

SECTOR: Chemicals Petrochemicals and Related Products

SUB-SECTOR: PLASTICS

Officer: R. McNally

U.S. Market Opportunities: Plastics make up the largest category of materials used in the United States today as the application of new technologies continue to displace metals, glass, paper, wood, and other materials. Improved qualities such as high temperature resistance, high height-to-weight ratios, and chemical/corrosive resistance have helped to increase this dominant position.

Packaging industries continue to be the largest consumers of plastic materials, followed by transportation, electronics, construction, medical equipment, and sporting goods. Leading suppliers to the U.S. were Canada and East Asia who were tied at 25.2 percent, followed by Japan at 18.8 percent.

Canadian Capabilities: The plastic machinery industry encompasses two distinct but related sub-sectors:

The machinery sub-sector includes manufacturers of production and other auxiliary equipment used in the creation of a wide range of plastic products. The machinery sub-sector in Canada comprises 62 establishments employing 1900 people, with estimated shipments in 1990 worth \$497 million. Exports totalled \$167 million, with the United States accounting for 71 percent.

The mould and die sub-sector specializes in mould and die production for plastic and rubber machines. It comprises 250 mainly Canadian-owned firms and employs 5600 people. Shipments in 1990 were worth an estimated \$580 million, of which 46 percent, or \$244 million, were exported primarily to the Automotive industry. Imports were valued at \$85 million.

Strategy: To overcome a general lack of awareness of Canadian supply capabilities in the U.S. and a less than dynamic approach by many domestic firms to exporting, marketing initiatives at key promotional venues will be undertaken to highlight particular industry strengths.