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Stephan Opitz*

Export Promotion in the Context of Technical Cooperation

Reorientation and an Alternative Advisory Approach

A large number of developing countries have introduced trade policy reforms in recent years. These have been supported by export promotion projects in the context of bilateral and multilateral development cooperation. The results of the advisory approach so far adopted have been disappointing on the whole, so a reorientation is now taking place in the design of export promotion. This article describes an alternative advisory approach by taking the Indo-German Export Promotion Project (IGEP) as an illustration.

Since June 1991, India's government under prime minister Dr. P.V. Narasimha Rao has been engaged in a thoroughgoing programme of economic reform, which means finally renouncing the economic model of autarkic industrialisation adhered to since independence, and integrating India into the world market instead.

India has earned a good deal of praise so far for the implementation of its stabilization and reform programme. However, the country's external financing remains a critical parameter for the success of the reform process as a whole. The World Bank estimates that India will require US\$10-12 billion per annum for the next five years in order to service and repay foreign debt and to cover its current account deficit.¹

So far, the inflow of foreign direct investment and portfolio investment has remained well below expectations, and that makes export growth all the more important in order to improve the balance-of-payments situation. In 1991, the IMF and World Bank still assumed in their models that in 1992/93 export growth (in real dollar terms) would exceed the 10% level and would hold that level until the turn of the millenium.² In reality, though, the increase in exports achieved during the first eight months of the 1992/93 financial year was well below that mark at just 3.4%.³

Structural Bottlenecks

While at least part of the cause of the disappointing export trend over the past year lay in the recession suffered by the industrial countries and the breakdown of export markets in the former Soviet Union and eastern Europe,

the prime determinant of India's weak export performance after more than 40 years of domestic orientation, and of an export pessimism which long had a powerful influence on policy, is structural in nature.

The following are among the problem areas which can be cited:

- India's firms and exporters are used to a "sellers' market", and have not had much experience in the past with the high demands of "buyers' markets" in industrial countries. In particular, they suffer from a lack of market information and marketing knowledge.
- The combined effect of India's industrial policy and the existence of a sellers' market was to place strong constraints on companies' supply capabilities. Production facilities, the manufacturing technologies used, quality systems and product development are all some way behind what is now considered "best practice", with the result that firms are producing low-quality products at relatively high cost. This goes at least part of the way towards cancelling out the advantages they enjoy in terms of labour costs.
- India has built up a broad network of export promotion associations which developed during the 1980s as the country stepped up its export orientation. Nevertheless, these governmental and semi-governmental export

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¹ Cf. World Bank: India. Stabilizing and Reforming the Economy, 18. 5. 1992, p. xi.

² Cf. World Bank: India: Structural Adjustment Loan and Credit, 13. 11. 1991, p. 25.

³ Cf. S. Jain: The Crossroads, Once Again, in: India Today, 15. 3. 1993, p. 109.

promotion institutions have generally not been particularly effective in actually increasing exports. The predominant view of the quality of their services among exporters is not very favourable.

□ In spite of the progress achieved in simplifying administrative procedures for export transactions, there are still a good many difficulties in implementing the reforms in the middle and lower levels of the bureaucracy. Difficulties regularly arise with customs authorities, thus impeding access to imported input products and delaying shipment of the export products themselves upon completion.

□ Exporters are also hindered by the poor state of the infrastructure, whether this be telecommunications, transport or the electricity supply. For example, the waiting period for ships entering India's ocean ports has increased by 25% over the last five years.⁴

More Sophisticated Requirements

These structural bottlenecks are typical of those found in many countries which are opening up their economies to enter the world market, following a relatively long period of import substitution and domestic orientation. At the same time, the requirements made of exporters have become more demanding in recent years. Two developments in particular have contributed towards this change. For one thing, the sheer variety of products has increased as new technologies have been introduced. As a result, product cycles are now shorter and the time span between design and final production has been shortened. For another, the breathtaking advances in information technology, together with improved management and production methods, have led to considerable reductions in the amount of stocks carried and to improvements in product quality. That in turn has not only shortened delivery times but has also raised the standard of customer requirements with regard both to the quality of materials and to the final finish.⁵

Consequently, exporters wishing to penetrate industrial countries' markets need to be continually informed on changing fashion trends, designs and product standards, and also need to acquire expertise in modern production

and management methods (best practice), in order to keep pace with these higher requirements on quality and punctual delivery.

