### Fabricated Metal Products — The Opportunity

There is significant interest in Canadian metal-fabricated products in Australia. New products or products offering some design advantage appear to have the best potential. Some Canadian products, such as specialized fasteners or pipe, could be competitive. Interest in standard-type products is hard to find and the field is competitive, although the need for alternative suppliers exists. Canadian prices appear to be competitive.

One of the fundamental differences between Canadian and Australian manufacturers of metal products is that the latter are usually heavily involved in the distribution of supplementary (or sometimes very different) products made by other firms. Often these products are imported. Revenue from this distribution can amount to 40 to 70 per cent of the total business for some firms. To expand business, most if not all manufacturers are keen to consider new products, either through direct import or joint venture manufacturing.

## C. INDUSTRIAL CO-OPERATION

### The Opportunity

Canadian firms, particularly those with products including sophisticated systems, high technology, engineering, metal fabricated or otherwise bulky content, may wish to explore the prospects of collaborating with an Australian company, establishing a subsidiary, or purchasing an equity in an existing company. Collaboration could take the form of licensing agreements, technology exchange, joint research and development projects, manufacturing exchanges, marketing co-operation or exchange to complement lines, commission agent or service representative arrangements, general consultant agreements or consortium partnerships.

### Market Considerations

Over the last four or five years, comparable products to Canada from third countries have been making strong inroads into the Australian market through corporate linkages. In many cases, this phenomenon has been most apparent through the medium of multinational enterprises (MNEs) whose nominal headquarters are in the United States, Japan or E.E.C. but which have subsidiaries in Australia.

Most small to mid-sized Canadian firms cannot compete with MNEs. However, as the Australian industrial profile so closely resembles that of Canada, there are many comparably sized local firms that would welcome a collaborator to strengthen their own overall capability to compete both at home and abroad. Presence "on the ground" in Australia has many advantages in marketing or winning contracts over trying to make "opportunity" sales from a distance.

Apart from the important sales aspects, the collaborative approach is recommended as a vehicle to uncover valuable products, processes or technology in Australia that would add viability to firms at home. In this sense, any marketing objectives Canadian companies have through this process in Australia can be fully reciprocal in assisting the Australian firms' marketing aspirations in North America.

The possibilities of establishing a market "presence" in Australia through industrial co-operation are as follows:

(i) partial manufacturing or assembly behind a relatively high tariff wall;
(ii) possible access to existing warehousing, distributive and marketing networks;
(iii) possible augmentation of product lines or systems through a complementary collaborator;
(iv) early intelligence on market opportunities available through local collaborators, particularly for major projects;
(v) easier compliance with local preferences and Australian industry participation requirements on major projects such as defence procurements;
(vi) greater facility in offering local contact, life-cycle service and support for equipment systems; and
(vii) prospects of third country marketing (not least in New Zealand) in areas where the Australian collaborative partner has specialized knowledge or access. Thus there appears to be ample potential in the area of joint venture engineering between Canadian and Australian firms for construction and contracting opportunities in the markets of Southeast Asia.

## D. TOURISM

### The Opportunity

Australian residents spent the equivalent of $2,159 million on long-haul travel in 1982. Of that amount, $28.6 million was spent in Canada by 60,091 Australian visitors. This represents an increase of 5.7 per cent over the number of visitors from Australia to Canada in 1981. Over the long term (since 1972), the number of visitors to Canada from Australia had increased by 201 per cent.

The results of an Australian Market Probe Study undertaken in 1980 indicated that in the three-year period studied (1977, 1978 and 1979), more than one-third of those surveyed did not take any holidays. Just less than one-half took at least one holiday trip in Australia. Nearly two out of every five Australian adults took a trip outside Australia in the period covered, and it is this group that constitutes the target overseas market.

According to Australian statistics for 1982, Canada, as a main destination, attracted about 1 per cent of Australians travelling overseas. Australian statistics do not reflect visitors to Canada as part of a major trip elsewhere. Europe and the United States, as long-haul destinations, are Canada's major competitors, although Canada's location with respect to these destinations offers possibilities for combined destination holidays.