

Canadian exports of consumer products to Germany are on the rise thanks to a growing interest among Canadian-owned small-to-medium sized enterprises (SMEs) in establishing themselves in Europe's largest consumer market. Total annual production of consumer goods by these

Recreational watercraft

Germany may have a short coastline but with its citizens taking, on average, six weeks annual vacation it is a major European market for pleasure boats and associated products. Germans take full advantage of Mediterranean mooring opportunities and use fleets

with new lines and design concepts complementing traditional lines. Recently however, a clear focus on "naturalness" in design has emerged. This has increased the share of solid wood furniture and broadened the range of materials being used. An increased health awareness by

Market overview

Germany: Consumer goods

businesses is approximately \$23 billion, with exports to Germany approaching \$9 billion.

Backed by lower production costs in Canada, exporting firms enjoy a competitive edge in Germany where these costs have been steadily rising. Canadian SMEs are active in all industrial branches of the consumer goods sector: sporting goods; furniture/furnishings and fixtures; hardware and tools; household equipment and appliances; apparel and textiles; footwear; giftware; toys and games; jewellery; cosmetics and health products; and aboriginal arts and crafts.

Sector features

The sector is diverse and typically involves small to medium businesses. Germany's large and very popular consumer goods industrial fairs provide valuable exposure for Canadian firms, prompting many to specialize in this market.

Sporting goods

Sales of Canadian products have risen in recent years, buoyed largely by the increase in popularity of winter sports, particularly hockey, ice skating and skiing. After soccer, ice hockey is Germany's second most popular team sport. Over the years, Canadian products have established an excellent reputation for superior quality among the major German distributors which include Rheingold Sport, Ewald Sport Services, and Schanner Eishockeyartikel.

of charter boats to make extensive use of inland waterways. The majority of such watercraft are imported from the U.S., but Canadian manufacturers have good market opportunities with smaller, lighter craft. There are no import restrictions on Canadian-made boats providing they are certified: as of 1998, only boats with a CE certification may be sold in Europe.

Furniture and furnishings

As recently as 1998, the German furniture manufacturing industry appeared to be slowly emerging from a recession that followed a prolonged post-unification boom. However, the latest predictions by the VDM [Association for Furniture Industry] suggest another downward trend and the separation of the furniture market into "mass production" and "high-quality" segments, with the gap between the two predicted to gradually widen. Traditionally, the German furniture industry focused on satisfying the consumer's price expectations but now the emphasis is shifting to "long-lasting quality".

Competition from less expensive or more innovative foreign suppliers has had an impact on the industry. Italy remains the leading foreign supplier with exports worth over Deutsche Mark (DM) 2 billion for the first half of 1999, followed by Denmark and Poland.

Historically, German furniture design trends have been pluralistic,

Germans is evident in the design of beds and seating furniture.

Non-EU manufacturers have good opportunities to develop niche markets, particularly if pricing is competitive and product quality is high. American-made furniture has a good reputation and so Canadian firms with lower costs and using high-quality wood should perform well in the market. Indeed, there is already local interest for Canadian-made wooden garden furniture and solid wooden chairs.

Apparel

The German apparel market is immense, with an annual turnover in 1998 of DM 22.6 billion. Germany is one of the most expensive producers of apparel in the world: standards are very high and the market as a whole is not particularly price-sensitive. In fact, prices are approximately the same across the country due to the German preference for buying through catalogues or from the large department stores that are present in all major centres. A clear change in buying patterns is apparent, as Germans tend to buy fewer, but more enduring and higher-quality goods.

Although Italy has retained its position as the leading exporter in this sector for many years, Canadian exporters are now beginning to gain a foothold in certain niche markets, notably women's wear high-fashion products. A traditional, if somewhat

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