

quality and its marketing network, which is provided through an Australian agent, Kendall Knight Pty., which closely monitors the market and obtains quotes from Trench on an individual contract basis. The company is also available to answer client questions and solve problems.

e) Market Considerations

The main impediment to successful marketing of heavy electrical equipment is the need for local representation. Sales and design capability are important where large components are concerned, since items are often integral to a much larger equipment package and design specifications have to be worked out and co-ordinated with other equipment to be used. As well, since certain types of equipment are requested in packaged tenders, the Canadian supplier should be in constant liaison to ensure that his equipment is included.

Tariffs of up to 30 per cent are applicable on items that are or can be manufactured in Australia. A sample of rates includes: circuit breakers, 15 per cent preferential; line traps, 30 per cent general; reactor coils, 25 per cent general.

f) The Competition and Competitor Activity

The major competitors are Japanese companies that have won all major turbogenerator, boiler, large motor and transformer or rectifier tenders in the last few years. Purchasers consider Japanese equipment to be attractively priced with excellent financing and delivery terms, conservatively designed and constructed, and exceptionally reliable. Through large Japanese trading houses such as Mitsui and C. Itoh, excellent sales and service backup is available. No major Japanese-equipped power stations are yet in service, however, since their operational performance remains unproved.

The U.S., Germany, Sweden, Switzerland and Britain, but to a lesser extent in recent years, are also active in the market. Canadian equipment is generally competitive with equipment from those countries.

g) The Action Plan

The following action plan is proposed both to ensure that Canadian companies are aware of the opportunities that exist in Australia, and to enable them to establish competent representation: