

Columbia \$45 million, and Quebec \$30 million. The largest foreign market for Canadian products is the U.S., which absorbs about 70 per cent of Canada's exports in this sector.

Canada offers competitively priced and technologically advanced forest harvesting machinery that enjoys a proven reputation for rugged durability. In particular, Canada has established itself as a world leader in supplying the highly reliable wheeled skidders that form the basic element in mechanized logging operations. Canadian log skidders are in use in more than 75 countries throughout the world. Canadian forest harvesting machinery is produced either by Canadian-owned companies or by foreign-owned subsidiaries that enjoy a world product mandate for harvesting equipment.

ii) Sawmill Machinery:

Canada manufactures a full range of price-competitive, high-performance, long-lasting sawmill machinery, including both highly sophisticated computer-controlled machines and simpler, operator-controlled units that process all tree species from small diameter northern softwoods to large-diameter tropical hardwoods. The industry is composed of 35 companies (located primarily in British Columbia and Québec) that produce an annual \$110 million in machinery, of which 40 per cent is currently exported.

Although most plants are Canadian owned, some of the larger companies are foreign controlled. With some relatively minor exceptions affecting sales to the U.S. and Western Europe, the multinational firms are as free as the Canadian-owned companies to compete in foreign markets. Consequently, Canadian-made machinery is currently operating in more than 25 countries, and marketing activities are conducted on all continents.

iii) Pulp and Paper Equipment:

The industry consists of approximately 60 companies with more than 50 per cent considered medium to large in size - that is having more than 100 employees. Most are located in the large urban centres of Ontario, Québec and British Columbia. Several firms supply major equipment to more than one industrial sector (i.e., pulp and paper,