

country. Finally, standards on the health of plants will have to be implemented by the exporting country to the satisfaction of the EC, the former being held financially responsible for any spread of disease from its exports.

Generally speaking, the process of achieving uniformity among the existing standards and regulations might make them a bit stricter than they are now, and chances are the results will be adopted as international standards. Accordingly, it is definitely in the interest of the Canadian industry to follow the developments closely and adopt these new standards as soon as possible.

More protectionist? Or less protectionist? One thing is sure: Europe 1992 should make the EC market much more attractive to Canadian businesses. The elimination of internal borders, together with the concentration and modernization of distribution and greater uniformity in consumer habits, raise hopes of reaching all promising segments of this market. Moreover, the clear trend toward concentrating production, already under way, opens up investment and participation opportunities for Canadian agri-food businesses.

In addition, the greater efficiency of European companies may turn them into more aggressive competitors both on the Canadian market and in third countries.

Although less important to Canadian businesses than the Canada-U.S. Free

Trade Agreement, Europe 1992 presents risks and opportunities that are not to be taken lightly.

It would be advisable for Canada's agri-food industry to adopt action strategies without delay:

- . Invest in the EC promptly (those who have the means). By doing so, businesses will likely benefit from greater ease of penetration for foreign investment and better purchase or participation opportunities.
- . Export to the EC. For businesses already doing so with good results, Europe 1992 presents little risk. On the contrary, they will probably find more opportunities to expand their market. Those not yet in the EC and who would like to benefit from this new market, should penetrate one of the national markets quickly. This means identifying the right country, the right gap in the market, the right partners in distribution networks and the right salespeople.
- . Protect your share of the Canadian and third-country markets. For many Canadian companies, this means boosting efficiency and adopting international norms as quickly as possible. Since Canadian businesses already have to move along these lines as they prepare for the opening of the U.S. border, they have a head start and may take a slight lead over the European competitors likely to appear.