

nistrative matters. As it is regularly consulted by the government, it is involved in nearly all offshore oil industry affairs. UKOOA has a small permanent staff but appoints annually a council from its membership to control its affairs. Membership (currently 34) is restricted to companies acting as operators on production licence areas in U.K. waters; all oil companies engaged in exploration or production on the U.K. Continental Shelf are members.

There are 18 permanent and 2 ad hoc committees and UKOOA has representation on 27 joint industry bodies. Among items dealt with regularly by these committees are drilling practices, diving, emergency services, engineering and development, safety, anti-pollution, employment practices, and full and fair opportunity for British industry.

It should be noted that the UKOOA Full and Fair Opportunity Committee monitors the application and implementation of an agreed Code of Practices on purchases of goods and services for oil-related activities on the Continental Shelf. The OSO continuously monitors procurement to ensure that the U.K. industry is given a full and fair opportunity to bid for contracts.

Offshore production and exploration licenses are issued by the Secretary of State for Energy under the Petroleum (Production) Act 1934 as extended offshore by the Continental Shelf Act 1964. This Act prescribes designated areas within which rights for exploration and exploitation of the seabed and sub-soil and their natural resources are exercisable by the U.K. The areas are divided into blocks and the normal practice has been to invite applications to license specific blocks (designated in the invitation). Licences have been awarded in particular rounds, of which there have been eight since 1964.

### Recent Canadian Marketing Activities

Canadian oil and gas operator companies with established offices in the U.K. include Bow Valley, Ranger and Sceptre Resources. Bawden Drilling and Westburne are active drilling companies with fixed rigs on platforms; Kenting operates a number of land drilling rigs. CanOcean Resources, a member of the NOVA Group of Companies, has an established operational base in U.K. International Submarine Engineering has supplied a number of submersibles to service companies, and Hunttec obtains regular contracts for sub-sea surveys. J.T. Hepburn has supplied hoisting equipment for a semi-submersible drilling rig built in the U.K. for Dome Petroleum. Several Canadian companies have also explored licensing or joint venture relationships in the U.K. for such equipment as choke valves and soil de-silters.

Direct participation by Canadian firms in oil and gas exploration, development production and processing in the U.K. is a springboard toward increased exports of related Canadian machinery, equipment and services.

In 1983, exports of petroleum, coal and gas production machinery from Canada to the U.K. amounted to

\$1.6 million. If specialized equipment relating to oil and gas production such as winches, hoists, heat exchangers, pumps and valves are added, the total becomes \$4.6 million. At least 25 Canadian companies have made sales in this market, either on their own, through U.K. subsidiaries, or through local agents or distributors.

Canadian companies had successes with turbines and parts; geophysical and oceanographic equipment; drilling equipment; underwater acoustic equipment; and various services.

Canadian oil and gas equipment supply and service companies have participated effectively and successfully in the major trade fairs at Aberdeen (Scotland), Brighton (England) and Stavanger (Norway) over the past few years. These fairs are scheduled every two years as follows:

Offshore Europe	Aberdeen, Scotland	Sept. '85 ('87, '89)
Offshore Northern Seas	Stavanger, Norway	Aug. '84 ('86, '88)
Oceanology International	Brighton, England	March '84 ('86, '88)

A continuing presence in the U.K. marketplace by Canadian exporters is an essential prerequisite for success. Medium- and smaller-sized companies recognize this, and Post personnel are in a position to counsel and advise prospective exporters in the choice of agents/distributors with a proven track record. To assist in this work, a registry of agents/distributors is being built up at the Post. It is critical for Canadian companies to be able to guarantee readily available product or service support.

PEMD (various sections) has been utilized to a moderate extent over the past two years by exhibitors to trade fairs and by individual companies on market reconnaissance visits.

### Market Considerations

The key offshore activities remain dominated by foreign engineering contractors, mainly from the U.S. and Norway, but French, Dutch and Italian companies have also established competitive capabilities in the offshore area. Furthermore, the capabilities of Norway and France have had a good deal of technical back-up from specialist R&D institutions, and those in Norway, France and Italy have had the support of their national oil companies.

Most reliable data indicate that in 1982 total imports in the category of Continental Shelf Transactions (CST) were £419 million.

A breakdown of that total by country follows.