

ding process and that only companies that are known from the firm offering are invited.

Another aspect of the merger is that Canadian firms would be able to get some financing through the European company in order to sell their products to third countries. This is quite different from Canada where the financing is very limited.

It is clear that we are not recommending a merger with a European firm specifically to increase sales within in the Community. We are recommending a merger because it will enable Canadian firm to have a greater visibility in order to get contracts from third countries government or companies.

However, the company must be aware that such a merger will limit its independence and that it will not be able to bid alone on contracts that seem interesting if the other company wants to be part of the project also.

In the service industry, an acquisition is the best way to be part of the European market since it enables the firm to have any partner it wants. Since most of the contracts are awarded by governments or public companies (especially in the Eastern block), the firm must be politically attractive in every bidding and therefore have the choice of suppliers and sub-contracting engineering firms.

The firm must try to have joint ventures that are punctual on a project by project basis. It must try to minimize the lasting responsibility of obliging the relationship with its partners.