

EAITC's Trade Program is Expanded to Capitalize on the 'New' Germany Market

By Alan Minz

Last month's reunification of Germany will open up new opportunities for exporters to that huge market.

And with these momentous changes, External Affairs and International Trade Canada (EAITC) has moved ahead with an expanded trade program to assist Canadian companies in entering the radically changed eastern German market.

Recently, Canada expanded its representation in Berlin to a Consulate General—one of its responsibilities is to promote closer trade relations between Canada and the territory formerly occupied by Berlin and the German Democratic Republic (GDR). (Previously, trade relations with the GDR were handled through the Canadian Embassy in Poland.)

The proposed Consul General Franco D. Pillarella, will be assisted by a Trade Commissioner and locally engaged trade personnel to be appointed by the end of the year.

These steps are only part of the Canadian government's strategy for exploiting emerging opportunities for trade and investment in eastern Germany.

In October, close to 50 Canadian companies had an opportunity to meet with potential German partners—many of these partners already have a commercial presence or are contemplating establishing themselves in eastern Germany. The Canadians were participating in the "Strategic Partnering Marketplace" in Stuttgart—an event organized by EAITC to facilitate joint ventures in eastern Germany.

Strategic partnerships with German companies are one of the best ways of entering the eastern German market, and other newly reformed economies in Eastern

Europe. In addition, German companies are actively in search of partners with the complementary strengths to take advantage of the many opportunities.

And the long-term opportunities are overwhelming. The unification of Germany and the economic reforms in the Eastern Bloc have created new demands for Western capital, technology, and management. Unified Germany, now a country of almost 80 million consumers—and by far the most

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important economy in Europe—can serve as a springboard for entering this enormous market.

Reunification has taken place at break-neck speed. Unlike some other reformed Eastern Bloc countries which are gradually making the transition from a state controlled to a free market economy, the framework for economic growth in eastern Germany is already in place: private property, the freedom to engage in trade, market determined prices, one of the world's strongest currencies and integration into the world's third largest economy.

Furthermore, upon re-unification on October 3, eastern Germany was also integrated into the European Community. This means that firms established in eastern Germany now have complete access to Community markets and will be able to take advantage of considerable econo-

mies of scale.

Naturally, there are problems inherent with such a rapid transition: rising unemployment, excessive demands on an inefficient industrial and human infrastructure, firms unaccustomed to international competition. The abyss between a planned and market economy cannot be crossed in a single leap or legislated into effect. A change in attitude must occur for a competitive economy to fully take root.

Nevertheless, despite these adjustment difficulties, the medium and long-term prospects for eastern Germany are extremely favourable. And the companies which stand to benefit most are the ones that position themselves in the early stages.

Through such initiatives as Canadian trade representation in Berlin, the Stuttgart Strategic Partnering Marketplace and increased Canadian participation in German trade fairs, EAITC is providing leadership and support to Canadian companies willing to break new ground.

So it's: On your "Mark", get set, GO!

For more information on the eastern German market, contact your nearest International Trade Centre (ITC); or EAITC's Western Europe Trade, Investment and Technology Division (RWT), 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 996-3774. Fax: (613) 995-6319

For Canadian exporters already doing business, or ready to market in eastern Germany, contact the Canadian Embassy, Friedrich-Wilhelm Strasse 18, D-5300, Bonn 1, Federal Republic of Germany. Tel.: (011-49-228) 23-10-61. Fax: (011-49-228) 23-08-57. Or, beginning in 1991, contact the Canadian Consulate General, Europa Centre, D-1000 Berlin 30, Federal Republic of Germany. Tel.: (011-49-30) 261-11-61. Fax: (011-49-30) 262-9206.

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