

EXECUTIVE SUMMARY

This study was commissioned by External Affairs and International Trade Canada to develop information on the post-1992 European Community (E.C.) ocean industry market and to recommend marketing approaches for Canadian ocean industry firms.

R & D Lyons Consultants Limited of Halifax was the prime contractor and received input from Cabot Management Limited of Vancouver, and from General Technology Systems Limited and Cliff Funnell Associates — both of the United Kingdom (U.K.).

The study methodology relied almost exclusively on the current knowledge, experience and background, and in-house information available to the professional staff of the contractors. Some limited field work, to a major extent through telephone discussions, was undertaken to verify information. No extensive field information-gathering was conducted.

Markets

Offshore Oil and Gas

The main market in the E.C. is by far the U.K., followed by Denmark, Germany, Italy and the Netherlands. A relentless drive for cost savings is changing the requirements for technologies and allows new entrants into the marketplace if they meet more demanding requirements. The market for fixed platforms is likely to remain static and largely associated with shallower sites such as the Netherlands and the South Basin of the U.K. Submerged production systems taking advantage of previous investments in deep-water platforms and pipelines represent the favoured new technologies. Opportunities exist in the following areas: optimizing design criteria; installation methods; operations and maintenance management; maintenance technology; power and control systems; two-phase flow; and workover operations.

Ocean Sciences and Marine Environment

The ocean sciences market includes the provision of equipment and services for, predominantly, government-controlled marine science and technology laboratories engaged in national and international oceanographic and environmental programs. Most of the expenditures in the marine environment market are undertaken by government bodies through research and development (R&D) in support of policy, or to develop a better understanding of the environment. The major European program is the Marine Science and Technology (MAST) program. Many of the European institutes are involved in MAST as well as an umbrella project, EUROMAR. Both MAST and EUROMAR involve industry. Another important program is EUREKA, which supports industry-based R&D. The greatest areas of market potential in this sector relate to the protection and understanding of the marine environment. Opportunities exist in the following areas: autonomous vehicles for passive and active sensing and data gathering; improved deep-towed systems; medium-depth, medium-scale side scan sonar; instruments; autonomous seabed research stations; and equipment and services related to the monitoring, prevention and control of marine pollution.

Underseas Defence

The sale of underseas defence equipment into Europe has been strictly limited. So has intra-European supply, with procurement by the larger navies (France, Germany and the U.K.) and the second-ranking navies (Italy, Spain and the Netherlands) being predominantly from national industry. Overall, defence spending in Europe is expected to be cut eventually by 25 to 30 percent although underseas defence should fare reasonably well, as it is seen as a key