MAINFRAMES	%	MINICOMPUTERS	%
IBM	41.0	DEC	46.5
FACOM	13.2	PRIME	15.2
HONEYWELL	9.7	HEWLETT-PACKARD	9.8
BURROUGHS	8.6	DATA GENERAL	8.8
OTHERS	27.5	OTHERS	19.7
	100.0		100.0

SMALL BUSINESS SYSTEMS	%	DESKTOPS (PCs)	%
IBM	30.8	APPLE	42.1
WANG	13.8	TANDY	20.1
NCR	7.3	HEWLETT-PACKARD	8.1
BURROUGHS	4.4	ICL	8.0
OTHERS	43.7	OTHERS	21.7
	100.0		100.0

With the introduction of the IBM Personal Computer to Australia in early 1983, followed by the October 1983 decision by IBM to manufacture PCs in Australia, IBM's share of this market has risen dramatically, as it has elsewhere. There are currently more than 200 different brands of PCs being marketed in Australia. Undoubtedly this situation will "shake down" soon, as it is in North America.

A particularly interesting aspect of competitor activity is the Japanese approach to Australia as a "test market". Because Australia is geographically remote from the large United States and European markets yet has a Western-style economy with large urban centres, Japanese firms have tested new products at very competitive prices prior to full-scale, high-profile product launches in larger markets where initial failure is more likely to receive world-wide, adverse publicity.

Given that competition in the information processing industry is fierce and dominated by the large industrialized countries and firms, there remain many opportunities for Canadian firms to penetrate the Australian market successfully. Australian companies are aware of and admire the growth of the high-technology industries in Canada and are receptive to high-quality products. A recent study by the Australian Industries Assistance Commission of the Australian computer industry indicates that local purchasers are much more concerned with technical capabilities and the ability of a computer system to perform the desired task with the greatest operational efficiency than they are with price. This observation reinforces the view that Canadians selling into the Australian market must be able to provide potential customers with top-rate technical support and service through a local partner or agent.

B. CANADIAN RESOURCE EXPORTS RESOURCE PROCESSING INDUSTRIES

Forest Products

Primary Wood Products — Lumber

The Opportunity

Australia's demand for forest products from abroad will depend to a large extent on the development of its domestic softwood plantations and on the degree of access that is provided to imported materials. As a result of the planting of large areas with pine trees, the percentage of domestic sawn timber that plantation conifers account for has grown from about 8 per cent in 1951 to more than 37 per cent in 1982. By the early part of the next century, Australia is expected to be self-sufficient in wood fibre, and Canadian wood products will be competing increasingly with domestic plantation-grown softwood products. However, there will remain a need for larger and longer timber products typical of North American West Coast species.

Lumber imports account for about 25 per cent of Australian consumption and about half these imports come from North America. Most North American-sourced materials, such as western red cedar or heavy cuttings of clear material, are of a type not available in Australia. The net effect of this for Canadian exports to Australia in the next decade is that current volumes should be maintained for Douglas fir and cedar. Hemlock, on the other hand, will suffer severe competition from New Zealand radiata pine.

Market Considerations

Australian building codes and wood product standards are complex and generally not compatible with North American standards. Lumber produced and graded in Canada must be re-graded to Australian standards, mechanically stress graded, or sold as unsorted material. Standard Australian softwood lumber sizes are different from North American sizes; as a result, standard span tables in building codes cannot be used for Canadian lumber sizes.

The tariff structure for softwood products is under review. Rough-sawn western red cedar lumber, large timbers, shingles and shakes face moderate duties.

Australia is expected to remain an important market, especially for large-sized long lengths in the British Columbia coastal species. In addition, cedar lumber and panelling will also remain important commodities as long as the price remains attractive.