

SECTOR: Chemicals Petrochemicals and Related Equipment and Services:

SUB-SECTOR: CHEMICALS

Officer: R. McNally

Background:

U.S. Market Opportunities: Hydrocarbon Processing Industry Outlook '92 estimates that the total number of capital projects worldwide will increase to 2,907, an increase of 341 over 1990. Construction projects in the U.S. are up 57 to 446 projects, and up 25 to 123 in Canada. Capital spending on equipment, materials and services are related directly to annual construction activity levels. Capital, maintenance and operating budgets worldwide are expected to total U.S. \$126.6 billion in 1991, an increase of U.S. \$9.1 billion over 1990 spending. The U.S. share of this is U.S.\$33.4 billion, or 26%

Products such as pumps, valves, heat exchangers, compressors, piping, instruments and electrical equipment are sold by domestic and foreign suppliers to the U.S. hydrocarbon processing industry. Major opportunities also exist for well replacement parts, construction materials and a wide range of technical services.

Canadian Capabilities: Canada's ability to export equipment such as pumps, valves, compressors and heat exchangers to the U.S. is well established. Export statistics are not identified by the type of industry into which they are sold. However, Canada exported \$C 652 million worth of fluid handling equipment in 1988 of which 74% was to the U.S. Canada has worldwide leadership in heavy oil upgrading technology and several petrochemical plants in Alberta are world-scale in terms of output.

Strategy: - To expand US market share by supporting the activities of export ready companies, including those with new innovative products, at major marketing venues.

- To identify new agents and distributors by participating closely with the U.S. Manufacturers Agents National Association (MANA) in an effort to foster manufacturer-agents relationships.