

Europeans are already investing heavily in R&D. It would appear that, with such programs, they will be able increasingly to dominate the market and, eventually, to be of serious competition for Canadian companies in domestic markets.

On the other hand, Canadian companies in the EC will be able to participate in the R&D programs and transfer the technology to their Canadian operations as long as the research is conducted from an EC base and they are part of a European joint venture without participating directly in the research. Some companies do not have to be in the EC to take advantage of these R&D programs. Because of these regulations, it appears that it will be more difficult to transfer technology for Canadian companies without a subsidiary in the EC.

To protect Canadian industry, it seems that Canadian companies should invest more in R&D and develop the manufacturing of products in association with European companies so that they can gain a leading edge. It would appear that the Canadian government could help in this type of process. In fact, there is an ISTC program that helps Canadian firms to acquire technologies in Europe.

Another way to take advantage of the opportunities created by the 1992 project is to establish a joint venture or an alliance with a Japanese firm in Europe and to take part in the R&D programs and transfer the Japanese technology to the plant in Canada.