

SECTOR: Oil and Gas Products and Related Equipment and Services

SUB-SECTOR: OIL & GAS EQUIPMENT

Officer: R. McNally

U.S. Market Opportunities: Exports of Canadian equipment and services in this sector to the U.S. totalled \$132 million in 1990. Recent reports called for a growth rate of 3.1 percent for the U.S. oilfield machinery industry during 1990-94. This projection is based on the need for US and foreign petroleum companies to replenish depleted reserves.

Many U.S. customers of Canadian oil and gas equipment are involved in overseas projects, in Europe, the Middle East or Asia. Promotion of Canadian capabilities in the U.S. provides companies exposure to these overseas markets, and lends support to our industry in its pursuit of offshore business in competition with American, Western European and Asian companies.

Canadian Capabilities: In 1990, the industry was composed of approximately 215 small to medium-sized establishments employing in total about 4,500 people. The industry is strong in the areas of technology, product quality and after sales service. In particular, Canadian firms have developed specialized techniques and equipment for secondary recovery from wells which have reached a low rate of productivity and specialized subsurface mining equipment for extracting oil sands. Canada is also recognized also a world leader in sour gas gathering and treatment facilities.

Strategy: - To support the activities of new and experienced exporters offering competitive/specialized products and services to this market by undertaking selected promotional activities,

- To ensure that Canadian industry receives appropriate information and support instruments to maintain and augment its share of the U.S. oil and gas equipment and services market (by consulting with resource persons within the industry and the market, focusing on our industry's strengths in the offshore and oceanology sectors). These activities are to be conducted in close cooperation with ISTC, and the relevant ITC's and provinces.

- To maximize the impact of our participation and the exposure generated for Canadian oil and gas capabilities by developing an advertising campaign built around participation at trade shows, taking advantage of media coverage of shows and promotional packages available to exhibitors.