Against this background, then, trade policy reforms do not represent a sufficient condition for achieving increased exports. In order for a country to attain positive results in terms of export, economic and employment growth, it is important to ensure that the supply side is in a position to respond appropriately to reforms.⁶

Reorientation of Export Promotion

For some years now, a number of bilateral and multilateral donors have been supporting export promotion projects in developing countries to improve the supply-side response to trade-policy reforms. In the past, such measures have primarily been geared towards building up and improving the effectiveness of governmental export promotion institutions (by providing training, establishing information systems etc.), on the assumption that these institutions would in turn satisfy exporters' information and consultancy needs.

However, studies conducted by the World Bank have concluded that export promotion projects of this type, in spite of the high financial input involved, have so far shown little effect in raising export earnings and have generally had disappointing results. Some of the chief causes for this situation are:⁷

□ The effects exerted by many years of a policy of import substitution upon the thinking and acting of exporters, upon the structure of industry and upon the bureaucratic apparatus were universally underestimated.

□ Almost without exception, governmental export promotion institutions in developing countries have proved ill-suited to the task of providing exporters with the services they need. In fact, the model of a monopolistic government provider of such services (usually offered free of charge) is by nature unsuited to the complex tasks demanded of it.⁸

□ No account was taken of the fact that in OECD countries and the successful countries of East Asia, in addition to governmental agencies, an extensive, high-quality range of services provided by competing private

⁴ Ibid.

⁵ Cf. World Bank: *Global Economic Prospects and the Developing Countries*, Washington 1992, p. 34.

⁶ Factors influencing supply-side response named by the World Bank include the credibility of the reform process, factor mobility, physical and institutional infrastructure, and the amount of access exporters have to market and marketing information. Cf. V. Thomas, K. Matin and J. Nash: *Lessons in Trade Policy Reform*, in: World Bank (ed.): *Policy and Research Series*, Vol. 10, Washington D.C. 1990, p. 6.

⁷ Cf. D. Keesing and A. Singer: *What Goes Wrong in Official Promotion and Marketing Assistance for Manufactured Exports from Developing Countries*, World Bank Office Memorandum, 18. 10. 1989, pp. 3-36.

⁸ Cf. D. Keesing and A. Singer: *Why Official Export Promotion Fails. A survey of experience and interviews with experts*, in: *Finance & Development*, Vol. 29 (1992), No. 1, pp. 52-53.

enterprises and associations has emerged to which exporters can have recourse.

□ Too little attention was paid to the direct effects of promotion measures taken by export promotion projects on increasing exports.

Thus the outcomes of export promotion projects carried out to date in the context of development cooperation have in recent years caused the donors involved to rethink their positions and to reorient their approaches to export promotion. Among the new elements involved are the provision of direct support for private enterprise exporters, measures to enhance their supply-side capabilities, and a switch towards charging at least some contributory fee to the participating companies in projects which operate for strictly defined time periods.⁹

Germany's technical cooperation agency has been supporting an export promotion project in India since 1988, the Indo-German Export Promotion Project (IGEP), which takes up the elements set out above. This is

immediately clear from the defined purpose of the IGEP, namely "to increase the effectiveness of selected small and medium-sized companies in India with regard to the export of semi-finished and manufactured goods". With its innovative promotional strategy, the IGEP is intended to act as a model for further export promotion projects in countries undergoing trade policy reforms.

