that two major foreign IT distributors — Ingram Micro from the U.S and Computer 2000 from Germany — began to establish themselves in the Italian market. Volume took precedence over gross margins in the ensuing battle for market share; the net effect was an overall improvement in the efficiency of the channel. It now more or less conforms to the model established in more mature markets such as Germany and the U.K.