Market opportunities and constraints–software

Canadian expertise and German demand show particularly strong potential for exploitation in graphics programs, multimedia solutions, CBT and educational software, imaging, GIS systems, network management software, networking/client server tools, relational databases, document management, object oriented software tools, telecommunication software and educational software.

Foreign products are well received, and North America is seen as the leading edge producer of computer products, especially in multimedia, connectivity and Internet access. Canadian firms enjoy general goodwill toward Canada which includes the perception that Canadian firms are rather flexible and desirable business partners. Among computer professionals, use of software products written in English is common; however, for home users, a German version or at least instruction manuals in German is preferable. To this end a good relationship with a German partner can be invaluable in making the necessary changes as well as providing local user support.

Consumers are often reluctant to venture into the purchase of high technology products before becoming experts in the subject. This can affect the type and intensity of "buyer education" advertising and promotional techniques.

The boom-like growth expected in the home portion of the market should convince Canadian exporters to explore actively the German market. Similarly, high growth predictions for CBT in small to mid-sized firms and in the public sector suggest that hardware problems and lack of acceptance may be overcome soon. Nonetheless, Canadians should avoid concentrating solely on the still unpromising school market.

Objectives for next five years

" Boom-like growth is expected in the home market"

Presently Canadian hardware and software sales in Germany represent less than one percent of total market volume. It is necessary to increase the profile of the Canadian industry in Germany and to encourage and help more Canadian companies to enter the market.

Our aim is to provide timely market intelligence and information on opportunities in this market for Canadian providers of educational software; to develop contacts in the growing software sector and assist Canadian companies looking to enter this market.

CeBIT	March 1998, Hannover World largest computer fair plus trade mission
SYSTEMS	27-31 October, 1997, Munich Fair for information and telecommunications technologies
ELECTRONICA	November 1998, Munich Fair for components and assemblies in electronics
NETWORLD INTEROP	June, every year, Frankfurt
EXPONET	November, every year, Düsseldorf
Incoming Mission	Mission on educational software and CBT
Seminars	Investment and partnering, "round-table" discussions
Media relations	Ongoing program to promote Canadian capabilities
Market intelligence	Information gathering; visits to firms, industry associations and government Update of report on educational software and CBT

Telecommunications

Overview

The German market for telecommunication products and services is the largest in Europe and the third largest worldwide; Deutsche Telekom AG is one of the largest telecommunications operators (annual sales $Cdn 58 billion).

The monopoly of the utility is gradually being broken.The market for terminal equipment was liberalized in 1990.Then came corporate networks in 1996. First licenses for fixed telecommunication networks (for transmission lines only) were granted in October 1996 to Vebacom, Colt Telecom and NetCologne. By 1998 telephone service and network monopoly will be eliminated. After its total deregulation in 1998, Germany will have one of the most open telecommunications markets in the world.

The $75 billion market grew by 7.5% in 1995. It will likely grow to $ 112 billion by year 2000. The most dynamic sub-sectors were mobile radio and telecommunication services. Investment in telecommunications infrastructure in the NFS is decreasing and no longer as important as it was a few years ago. There are now 4.8 million subscribers of mobile cellular radio networks. In addition to the analogue and GSM networks of Deutsche Telekom, two private operators, Mannesmann and E-Plus, are very successful in digital cellular networks.