

I. SUMMARY OF MARKET OPPORTUNITIES

Objective

Canada's Export Market Report on Australia is intended to help the Canadian business community to expand its economic relations with Australia in terms of exports of goods and services.

This document is a part of the federal government's policy and programs to help Canadian exporters better focus on Canada's export market opportunities.

Introduction

Australia ranks as Canada's 14th largest trading partner. In 1984, Canada's trade totalled \$1.0 billion, representing an increase of \$211.5 million over 1983. This market report presents an optimistic view of the Australian market and its importance to Canada in the hopes of helping sustain Canada's trade interests in that country.

Future Market Opportunities

In recognition of the rising level of business in the Australian market, this document points to manufactured products and resource exports as having the greatest sales potential for Canadian goods and services in the Australian market. This potential may be tapped through various means, including using Australian nationals as part of company staff, establishing a local presence through joint ventures, setting up a local sales or service presence, possibly using a local agent or distributor, and demonstrating a product or service that is adaptable and appropriate for Australian requirements.

In marketing overseas it is essential that all companies develop in-house experience in dealing with international business and demonstrate that their products or services are sensitive to the Australian market. *Agricultural equipment* is a case in point where some adaptation of equipment is necessary to meet the conditions of the growing agricultural market. A key requirement to penetrating the market is having a capable agent or distribution company assist in marketing your agricultural equipment.

Packaging and labelling equipment is in high demand. A representative of your company can make inroads in this growing market if the company is prepared to promote packaging that is adaptable for industries such as the food, pharmaceutical and confectionary industries.

Forest Industries Equipment and Services opportunities are present for Canadian companies willing to enter into partnership with local pulp and paper firms. Sawmill equipment is in high demand. Effective representation through a regional sales operation is required to satisfy Australian concerns of servicing and repair of equipment.

Although the downturn in *oil and gas activity* has affected sales, Canadian companies should be ready to provide field production equipment, feasibility studies, specialized engineering services, reservoir modelling,

advanced seismic processing, and software packages when the upturn begins. An essential ingredient to success is establishing a visible presence, be it through a joint venture or a local office.

Instrumentation and industrial control equipment are required for the mining, steel and aluminum industries. Growth areas include sensing and measuring equipment, electronic data processing equipment, converters, and data display instrumentation and devices. Local service availability is of prime concern to the Australian buyer and should be incorporated in any marketing effort.

Supply of *electronics, information processing and special application software packages* is of particular interest to a market that currently has a low level of computerization. *Telecommunications* via satellite potential is very high.

Although Canada/Australia trade is weighted heavily in favour of *resource products*, there are significant export opportunities for primary wood products such as lumber, pulp and paper, and paper products; chemicals such as sulphur, potash, plastics and health care products; and fabricated metal products such as specialized fasteners and pipes.

There is growing evidence of secondary export market opportunities for Canadian products in addition to the foregoing. The Australian market for *aftermarket and Original Equipment Market (OEM)* autoparts is limited for Canadian manufacturers by Australian protective measures and by the dominance of U.S. and Japanese auto and truck makers located in Australia. What export potential does exist for Canadian companies might best be realized through intercorporate transfers with General Motors and International Harvester in Detroit.

If Canadian companies are prepared to pursue opportunities in the agri-food sector, they are to be found in *specialty foods*, including jams, canned cherries and asparagus, frozen peas, white pea and dried beans, and preserved pickles and relishes; *livestock bloodlines*, including live breeding swine and dairy cattle, as well as semen and embryo transplants; and *meat products*, including the possibility of pork.

There is good potential for increased Canadian sales of *fishery products*, including Greenland turbot, flatfishes and smoked salmon. Between 1982 and 1984, Canadian fish food exports to Australia consisted mainly of canned salmon, herring, sardines and cod blocks.

Industrial Co-operation

Industrial co-operation is one means of expanding export sales to Australia, since the Australian industrial profile resembles that of Canada. Canadian companies will discover that collaboration with Australian firms, for example through licensing, technology exchange or joint research, can provide increased market sales both within and outside the Australian market. In addition to increased sales, industrial co-operation can be an important vehicle to uncover new products, processes and technology, which may enhance a company's marketing and sales in Canada as well as other overseas markets.