

The oil and gas equipment sector, composed of some 200 companies predominantly located in Alberta, provides employment for about 8,000 persons. About 50 of the 200 companies depend on ocean industries for most of their revenue, while the remainder direct most of their attention toward traditional land-based activity. Although those companies can offer a broad range of equipment and services (so much so that imports by Canada have been reduced substantially in recent years), their volume of business is relatively small in world terms, their financial base is weak, and their profitability fluctuates widely. Annual shipments exceed \$500 million, of which about \$50 million are exported.

A second group of Canadian companies is believed to have the capability of supplying equipment to the oil and gas sector, particularly in marine applications. They are expected to involve themselves in such areas as metal fabrication, helicopter operations, catering and warehouse services, and drilling materials supplies only when the Canadian domestic market reaches the late exploration or the production phase. A large number of the companies are located in Atlantic Canada.

In the Canadian sector as a whole, there is at present a limited but growing group of companies with an ongoing export business and representation in Australia. Of the multinational subsidiaries operating in Canada, some have export mandates and could therefore be encouraged to investigate the Australian market. Many smaller Canadian firms could, with sustained and co-ordinated export marketing assistance, also maintain an ongoing marketing program aimed at that market.

c) Recent Canadian Marketing Activity

More than 25 Canadian oil and gas exploration firms are active or actively interested in Australia. As well, Canadian equipment manufacturers have carried on independent marketing activities directed to the Australian oil and gas and pipeline industries. Within the last 12 months in particular, a substantial number of Canadian oil and gas producers-exporters have successfully established themselves in the Australian market. There is every indication that this trend will continue since there has also been a marked increase in the level of interest shown by Canadian firms not previously active in Australia. Although further market development activities will be needed, it is evident that the Australians are becoming more familiar with Canadian equipment and services.