

EXECUTIVE SUMMARY

This report addresses one of approximately 80 sectors reviewed as part of a broadly-based study commissioned by the U.S. Trade, Tourism and Investment Development Bureau of External Affairs and International Trade Canada. The objective of this study is to provide a preliminary indication of potential opportunities for the expansion of Canadian exports into the United States. The findings in each report are based on an analysis of U.S. trade statistics and a limited survey of U.S. importers and trade associations from a broad cross-section of U.S. industry.

The purpose of each report is to assist Canadian companies in identifying potential export opportunities that may justify further investigation. While the reports do not provide analyses of Canadian export industries or their international competitiveness, they do provide other kinds of information that should be useful. For example, each report provides information on individual companies that have indicated an interest in new sources of supply, some of which are quite specific. Information on U.S. import market size and shares, and on industry publications and trade fairs that the companies surveyed felt were most useful, is also provided. As such, individual reports in the series should be of particular interest to small and medium-sized Canadian companies that either are not yet exporting, or that would like to increase their level of exports to the United States.

Material handling equipment is one of the sectors examined during the study. U.S. shipments of material handling equipment are subsumed in U.S. shipments statistics for construction machinery. Based on information provided by the USDOC, total industry shipments in 1988 for construction machinery are estimated at approximately \$14.5 billion (U.S.). It is expected that the U.S. market for this equipment will experience moderate growth over the 1989-1993 period.

A survey of U.S. importers of material handling equipment was conducted to determine the effects of the devaluation of the U.S. dollar on these imports from major developed countries and potential import replacement opportunities for Canadian companies. The survey revealed that just over 60% of the respondents who had imported in 1988 were facing rising costs for their imports of material handling equipment as a result of the devaluation of the U.S. dollar. A significant number of these respondents were interested in hearing about Canadian sources of supply. Respondents interested in Canadian sources of supply indicated a preference for receiving preliminary product information from Canadian companies through brochures, industry publications, trade fairs and visits to the