

The EC actively promotes alliances

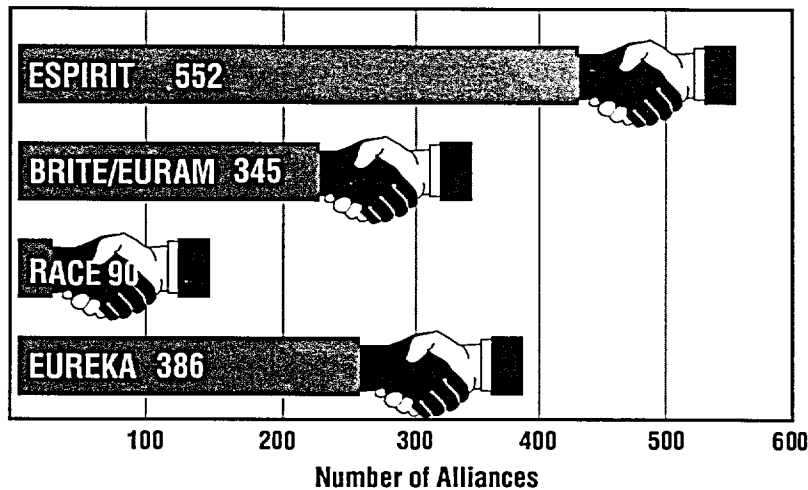
The EC itself has actively promoted the formation of inter-firm collaborative agreements since the early 1980s. As a result, EC firms have developed sophisticated collaborative skills and are quick to recognize the strategic advantages of partnering. Canadian firms looking for European partners will find that their job has been made that much easier.

The first European program to promote strategic alliances was the European Strategic Program for Research and Development in Information Technology (ESPRIT). It was launched in 1983 and is currently in its second phase. It was followed quickly by RACE, a program that promotes strategic partnerships in the telecommunications industry. Many others have arisen since. In order to participate, non-EC firms must have at least an EC subsidiary and even then it is not clear that they will be permitted to participate. But Canadian firms can take advantage of these programs through some sort of an alliance with an EC partner, most likely an alliance that includes some form of equity arrangement.

By contrast, EUREKA is open to non-European companies. Launched initially by the EC and EFTA countries in 1985, EUREKA is a well-funded program that has included a number of successful Canadian participants.

European Programs Have Led to Over 1000 R&D Alliances for EC Firms

(as of January 1, 1991)



* This is the total of all alliances formed since the beginning of each program, including projects that have been completed

Source: LAREA/CEREM (Paris) database.

Preserving autonomy, enhancing competitiveness

BIOSERAIE is a small French biotechnology firm involved in the research, development and marketing of innovative pharmaceutical products. Faced by high R&D costs and a world market that is dominated by large multinational enterprises, Bioseraie felt that it needed to find a large partner or allow itself to be absorbed by one of the giants which could then supply the technical and financial resources needed to develop Bioseraie's products.

Bioseraie chose to protect its autonomy. It approached its main raw materials supplier, the large French petrochemical company, Elf Aquitaine. The resulting deal has benefited Bioseraie both financially and technologically. Elf Aquitaine bought a minority holding (34%) in Bioseraie and is also helping in the development stage of Bioseraie's products.