

EASTERN EUROPE/USSR:

REGIONAL ASSESSMENT

Composed entirely of Tier B and C markets, this Region requires that any Canadian company approach the market with a clear vision of what they wish to accomplish, deep pockets, and a commitment to toil in the marketplace for several years before achieving a return on their investment. The technical infrastructure is usually weak within a given country, network interfaces between countries often leave much to be desired, there is a universal backlog of requests for local services, very few international gateways, and there is seldom the hard currency needed to acquire the desired technologies and expertise.

TIER B: Russia - Largest potential market in region, but relatively unattractive for all except those Canadian firms large enough to 'invest' for several years. The network infrastructure is fragmented, the decision process is disjointed, and the market is in various stages of liberalization. Financing is also a concern, as are managerial capabilities. Engineering and technical expertise is of very high calibre. Great interest in Canadian technology but few opportunities to recover investment.

Czech and Slovak Federal Republic Small, somewhat fragmented market for telecom. Good technical expertise, controlled market (government owned), and cumbersome infrastructure. Financing major consideration.

Poland Good market potential, but little available funding. May potentially represent best market in Eastern Europe. Little Canadian telecom success to date but significant amount of interest exists on part of Canadian firms.

Spain Substantial market, but indigenous Spanish technology capabilities are often under used by foreign firms attempting to penetrate market. Canadian companies are often surprised in other parts of the world to find themselves competing with, and often beaten by, Spanish telecom suppliers. That said, there are still good market sub-sectors such as local packet switching, and broadband networks etc. suitable for Canadian niche players.