

CONCLUSION

Europe 1992 is a continuation of the direction that Europeans have been moving in to permit their countries to form a strong global market in which companies will need to be cost-competitive.

International competitiveness or specialized "niche" markets would become the key to success in this new environment created by Europe 1992 and its regulations. Europeans are expecting rapid changes in order to help them achieve economies of scale and rationalizations so that they can become leaders in the worldwide market.

These expected changes have already created many corporate moves, such as mergers, acquisitions, joint ventures, or simply the opening of branches. These moves are coming not only from Europeans but also from all the industrialized countries of the world.

Large corporations want a piece of the big unified market, and they are already putting in place a strategy to take their share of the increased GNP that will result from Europe 1992. Of course, 1992 is not a final date after which nothing will happen. Europe 1992 is an objective that has been set by the EC to abolish as much as possible the non-tariff and tariff barriers. It is therefore a target date for which most European companies are trying to prepare and companies that do not have a proper strategy may be penalized.

In the years beyond 1992, the gradual elimination of impediments to trade within the EC will progress beyond tariffs to include non-tariff barriers. The European trade structure will

become pan-European. In order to make this trade structure operable, norms and standards will need to be harmonized between the 12 Member States.

Europe's move to unify its standards will understandably have a great international impact, since it has a market of 340 million consumers, a market larger than the United States' domestic market. Chances are that the European standards will become the international standards.

With the impact of Europe 1992 on the rationalization and competitiveness of firms, Canadian firms that do business with Europe will need to adjust in order to remain competitive and to continue to export their products. In addition, with economic growth superior to what is expected in North America and with the dynamism of the market, companies should consider ways to create alliances or some forms of presence in Europe to be considered as European. In any case, companies should inform themselves about the European situation in their respective sectors since European companies can become more competitive on third markets and threaten Canadian performance in Canada and in these third markets.

Although it is still difficult to assess the full impact of Europe 1992, since regulations are still being debated, one thing is certain: Europe has started the process of creating a global market with the creation of the common market. With greater trade liberalization occurring within the EC, there are a considerable number of business transactions that are going to set the pace for the next decade. Canadian companies looking for growth outside the North American continent should develop their own European strategy.