

Market-access Considerations

Shipping costs can make imported goods uncompetitive, and Canadian exporters have to compete with EU suppliers that are flooding the Czech market with subsidized products. Also, the harmonization of Czech legislation with EU standards is making the access of products from non-EU countries more difficult. For example, products containing genetically modified organisms must be labelled, and all imported products must comply with Czech food-safety regulations. Products of animal origin are subject to certification, and the State Veterinary Authority has specific requirements for importing poultry, beef, pork, horse meat and fish products. At present, poultry, pork and red meats are not eligible for export from Canada due to strict import conditions. Thus, the best market-entry approach for food products is to find a local importer/distributor that is already established in the large retail chains, since retailers usually do not like to import directly. A local agent, experienced in dealing with local authorities and promoting products, is always an advantage.

SEMEX ALLIANCE

This largest co-operatively owned livestock genetics company in the world has been exporting bovine semen to Central and Eastern Europe for many years. Semex Alliance has partnerships in over 60 countries, including the Czech Republic and Slovakia. During the last decade, Semex established joint ventures with the Slovak company, Insemas, and the Czech firm, Gensemex, which now represent Semex Alliance exclusively. In 2000, Insemas, with its own distribution network of 24 centres, captured a 35% share of the Slovak beef genetics market, and, with more than 350 Slovak customers, the company exported to neighbouring countries. Gensemex, established in 1997, also imports and distributes Canadian genetics. Its 24% share of the Czech market exists despite strong local and foreign competition. Both companies are involved in the Semex testing programme of young bulls. Since 1989, Semex has been working closely with its distributor in Hungary, Genbank, which now covers 11% of the Hungarian market.

Major Competition

EU countries are now the biggest source of Czech agri-food imports, accounting for 53% of the total, followed by CEFTA countries at 23%. The major partners of the Czech Republic come from Germany, Slovakia, Poland, Austria, Netherlands, Italy, Spain and Hungary. There are about 40 food hypermarkets, and it is expected that there will be as many as 100 within a few years. All large retail chains are foreign-owned, with U.K., Dutch, German, French, Belgian and Austrian owners (Tesco, Ahold, Globus, Kaufland, Carrefour, Delvita and Julius Meinl), which naturally may give preference to suppliers of their respective countries.

Other Information Sources

Ministry of Agriculture: <http://www.mze.cz>
Ministry of Industry and Trade: <http://www.mpo.cz>
Czech Agricultural and Food Inspection: <http://www.czpi.cz>
Central Control and Testing Institute of Agriculture: <http://www.ukzuz.cz>
Czech Agrarian Chamber: <http://www.agrocr.cz>
Economic Chamber of the Czech Republic: <http://www.hkcr.cz>
Czech Trade Register: <http://www.justice.cz>
Czech Customs Office, Czech Customs Tariff: <http://www.cs.mfcr.cz>
Czech Statistical Office: <http://www.czso.cz>

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SLOVAKIA

The Slovak food industry has considerable requirement for technology transfer. Dairies chiefly focus on the improvement of the quality and assortment of cheeses and sour-milk products; meat producers like the innovative vacuum-packaged meat products and the increased shelf-life of their products; starch producers focus on starch sweeteners; breweries modernize by installing cylindrical-conical tanks to maintain predictable levels of quality; flour milling businesses concentrate on the production of semi-fine flour, bread and dark-flour pastry, and products with lowered egg content; the freezing industry specializes in new products from vegetables and vegetable mixtures, as well as fruit processing for children and babies; and oil producers chiefly focus on new technologies of pressing without extraction. **Livestock genetic materials** are needed to maintain cattle specialization for either dairy or beef. The 26,000 heads of specialized breeds must increase to 50,000 by 2005. This provides an opportunity to sell mostly insemination doses (but less embryos) for breeds such as Simmental, Charolais, and Red or Black Angus. Similar opportunities exist for dairy breeds such as Holstein. A rising deficit in pork has forced the government to subsidize the expansion of pig farming, so genetics of high-yielding pig breeds are needed in Slovakia. **Special crops** such as pulses, lentils and beans are needed. There is a recent boom in the use of **soybean seed, meal and equipment**. Facilities are being built to produce soya products both for human and animal purposes. Transportation costs of soybean meal from Canada might be prohibitive, thus import of soybean seed

and local growing is more attractive to local farmers. Field machinery, food processing and animal-feed milling equipment are also needed. Demand for high-quality Canadian **final food products** is expected to grow as a result of an increasing number of food-chain stores and hypermarkets. Most Canadian food products are imported through European importers rather than directly and have to face very strong competition from either EU countries or from local branches of the world's major food companies.

Market-access Considerations

A local partner is absolutely essential to provide vital insight into local business practices, market characteristics and strategies, as well as legal, financial and import procedures.

Major Competition

EU countries and the United States are the major competitors.

Other Information Sources

Slovak Ministry of Agriculture: <http://www.mpsr.sk>
Research Institute of Agricultural and Food Economy: <http://www.vuepp.sk>

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ENVIRONMENT

POLAND

Opportunities exist in **water and wastewater** with small wastewater-treatment systems by municipalities in rural areas; and sewage-sludge treatment; in **solid waste** with collection, sorting and recycling of municipal waste; composting and biomass technologies to process municipal waste; and hazardous waste handling and disposal; and in **renewable/alternative sources of energy** such as bio-fuel; waste-to-energy/heat technologies; hydro power plants; and wind energy.

Market-access Considerations

Canadian companies should know that the City of Katowice in Poland has been selected as the only pilot site in Europe for Industry Canada's Sustainable Cities Initiative (SCI). A team of government departments, agencies, non-governmental organizations and the private sector is trying to identify areas of co-operation with a focus on issues essential for urban sustainable development: clean water, waste management, clean energy, transportation and urban planning. They should also be aware that EU- and CEFTA-member countries have lower custom tariff rates, and that, when dealing with municipalities (which is often the case for water and wastewater-management projects), contracts are only awarded through public tenders organized in accordance with the *Public Procurement Act*, which can be a bureaucratic and time-consuming process.

Major Competitors

About 1,000 local firms supply equipment and provide environmental protection services. Their particular expertise is in air- and water-pollution control. However, foreign activity in Poland is highest in the water and wastewater subsectors, followed by waste management and air-pollution control. German, U.S., Austrian, French, Dutch and Scandinavian environmental companies have been most active in Poland. Unfortunately, Canadian companies remain underrepresented in this market relative to their capacities. The major Canadian companies active in Poland are Zenon Environmental (water purification), ADI (water purification), Dry Bio-filters (small wastewater-treatment facilities), ESI Ecosystem (small hydro power plants), Merol Power Corp. (hydro power plant) and ABC Power and Boiler (medical-waste treatment).

Other Information Sources

Poland's Ministry of Environment: <http://www.mos.gov.pl>
National Fund for Environment and Water Management:
<http://www.fundusz.pl> (Polish only)
Chief Inspectorate for Environmental Protection: <http://www.pios.gov.pl> (Polish only)
Institute of Meteorology and Water Management: <http://www.imgw.pl>
UNEP/Global Resource Information Database: <http://www.gridw.pl>
European Environment Agency: <http://www.eea.eu.int>
World Bank: <http://www.worldbank.org>