

and Queensland are looking to other countries for consultants who can design and manage power station developments.

The market for electrical generation and transmission equipment was valued at \$143 million in 1980. That figure excludes large items such as turbogenerators or boilers that are items of the one-off type. Of this total market, local production accounts for \$21 million while imports account for \$124 million. Estimated real market growth is 10 per cent per annum until 1986.

b) The Canadian Industry

The heavy electrical equipment manufacturing industry is composed of manufacturers of two types of products: material, and equipment that serves to generate, transmit or distribute electricity (e.g., generators, batteries, transformers, wire and cable); and products that require electricity (e.g., industrial equipment, motors). Industrial activity in terms of employment and value of shipments is about evenly divided between two categories. Since conditions in the two groups are different, in this paper we subdivide the sector on the basis of those firms producing limited numbers of large, customized pieces of equipment and those producing high volumes of a relatively standardized product. Producers of customized wares are using a strong domestic technology base to produce goods that compete in domestic and foreign markets. It is largely due to those firms that the sector has such a thriving export business. In recent years, exports have remained steady at about 10 per cent of domestic output - a level that exceeds both the American and the Japanese. The firms manufacturing mass-produced goods supply mainly the domestic market. The small size of the Canadian market, coupled with somewhat fragmented production, has restricted the industry's ability to improve its competitive position through increasing scale and specialization. As a result, some of those firms are vulnerable to export competition from larger foreign producers who benefit from lower production costs. Efforts have now begun in some of those companies to achieve exports through establishment of world market mandates.

There are more than 200 firms in the Canadian heavy electrical equipment industry, employing about 30,000 people. Production is highly concentrated, however, with seven firms accounting for 40 per cent of sales. The industry is also regionally concentrated, with 90 per cent