An Alternative Advisory Approach

The IGEP's underlying concept and mode of operation can be systematically presented in terms of three approaches to export consultancy derived from the structural bottlenecks faced by exporters in developing countries as cited above. These approaches are interrelated, and together constitute a consultancy model as depicted in Figure 1.

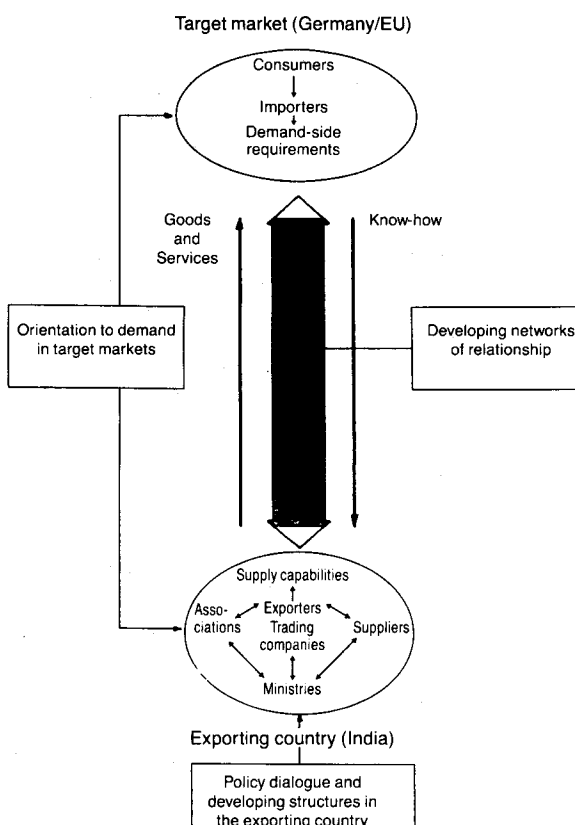
Orientation to Demand in Target Markets

The IGEP's consultancy activities take as their starting point demand conditions in the target markets of Germany and the EU. Those conditions determine which companies and product groups are selected for support by the IGEP, as well as the overall strategy for providing export advice at the corporate level. The purpose of this is to ensure that the export advice on offer does not "miss the target" as far as the eventual market is concerned. A number of specific features of this demand orientation are described below.

The differential between the supply capabilities of exporters in developing countries and the requirements of the demand side in the German and European markets is generally so great that only a relatively small elite of producers will have any opportunity in the short or medium term to export successfully into those markets. Support provided by the IGEP is therefore concentrated on a "core group" of companies which have the potential to hold their own in the market after receiving initial support. Whenever any of the core-group companies cease to receive support, they are replaced by new companies from a selected "second circle". A third circle, to which all companies are entitled to belong, is supplied with basic information on the German market. The model is therefore known as the "three-circle model".

The IGEP concentrates its support on certain product groups. These product groups are selected both on the basis of the "classic" determinants of comparative advantage and on that of information provided by market experts and short market surveys, which gives an

Figure 1
Approaches to Export Consultancy –
A Consultancy Model



⁹ Although the old type of approach still predominates, the first projects of this new type are now being implemented by organisations such as the ITC, DeCTA and USAID.

Table 1
Orientation to Demand in the Target Markets

Selecting firms	Selecting product groups	Familiarising firms with the German and European markets
Three-circle model Intensive support for a core-group, 2nd circle in reserve, and open-access 3rd circle of firms	Promoting traditional export products In the short and medium terms, increasing value-added by supporting the move upmarket to higher quality product segments	Market information/marketing consultancy Newsletters, seminars, workshops, public relations
Selection criteria Small and medium-sized private sector companies Top performers as regards e.g. corporate personality, financial strength and export experience	Promotion of technology-intensive products In the medium and long terms, paving the way for closer cooperation between companies Service sector Export consultancy and marketing assistance for various products	Trade fair visits Service office in Germany Project presence in the target market, observation of commissions carried out by short-term experts, building up contacts, obtaining information

indication of whether there is sufficient existing or developing demand for a given product. The purpose of supporting a number of India's traditional export products (shoes, jackets and other leather articles, silk garments and gold jewellery) is to enable the exporters to penetrate higher quality product segments and thus to increase the Indian share of value added. In the case of support provided for technology-intensive products (computer software, automobile and bicycle components, castings) the purpose is to build up closer cooperation and supplier relationships between German and Indian companies.

