

The marketing of leading-edge technologies requires strategies which differ from those which have proved useful in other, more traditional sectors. One of the first tasks is to raise awareness among potential buyers both of the availability of technological solutions to their problems, and of the capability and interest of Canadian exporters to do the job. Broad awareness raising activities include publication of segment catalogues describing individual company capabilities, placement of inserts in vertical publications, placement of articles in specialized magazines, and participation in trade shows.

More focussed awareness-raising activities include the organization of seminars for, or missions of, small groups of potential buyers from specific communities (e.g., retailers, bankers, educators, etc.), as well as one-on-one meetings with major potential customers or partners.

Demonstration ("tire-kicking") of such new technologies is essential, for there is no suitable substitute for hands-on experience. Equipment should be made available on loan, for up to six months, or even one year, to allow potential buyers to become familiar with the technology, and to discover by themselves uses which had not been identified earlier.

7. Aerospace

The Canadian aerospace industry is dominated by two major crown-owned companies — Canadair and de Havilland — and by Pratt and Whitney Canada. Other major sub-sectors are major systems and avionics companies, components manufacturers, and service companies (including repair and overhaul). Of aerospace industry sales of \$3.25 billion in 1983, 80 per cent was exported.

The U.S. business market will dominate future sales of Canadair's Challenger. Military or government-related market opportunities include 24 aircraft to China, 12 aircraft to Australia, and seven or more to the U.S. Canadian- and U.S.-produced avionics will be excluded from the Chinese order by our export permit restrictions. The Australian order requires 30 per cent industrial participation, which Canadair is unable to offer without taking the work from itself or from its Canadian suppliers. Strong local lobbying must be overcome in the U.S. government market. Follow-on sales prospects to Germany look promising, now that the first seven units have been sold to the government.

The major market for de Havilland's Dash 7 and Dash 8 is the U.S. regional carriers, followed by regional carriers worldwide. The Dash 7 maritime patrol variant is competing with British and Netherlands aircraft for a large Venezuelan Navy patrol aircraft contract. Given that country's financial situation, financing such a large order poses major problems for de Havilland and its Canadian avionics suppliers.

The de Havilland Buffalo is ideal in its size range as a support aircraft for developing countries, and will continue to sell in small quantities. De Havilland's Twin Otter will also continue to sell in small quantities. However, the Twin Otter faces stiff competition from Israel's Arava and Spain's CASA 212.

If a product is competing in the U.S., in other NATO (North Atlantic Treaty Organization) countries, or in areas where an industrial capability exists, the Canadian industry is effectively precluded. Additional constraints are competitors' predatory financing, foreign military assistance, and subsidized pricing. A significant portion of the market for de Havilland's STOL (Short Take-off and Landing) aircraft is in the developing world where export financing is important.

Market access for Canadian avionics firms is difficult where the domestic competitor's product development is fully funded in a government procurement. However, the market is large enough that sales on other programs justify a sustained marketing effort with particular emphasis on U.S. aircraft manufacturers. C.A.E. Electronics' recent success on the U.S. Air Force C5 simulator program augurs well for future sales into the U.S. military simulator market.

Component manufacturers such as Boeing of Canada, Bristol Aerospace, Dowty, Fleet, Menasco, Spar, etc., continue to compete vigorously for orders from the major aircraft and engine manufacturers in the U.S. and Canada. All are expected to enjoy continued sales growth. Limited opportunities are available from Europe for these companies. Douglas of Canada will continue to be a major supplier of airframe sections to its U.S. parent.

There will be a major Canadian industry and government presence at the Paris International Air Show, May 30 – June 9, 1985. Several Canadian companies will exhibit at the S.E. Asian Aerospace Show in Singapore in January 1986.

Aerospace companies will continue to participate in commercially organized trade promotion activities appropriate to their market sector. The Aerospace Industries Association of Canada will continue to collaborate with appropriate Government departments in new marketing initiatives.

8. Consumer Products

Canada does not have a strong, internationally competitive position in consumer products, particularly those where semi-skilled, labour-intensive manufacturing processes are in use. There has, however, been some limited export success in certain areas.

In textiles, there has been some export success in certain sub-sectors, particularly carpets, coated fabrics, and some other man-made fabrics. Exports represented 7 per cent of Canadian shipments in 1983, with the U.S. taking 48 per cent of our textile exports.

The clothing sector exported 5 per cent of its shipments in 1983. In sub-sectors such as designer fashion and outerwear, Canada is able to compete internationally on quality, style, and price, particularly in the U.S.

Canadian exports of fur garments have recently accounted for between 30 per cent and 55 per cent of domestic production. Canadian fur garments are recognized worldwide for high quality and value, and domestic producers are continuing to make inroads, particularly into the U.S. market. In Western Europe, anti-fur and anti-