

### **Pulp and Paper — The Opportunity**

The future for pulp and paper suffers from uncertainties. Under the New Zealand-Australia Agreement for Closer Economic Relations (CER), Australian users are urged to treat New Zealand as the preferred supplier for pulp and newsprint to the extent that supplies sought from third-country suppliers will be limited. As softwood plantations continue to mature in both Australia and New Zealand and new mills are established, the agreement will have an increasingly restrictive effect on imported products.

So far as other types of paper are concerned, the Australian industry is a relatively mature and efficient one. This fact, combined with continuing demands for protection against imports, has tended to limit opportunities in conventional markets for fine papers. The industry does not produce specialty products, such as glassines and greaseproof papers, where opportunities may exist for small tonnages to be exported from Canada.

### **Converted Wood and Pulp and Paper Products — The Opportunity**

Continuing and profitable opportunities exist for specialized paper products. These include wallpaper, computer paper, products for the fast food and consumer market, as well as converted products such as masking tape.

Domestic capability in the production of other wood products is high, and there is believed to be a considerable amount of excess plant capacity available. For this reason, opportunities tend to be limited. The local prefabricated housing industry is providing competitive products in all but certain specialty house types. One area of possible activity in this regard — so long as the prices of cedar and other materials stay reasonable — is in the ski areas where substantial investment is expected in both hotel and chalet-type accommodation. Substantial demand is also expected for such products as knocked-down kitchen cabinets.

### **Chemicals**

#### **Health Care Products — The Opportunity**

A substantial portion of the Australian market for health care products is supplied from overseas sources. Most of the trade is in the hands of multinational companies; this fact limits the opportunities for independent Canadian promotional activities. Traditionally, Canadian sales of pharmaceuticals and other health care products are relatively minor, accounting for only 2 per cent of total purchases abroad. These were directed mainly by multinationals through their head offices in the United States. Limited opportunities exist for direct sales of health care products by Canadian companies to Australia.

#### **Sulphur — The Opportunity**

Canada ships about half a million tons of sulphur to the Australian market annually and is by far the largest supplier of sulphur to Australia. Shipments

have been handled in three ways: by a Canadian sulphur offshore marketing consortium (CANSULEX); by the International Sulphur Company (representing Shell); and by Petrosul, which represents a number of producers. Demands for future Canadian sulphur exports to the Australian market will depend on the need for additional phosphate fertilizer plants.

### **Potash — The Opportunity**

Historically, Canada has supplied two-thirds to three-quarters of Australia's annual potash consumption, with the United States supplying the remainder. Canada exports potash only in the potassium chloride form, whereas the United States exports both potassium chloride and potassium sulphate.

Australia's Dampier Salt Ltd. is planning production of potash (sulphate) by 1985 from brine lake and salt pans. Production levels will be between 60 and 120,000 tonnes per annum and are intended for export to Japan and other Asian consumers. This production will most likely affect Australia's potassium sulphate imports, but exports of Canadian products to Australia may also be affected.

#### **Australian Imports of Canadian Potash**

	<b>Metric Tonnes</b>	<b>Value \$'000</b>
1984	164,847*	20,098*
1983	197,214	21,894
1982	204,911	24,748
1981	182,204	21,407
1980	187,560	18,259
1979	133,517	9,187
1978	148,089	7,949

\* January to August 1984.

Source: Statistics Canada 65-002.

### **Plastics Processing Industry — The Opportunity**

Australia has a relatively well-developed plastics processing industry; however, there are some gaps in its capabilities. A number of limited opportunities exist in certain product lines, and several agents are anxious to represent Canadian firms. At present, competition is chiefly from the United States, New Zealand, Japan and Israel. For the less specialized products, price is a critical factor in obtaining orders.

The Australian Government has undertaken an investigation of self-sufficiency in the local plastics industry with a target date of 1985 for submitting a final report. This report may have a restrictive effect on any market opportunities for plastics from offshore.

### **Metals and Minerals**

#### **Metals and Minerals Sector — The Opportunity**

Australian and Canadian resources of metals and minerals and related products are similar and competitive in many respects. Consequently there are few significant trade opportunities in the metals and minerals category, with the possible exception of fabricated metal products.