Support is provided to individual companies in an integrated approach which combines measures to convey market and marketing knowledge with other measures to target specific bottlenecks, the easing of which will improve the company's supply capabilities. The first stage in this procedure is to bring companies into closer touch with the German market by providing market information, marketing seminars, and arranging visits to or participation in trade fairs in order to familiarize them with demand conditions and with the capabilities of their competitors. Once confronted in this way with the requirements of their target market, companies soon recognise where their own expertise is lacking, not only in the fields of market information and marketing but also as far as product improvement, production techniques and management are concerned.

Developing Networks of Relationships

A key problem confronting export promotion is the need to improve exporters' supply capabilities with the limited project resources available. Thus an export promotion project can attain a direct transfer of know-how only on a limited basis to selected companies, targeted to specific bottlenecks.

The role of the project is therefore to act as an intermediary and catalyst in the development of business relationships between Indian exporters and German importers or other western sources of expertise, as relations such as these simulate proximity to the market and provide a conduit for the transfer of know-how.

Surveys have clearly shown that established, trusting relations between exporters and importers give rise to a substantial transfer of know-how.¹⁰ "Close long term relationships with overseas buyers are the key for LDC firms to establish their products in international markets. These buyer-seller relationships provide information on international markets and market segments, product specifications, and on appropriate production methods."¹¹

Buyers and sellers alike have an interest in upholding long-term relationships. Frequent transactions allow business counterparts to get to know one another more closely, which in turn allows them to substantially reduce their business risks and associated costs. From the exporter's point of view, such relations are vital in order to gain a closer understanding of the vast range of products traded on western markets and of existing marketing channels. In many cases, western purchasers also send out designers and technicians to provide training for the exporter's staff.¹² In short, developing stable, long-term

¹⁰ On the predominant part played by exporter-importer relations in export promotion, cf. also P. Turnbull: Boost Export Sales with Better "Interaction", in: Business Marketing, No. 72, 1987, pp. 118-124; D. Keesing and S. Lall: Marketing Manufactured Exports from Developing Countries: Learning Sequences and Public Support, in: G. Helleiner (ed.): Trade Policy, Industrialization, and Development: New Perspectives, Oxford 1993, pp. 176-193.

¹¹ World Bank: Buyer-Seller Links for Export-Development, Industry and Energy Department Working Paper, Industry Series Paper, No. 23, March 1990, p. i.

¹² Ibid., p. 7.

Table 2
Developing Networks of Relationships

Building up business contacts	Reducing the risks of market entry	Improving the supply capabilities of exporters	Initiating intercompany cooperation
Industry and market experts as mediators	PR work in Germany Improving India's image by providing information on India as a supplier country	Individual consultancy and seminars on product development and production techniques	In cooperation with the Deutsche Investitions- und Entwicklungsgesellschaft mbH
Participation in trade fairs			Production in India of input products required for export manufacturing
Direct approaches to German importers	Back-up for newly-emerging business links Preselection of Indian exporters, bridging function in communication, providing back-up for dealing with orders	Establishing links with experts from Germany Designers, trade agencies, production technicians, marketing specialists, partly via CIM and SES	Production of tools and equipment in India
Visits by delegations Either of Indian exporters to Germany or of German purchasers to India			

business relations between importers and exporters is a key factor in export promotion.

