Summary of Differences Between Canadian Approaches and those of Key Europeans

Differences between Canada and key competitors relate to difference in both the public and private sectors.

The differences in public sector support are the greatest when compared to the past record of France and, to a lesser extent, Germany. Public sector support differences with The Netherlands tend to be less striking. It should also be noted that the results of Helsinki V accord are anticipated to narrow the existing differences in public sector support.

The effectiveness of Canadian support is generally regarded as low to moderate. Political pressure and economic tools are believed to be more widely used by some competitors although tangible evidence is difficult to obtain. In general Europeans are the most adept at mounting this kind of support. Canada does not have as many political or economic weapons at its disposal, and we are generally more reluctant to make the fullest use of those that we do have.

Private sector differences relate to scale and scope of operations, financial strength and related risk appetites, international networks, export orientation and outside perceptions of firm capability. Some segments of the Canadian capital project market face reasonably comparable competitors (consulting engineers),while other segments face competitors with much greater experience, contacts and strength (contractors).

Turnkey international capital projects require strong individual firms to create a strong team, and since the Canadian team has relative weaknesses, the "Team Canada" approach can only be used selectively. Furthermore, the opportunity of Canadian teams to find equivalent Canadian substitutes (should one drop out) for consortium members is generally perceived to be limited. Simply put, a buyer may find greater comfort from the perceived depth of supply (and associated finance) from European or American teams.

Consequently, the need for Canadian firms to partner with strong foreign firms is becoming more critical. This requirement is appreciated and practised by Canada's internationally oriented capital project firms, however it would appear that other Canadian firms are only slowly beginning to appreciate the new realities.

In summary, although Canadian service firms have the technological capabilities for successfully competing in certain sub-sectors of the international capital project market, the lack of strategic linkages and integration among Canadian firms that offer relevant capabilities are hindering Canada's participation in these projects. The type of government support provided to Canadian firms is also relevant, particularly since other governments tend to be more strategically focused. Nonetheless, Canadian service firms have demonstrated the capability to respond to these challenges and initiate the actions needed to adapt to the changing competitive environment. Furthermore, the market and competition is resulting in "consulting engineers" and "contractors" integrating and becoming EPC contractors. Several of the large "engineering" firms , such as Monenco AGRA, SNC-Lavalin, and Simons are moving in this direction.