SECTOR: Power and Energy Equipment

SUB-SECTOR: TRANSMISSION AND DISTRIBUTION EQUIPMENT AND SERVICES
Officer: D. Shaw

U.S. Market Opportunities: U.S. domestic market shipments are expected to decline between one and three percent during 1991 and to increase only slowly, (by one or two percent per year), between 1992 and 1995. Because of this slow growth scenario, competition in the United States market can be expected to stiffen. Nevertheless, the US market continues to present opportunities for all types of equipment as well as power itself. Complex regulation and continuing slackness in both residential and non-residential construction will adversely affect activity in the transmission and distribution sector. Utilities will have little choice but to continue investment in modernization and updating of old and inefficient distribution facilities.

Environmental concerns will continue to significantly affect the US T&D market. Energy efficiency at all levels will be an important goal of utilities strategy to free "new" load capacity. Retrofit products designed to upgrade system efficiency and extend the useful life of existing equipment will be in demand. For new and upgraded installations, the emphasis will be on components with the lowest life-cycle cost rather than the lowest installation cost.

Canadian Capabilities: Canadian capabilities in power generation, transmission and distribution are well known in the U.S. marketplace. Although competitive and "Buy American" influences have increased, the US industry can still be expected to look to Canadian expertise to bring new, cost-effective approaches to old problems.

While protectionist sentiment may make US market acceptance more difficult to achieve for smaller Canadian suppliers, the Canadian reputation for innovative technology gives small to medium size companies an initial opening to demonstrate how competitive they are in a variety of T&D related products. Canadian firms with innovative solutions and quality products have the potential to be highly successful in the US marketplace, particularly in those niches contributing to conservation and environmental concerns.

Strategy: - To highlight the capabilities and inventiveness of the Canadian industry through national and regional trade development programs.

- To support Canadian industry by sponsoring incoming buyers to the second presentation of Intelect in Toronto next June. (This show is sponsored by EEMAC, the Electrical and Electronic Manufacturers Association of Canada, CEDA, Canadian Electrical Distributors Association, as well as Institute of Electrical and Electronic Engineers and ISTC.)