The devaluation of the U.S. dollar against European and Japanese currencies may not necessarily limit imports from these countries, as the survey of U.S. importers found that the most important reason for sourcing from overseas suppliers is to acquire machinery and parts not available from domestic producers. This is not to say that U.S. importers are not concerned with the dollar's decline. The survey also revealed that more than two-thirds of those interviewed had experienced cost increases for their imports as a result of the lower value of the dollar. While more than half of those interviewed had not previously used Canadian sources of paper machinery, one-half of these importers expressed a desire to learn more about Canadian companies and their products. Furthermore, roughly 29% of respondents expected to purchase more paper machinery and parts from Canada upon implementation of the Canada-U.S. Free Trade Agreement.

When making a preliminary contact, U.S. importers would prefer that Canadian suppliers provide information via brochures, industry publications, and trade fairs. However, in making the actual purchase decision, importers are most likely to rely on a recommendation from a personal contact and information received directly from the manufacturer.

Appendix 1 presents a list including the names, addresses, and telephone numbers of U.S. importers generally interested in hearing from Canadian suppliers of paper machinery and parts.

**The Department of External Affairs recommends that Canadian firms should consult the Canadian Trade Commissioner located closest to each company being considered for contact prior to doing so in order to obtain advice, assistance and further company information. Canadian government contacts in Canada and the United States are provided in Appendix 9.**



## III - U.S. IMPORTS OF PAPER MACHINERY

This chapter provides information on recent levels and trends of U.S. imports, and a summary of short-term prospects for this sector. Where there are differences in sector definitions between these sources, or between them and definitions generally used in Canada, such differences are noted, along with any known implications. In order to improve the usefulness of the information, a definition of which products have been included, and how they were selected, is also provided.

### SECTOR DEFINITION

The products discussed in this report were selected on the basis of the customs-value of U.S. imports from Japan, Europe and Canada, as reported by the U.S. Department of Commerce (USDOC). The sector definitions used by USDOC effectively defined the products available for inclusion in this report. The selection of products was achieved by first screening all the USDOC broad product groupings, as expressed in 4-digit codes (e.g., machinery for making articles of pulp, paper or paperboard [Schedule A 725.2]). Where combined imports from Japan, Europe and Canada were significant, the list of products was further refined at the more detailed and specific 7-digit level (e.g., machines, nspf*, for making and processing cellulosic pulp, paper and paperboard articles [Schedule A 7252070]).

Appendix 2 displays 1987 U.S. imports of all 7-digit products or product groups belonging to the 4-digit categories selected for the paper machinery report. The initial selection of products or product groups was based on a minimum of $80 million (U.S.) of 1986 imports into the United States from Japan, Western Europe and Canada. Following consultation with industry and government officials with expertise in the paper machinery sector, other products and product groups which did not meet the above criteria were included where there appeared to be significant commercial interest. Some products and product groups were deleted because there was insufficient commercial interest. Further details on this selection process are provided in Chapter V, Background. Due to refinements of sector definitions and other adjustments, there may be some differences between figures in this report and those in the Overview report published in June 1988. In such cases, the numbers in this report take precedence.

* not specifically provided for