However, this is by no means a simple matter. A substantial obstacle is posed by the poor image of Indian products and Indian business practices, which in turn is generally a result of cultural misunderstandings and also a lack of experience in dealing with western purchasers. Because purchasers looking for new suppliers often rely on information provided by experienced colleagues, this negative image is passed on and raises the subjective risks associated with entering a new market. Importers also tend to fight shy of making a large up-front investment in the supply capabilities of a new, unknown supplier, preferring to work with exporters which, though their prices may be higher, have proven their reliability and their capacity to supply goods of adequate quality.

The IGEP responds to these difficulties and initiates business relationships by:

- ☐ engaging the assistance of German industry specialists (who normally are not development experts) who by the nature of their jobs have good contacts with large importers and manufacturers. These experts support the companies being promoted with regard to their participation in German trade fairs, the preparing of business trips to Germany, or the direct marketing of their products;
- ☐ enhancing the supply capabilities of a selected group of exporters (core group), on a targeted basis geared to their particular bottlenecks, by way of seminars and individual consultancy on matters of design, product development, production techniques and quality systems;
- ☐ reducing the risks of procuring from a new market otherwise facing German importers by carefully choosing which firms are supported and put in touch with potential trading partners, and by offering intensive back-up to any resulting business relationships.

In addition to direct business links between exporters and importers, an increasing significance is attached to establishing contacts between Indian exporters and German marketing agents, designers, product specialists and production technicians. Once they have attained their first export successes, exporters normally look for an opportunity to engage the services of these experts at their own expense for longer periods. The project is able to set up the necessary contacts and to coordinate the activities of such experts.

Policy Dialogue and Developing Institutional Structures

The competitiveness of exporters is crucially dependent on the overall environment in which they operate. In the discussion of this issue, the OECD has coined the term "structural competitiveness". Factors determining this include not only the current economic policy framework and the physical infrastructure in place, but also the relations exporters maintain with their suppliers, with training and research institutions and with export promotion associations.

The IGEP takes account of this structural view of competitiveness and encourages structural development processes by:

- ☐ maintaining a continuous economic policy dialogue with decision-makers at the Ministry of Commerce with the aim of drawing attention to the legal and administrative conditions which impede exports, and of suggesting what changes could be made;
- ☐ involving a wide variety of private sector, semi-governmental and governmental associations, some of which compete with one another, in the planning and implementation of export promotion activities. Indian quality controllers, consultants and training and research institutions are also frequently involved in these processes.

Table 3:
Policy Dialogue and Developing Structures in the Exporting Country

Influencing economic policy	Institution building "from the bottom up"
Monitoring the general framework in India and Germany Policy dialogue with the Ministry of Commerce Regular meetings with decision-makers to discuss existing legislative and administrative bottlenecks and suggest possible changes Symposia Specialist conferences on the reform process, staged jointly by an Indian research institute and HWWA, Hamburg	Planning and implementation of support activities together with a large number of private sector and semi-governmental export promotion institutions In direct cooperation with firms, the project provides new ideas on what is possible in the export promotion field. Corresponding requirements are then voiced by the participating firms to their associations

As competition begins to grow between governmental and newly emerging private sector business associations and the demand for export consultancy increases, a process of institution building "from the bottom up" can be observed. By working directly with firms, the IGEP is able to provide an example of what types of export promotion activities are possible. Companies then pass on these service requirements to their respective associations, and they in turn receive suggestions from their own work with the IGEP and specialist consultants as to how they might match their activities more closely to the growing demand.

Assessment

The IGEP has been receiving a high degree of acceptance and recognition from Indian exporters, business associations and ministry decision-makers. However, the success of the consultancy provided can only be quantified to a limited extent because of the difficulties involved in attributing different effects to different advisory services.

At a conservative estimate, the funds invested in the project between 1988 and 1993 of DM 17.25 million¹³ initiated export revenues valued at DM 110 million. On the macro level, this contributed towards redressing the balance-of-payments deficit while on the micro level it generated employment and income effects. According to project survey findings, each additional DM 1 million of export revenue creates or preserves approximately 1,000 jobs in the silk industry or 150 jobs in the shoe, leather articles or computer software industries. One third of the additional jobs created in these product groups are taken up by women. Data of this kind should be derived from systematic monitoring of project effects, taking account of quantitative and qualitative indicators alike.

