SECTOR: TRANSPORTATION SYSTEMS AND RELATED EQUIPMENT
Sub-Sector: Urban Transit **Officer: A. McBride**

U.S. Market Opportunities: The United States will remain Canada's most important urban transit market for the foreseeable future and is expected to absorb up to 70 percent of Canada's urban transit equipment sales. The U.S. urban transit equipment market is valued at over 2 billion dollars annually. Despite content requirements, Canadian prime contractors have achieved about a 40 percent market share. Reduced availability of U.S. federal funding and the high cost of subway systems are encouraging buyers to consider lighter systems such as the ALRT, monorail and light rail vehicles, where Canada is well-positioned to compete.

Canadian Capabilities: The Transit Supply Industry is composed of two sub-sectors, the transit systems manufacturers and the suppliers of components and services.

The Canadian transit supply industry is dominated by two major vehicle manufacturers, Bombardier in Quebec and the Urban Transportation Development Corporation (UTDC) in Ontario. These companies, which merged operations in December 1991, produce a wide range of mass transit and commuter cars and can design complete systems. Both companies offer diversified products in other areas.

Canada has four major bus manufacturers, OBI (Ontario Bus Industries), MCI (Motor Coach Industries), New Flyer and Prévost Car. The majority of their sales are to the U.S. market.

Some 250 other component manufacturers and service companies, compliment the two dominant Canadian transit supply manufacturers. These companies range from large multinationals, that supply vehicle assemblyies and major sub-systems, to small firms producing specialty items. These companies have a reputation for manufacturing high quality and innovative products but have shown notable weakness in their development of well focused international marketing strategies.

Strategy: The following strategy and activities draws on the views of the Urban Transit Steering Committee composed of representatives from EAITC, ISTC, CUTA, and the Provinces of Ontario and Quebec.

- To coordinate, and stimulate, a market intelligence network by liaising with TC's at the U.S. posts and attending APTA and CUTA meetings in order provide component and services suppliers with information on emerging new U.S. opportunities.

- To priorize the U.S. marketplace by region to ensure emphasis is placed in the region(s) where Canadian manufacturers and suppliers are in a position to take advantage of emerging opportunities.