

## EXECUTIVE SUMMARY

This report addresses one of approximately 80 sectors reviewed as part of a broadly-based study commissioned by the U.S. Trade, Tourism and Investment Development Bureau of the Department of External Affairs. The objective of this study is to provide a preliminary indication of potential opportunities for the expansion of Canadian exports into the United States. The findings in each report are based on an analysis of U.S. trade statistics and a limited survey of U.S. importers and trade associations from a broad cross-section of the U.S. industry.

The purpose of each report is to assist Canadian companies in identifying potential export opportunities that may justify further investigation. While the reports do not provide analyses of Canadian export industries or their international competitiveness, they do provide other kinds of information that should be useful. For example, each report provides information on individual companies that have indicated an interest in new sources of supply, some of which are quite specific. Information on U.S. import market size and shares and on industry publications and trade fairs that the companies surveyed felt were most useful are also provided. As such, individual reports in the series should be of particular interest to small and medium-sized Canadian companies that either are not yet exporting or that would like to increase their level of exports to the United States.

Metalworking machinery and machine tools is one of the sectors examined during the study. A survey of U.S. importers of metalworking products was conducted to determine the effects of the devaluation of the U.S. dollar on imports and potential opportunities for Canadian manufacturers to replace these imports. The results of the survey were interesting and significant. Approximately 80% of the respondents reported that the devaluation of the U.S. dollar had increased the costs of their imported metalworking machinery and machine tools. As a result, a large number of respondents were interested in hearing about Canadian sources of supply for possible substitution for higher-priced imports now being purchased.

These importers indicated a preference to receive information on products from Canadian firms via the mail, personal contact or trade fairs. A large number of respondents said that the lack of availability of such a product in the United States was the reason for their numerous imports.