A substantial proportion of the criticism directed against this project approach voices concern about its

sustainability, as the target group in this instance consists of export-oriented companies and not, as in the past, of export promotion institutions.

The project has been designed on the basis that its services, if they continue to be provided as at present, will no longer be necessary following a project duration of 8 to 12 years. This underlying assumption is based on a number of hypotheses which have been confirmed by the practical operation of the project:

□ The project is acting as a catalyst and triggering off new processes which will continue to encourage exports beyond its own period of operation. A good example of this is provided by the product group of gold jewellery being promoted by the project. Thanks to the IGEP's activities in the fields of trade fair promotion, design and product development in conjunction with a limited number of exporters, a new awareness has now begun among Germany's leading importers and traders. India's previous negative image has given way to a substantially greater interest in Indian gold jewellery. Many German importers are now beginning on their own account to take up contact with Indian goldsmiths, to supply them with the latest information on designs and trends, and so to develop closer cooperation. As a parallel development, there has been a rapid increase in the number of gold jewellery producers operating in Indian export processing zones. Having once initiated processes such as these, the project itself does away with any further need for a number of its functions (risk reduction, establishing business contacts).

□ The project contributes towards the development of institutional structures, partly indirectly via the process of developing institutions "from the bottom upwards" as already described, and partly directly via close

¹³ DM 17 million of this sum was provided by the German technical cooperation agency GTZ, and DM 0.25 million by the Indian government.

cooperation with these institutions themselves. As a parallel process, it is not until companies come into closer contact with western markets that the demand for export consultancy really takes off. Development of institutions on a bottom-up basis is a particularly promising alternative approach in a situation such as India's in which export promoting institutional structures are in any case undergoing comprehensive change. Governmental institutions are now becoming less significant while effective private sector associations are emerging on the scene.

□ The transfer of know-how not only occurs by way of export promotion institutions but also by way of imitation processes among exporters, which serves to disseminate successful exporting practices: "... learning associated with successful exporting also spills over to other exporters and becomes the basis for export success by more and more firms at an economy-wide level."¹⁴ The seminars and workshops which act as a forum for exporters and intensive public relations work are both ways in which the IGEP quite deliberately reinforces this effect throughout its duration.

A more problematic aspect is that of ensuring sustainability at the level of individual firms. The project design was based on the assumption that core-group companies, following a period of intensive, targeted, individual support, would soon be in a position to renounce the support and make their own way on the German and European markets. In practice though, these companies frequently have to rely on support longer than originally planned.

The short-term successes achieved in marketing and product development soon lead to new demands on production and management expertise with which many exporters are unable to cope. The advice given by the project leads to a level of product quality being built up which, due to supply-side bottlenecks, the firms cannot sustain until they have undergone a relatively long period of adjustment. So as not to jeopardise the successes achieved on the marketing side, the project needs to devote more effort to providing advice on production and quality systems, thus running the risk of being drawn ever

¹⁴ D. Keesing and S. Lall, *op.cit.*, p.180.

Bettina Nürk

Die Koordinierung der Konjunkturpolitik in der Europäischen Gemeinschaft

In 1992 the EC Member States signed the treaty on the establishment of a European Union. This envisages transition to a common currency in the Member States, with a high level of economic convergence and stability by 1999 at the latest. In the meantime, however, it has become clear that this path is beset by greater difficulties than the partners had expected. There is a history to these difficulties. Even before this, repeated attempts had been made in the European Community at closer coordination of national monetary, fiscal and exchange-rate policies, in order to push forward with European integration in these areas. However, just as repeatedly it was not found possible to implement them as planned. Efforts to achieve monetary union remained without noticeable success. The progress of European economic and monetary integration since 1958 is reviewed in this monograph, and current problems appear in a new light as a result of this work. The work is also a contribution to the current debate on monetary union in Europe.

