

on new plant and equipment in 1978, which is the latest fully recorded year. The pharmaceutical, drug, cosmetic, and chemical related industries also offer excellent prospects. Aerospace and electronics could prove worthwhile customers for packaging machinery manufacturers who are prepared to spend time and effort in research and development for these industries' specific requirements.

Sixty percent of all California's manufacturing is produced in Southern California and centered on or around Los Angeles. Manufacturers who find it necessary to restrict their initial marketing in the State should concentrate their efforts in the Los Angeles area. Ideally, manufacturers should work with distributors located in both Los Angeles and San Francisco; each of these two markets has it's own distinct character and potential.

During the course of the study, we contacted a wide variety of manufacturers who are potential Canadian customers. Most of these manufacturers have an open mind on imported machinery. Their main concern is that deliveries and service should be adequate and that spare parts should be readily available.

Research indicated that costs added by freight and duty will not seriously affect the selling chances of most Canadian packaging machinery covered by this study. The need to be extremely price competitive is an important factor for small, standard machines, but is not as critical in cases where machinery is custom-adapted to suit customers' individual requirements. Distributors indicated that innovation and cost efficiencies are usually more important than price in the case of larger machines.