

In the oil and gas equipment part of the resource industries subsector, most manufacturers do not enjoy the efficiencies of long production runs because of the relatively small market in Canada. They are mostly oriented to serve the domestic market, but some specialized equipment developed to meet Canada's climate, topography and resource characteristics has been sufficiently robust to establish global niche markets.

Products such as control devices and hazardous area drilling equipment have enjoyed successful export to the U.S. and overseas to countries that have similar geographical and climatic conditions.

A number of foreign-owned companies in Canada export to the common market on an inter-company basis. Because of their parent companies' presence in the EC, they are more aware of standards and purchasing policies. They also have their own communication and distribution network, which makes it easier for them to export their products to the EC. For individual Canadian-owned companies exporting to Europe, these factors can and will continue to present some difficulty. Even with these problems, investment in the EC by Canadian firms is insignificant in contrast with European companies, which invested \$932 million in Canada in 1985.