

overall outlook for Canadian forest products exports to the EC is very bullish.

Continued export success, however, cannot be taken for granted. The Nordic countries will remain formidable competitors, and competition is increasing from new supplier countries in a number of product areas. The keys to success for Canadian firms in the new European market will be linked to their ability to maintain their competitiveness through technology, product innovation and international marketing.

Opportunities in the EC will exist not only for Canada's large world-scale producers but also for other innovative

producers and marketers. However, only Canadian companies that are prepared to actively seek out opportunities and take a strategic approach to the European market are likely to be successful over the long term.

Investment opportunities must be actively sought out. The restructuring taking place across the EC industry will ultimately result in repositioning. In some cases, strong EC-based companies will emerge; in other instances, competitors such as those from the Nordic countries will establish an even greater hold on market share. A strong position today in the Community may very likely determine penetration tomorrow in the emerging East European market.