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German Market Provides Environment for Viable Licensing Opportunities

By
Danielle Fisher

Despite the recent instability of the Dow Jones Industrial Average and its negative economic impact on such regions as Asia and Russia, licensing and merchandising in the German-speaking territories seems to be thriving. With Germany representing DM 6 billion of Europe's 25 billion share of gross retail sales from merchandising products, according to a report in the June 1997 edition of the *IHL-Journal*, licensors, licensees, agents, and retailers alike appear to be riding the wave of success at the cash register.

"The four-year downtrend of retail sales seems to have come to a hold and an increasing demand for licenses can be noted," says Sir Michael Ah-Yue Lou, CEO of V.I.P. Promotions, the Hamburg-based licensing agency that in the 1980s with *Dallas*, pioneered the development of adult-targeted licensing concepts in a traditionally children's focused market. "The strength of the market is certainly in purchasing power and the fact that Germany is the gateway to emerging Eastern European markets."

V.I.P. recently entered into an agreement with Sony Signatures

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Special Reports:

Germany & Latin America

Even with the Economy in Turmoil, Latin America Still Offers Great Potential for Licensing

By
Jeanne-Michele Vigna

In recent years, Latin America has made progress toward economic reform, yet the stability of the economy remains uncertain. In the past year, like dominos, economic crisis has spread across the globe starting in Asia, moving into Russia, and leaving those in the financial world wondering who will be hit next. Last month, the Brazilian Bovespa plummeted, and U.S. lenders are pondering its impact on them. If the Brazilian economy falters, the demand for U.S exports will shrink.

Financial analysts regard Brazil as the largest economy in Latin America, with Argentina and Mexico falling behind, but when the market crashes in Brazil, people assume the same happens throughout the region, making people aloof to doing business anywhere in Latin America. Some Mexican analysts are calling it the "contagion" effect, with investors treating developing countries as all the same, even though the eco-

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