

The EC has had difficulty harmonizing its cabotage rules and policies for the shipping industry. However, in 1986, measures were adopted to encourage competition and to phase out discriminatory arrangements with non-member states by 1993. The measures also urge coordinated action against discriminatory practices by non-EC countries and authorize duties on non-EC shippers engaged in unfair (e.g., subsidized) pricing practices.

Restrictions which reserve the carriage of goods to vessels flying the national flag are expected to be phased out by January 1993.

Express services are increasing – even for heavier, bulkier products and equipment – just as they are in the U.S. DHL, Federal Express, United Parcel Service, and TNT are gearing up for trans-EC express shipping, with computerized sorting centres in Brussels, Cologne, and key hubs in the U.K.

Distributing Your Products

The harmonization of standards in a Single Market should make distribution easier. Companies will not have to tailor their products to meet different regulations in different countries. Changes in cross-border regulations should also free up distribution channels. The abolition of road haulage quotas and the liberalization of air and maritime transport will give sellers more flexibility and choice.

The same European regionalism that affects sales also affects distribution. The pattern of food distribution in West Germany, for instance, differs radically from that in the U.K., where there is a continuing preference for home delivery of dairy and other products.

Direct distribution channels are becoming more popular in the EC, as fewer companies use the traditional long-channel systems of France and Italy. With short distribution systems, products are delivered more quickly, and in better condition. Stock turns over more quickly, reducing the amount of warehouse space needed. Fast distribution is helpful in coordinating advertising, promotion, and delivery of products with consumer demand. Note that different types of distribution channels exist in various regions, which may preclude some choices in your planning. For example, the level of service offered in telecommunications in one region may not allow the use of WATTS lines throughout the Community.

Networking for 1992

To sell to the full EC market, companies must develop large distribution networks. The Japanese firms Nissan and Honda are working hard to place automobile dealers in the formerly closed (Fiat) markets of Italy and Spain. Meanwhile, Fiat has launched an ambitious program to open 150 new dealerships throughout the EC.

Companies in many other product and service sectors also are extending their distribution networks, particularly in telecommunications, foods and beverages, machinery, and data processing. Many are replacing independent distributorships with company-owned sales outlets. Larger, centralized warehousing operations with inventories to match are also common.