

South Australia, to be supplied by Cancar Pacific. The mill will be the first installation of the Cancar Chip'N Saw concept in Australia. An Allen Taylor mill at Bathurst, N.S.W., is also considering installation of a Chip'N Saw system. Also, S. Madill Ltd. of Nanaimo, B.C., negotiated a sale of some \$300,000 worth of cable extraction systems to the Burnie forestry division of APPM, Ltd.

A further mission visited Australia in March 1981.

d) Canadian Success Stories

"Timberjack" machinery from Eaton Yale Ltd., of Woodstock, Ontario has been the outstanding success thus far. Timberjack's prominent exposure at FIME 80 has facilitated the sale in Australia of 15 forwarders and skidders, estimated at \$2.0 million. Those sales, and those of other Canadian manufacturers of forest harvesting equipment to date, were made possible by the advanced technological position those companies occupy in the softwood industry.

Sentrol Systems of Downsview, Ontario, succeeded in marketing its computer-based process control systems to the pulp and paper industry in Australia and provides on-the-spot sales and servicing. Its branch office in Australia is the first offshore outlet opened by Sentrol.

e) Market Considerations

Mechanical harvesting machines are not manufactured in Australia, and thus their importation is subject to a two per cent duty. Sawmilling equipment is dutiable except for specialty items not made in Australia. Canada does not enjoy any preference for milling or processing equipment except for chippers, which are dutiable at five per cent versus 15 per cent for imports at general rates. Normally, however, Canadian sawmilling equipment is rated at between 15 per cent and 19 per cent in common with similar goods from major competitors.

f) The Competition and Competitor Activity

With regard to harvesting equipment, competitors to Canadian firms include John Deere, Caterpillar, International Harvester, Volvo, and Kockums. Aggressive advertising and field-day demonstrations are heavily used by those companies. Kockums was successful in securing the ANM contract for mechanical harvesting equipment required to supply logs to their new mill at Alburn, N.S.W. Ten mechanical harvesting systems manufactured in