1993, 339 pp., hardback, 98,- DM, 690,50 öS, 89,- sFr, ISBN 3-7890-3059-7
(Integration Europas und Ordnung der Weltwirtschaft, Bd., 2)

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deeper into the process of strengthening the supply capabilities of core-group companies. The companies concerned cannot then leave the core-group very quickly, and project funds are tied up accordingly.¹⁵

Thus it is crucial for the success of a project that its role as a catalyst and intermediary in the transfer of expertise be strengthened, with the amount of know-how transferred directly by the project itself confined to a minimum. In addition to initiating purchaser-seller relations, this also entails:

- putting Indian exporters who are interested, either alone or in groups, in touch with foreign product experts, marketing agents, designers and production technicians, the costs of which must be borne by the companies themselves. Initial enquiries have shown that a majority of the firms receiving support would indeed be financially capable of meeting these costs,
- putting Indian quality controllers in touch with German importers and their Indian trading partners.

In both of the above cases, the project would continue to play a background coordinating role, say by making it possible in the first place for a production technician to be seconded to a group of companies, or by strengthening the authority of the Indian quality controller.

Transferability of the Approach

The special feature of the Indo-German export promotion project is that it ties together the three conceptual approaches to export consultancy set out above and implements them by cooperating with the three types of economic units involved (namely ministries, governmental and private-sector associations, and firms).

Orientation to demand on target markets, developing networks of relationships, policy dialogue and developing institutional structures in the exporting country is the considered response to the fundamental problems confronting exporters in developing countries, when they endeavour to penetrate the markets of industrial countries, i.e. the lack of market information and marketing knowledge, insufficient supply capabilities, a lack of support from institutional or physical infrastructure, or from general economic policy.

The approach of providing direct support to firms interested in exporting, while also involving existing export promotion institutions and supplying complementary policy advice is appropriate to the

circumstances prevailing in countries undergoing a reform process: a changing institutional environment, a need for concrete recommendations in implementing specific trade policy reforms, and finally the urgent need to achieve rapid increases in export revenue.

The consultancy model developed for the Indo-German export promotion project is, on the conditions set out below, in principle transferable to other countries currently undergoing economic reforms, even though it is true that conditions in India were particularly advantageous for the establishment of such a project given the great diversity of India's industrial structure, the large number of products eligible for promotion and the wide variety of existing export promotion associations. The main conditions for such transferability are as follows:

- The exporting country concerned is in the process of carrying out trade policy reforms intended to liberalise its foreign trade. Major cornerstones of these reforms are macroeconomic stability, a realistic exchange rate coupled with the abolition of export subsidies and free, unbureaucratic access for exporting firms to required imports. During such a reform process, the monitoring of economic policies and a policy dialogue are indispensable elements of any export promotion project. This calls for the establishment of a project office in the exporting country concerned and the secondment of a long-term expert to that office.
- Firms are highly motivated to export. The companies concerned are also both willing and able to make their contributions towards consultancy costs.
- The German market is widely regarded by experienced operators as one of the world's most demanding. Hence it is important to ensure that factors such as corporate structure, industrial structure, the availability of exportable products and the level of export experience so far gathered by a country's firms suggest there will be a sufficient level of export potential for the catalytic functions of an export promotion project to take effect and to generate export successes within a reasonable period of time. If this condition cannot be met, exporting effort ought initially to be aimed at other target markets with less sophisticated requirements.

The relative importance attached to particular instruments must be tailored to an exporting country's particular situation on a case-by-case basis. The same also applies to the type of cooperation developed with existing export promotion institutions. However, given the negative experience gathered in the past, the option of providing direct support to a governmental export promotion institution would appear to hold little promise of success.

¹⁵ This clearly demonstrates that even top performers among Indian companies have a good deal of learning and adjusting to do before they can successfully assert themselves on the German market.