

Italy's Food Expo Cooks up Business

Milan — Organizers are recruiting companies to participate in a trade fair that could open doors to a market valued in excess of \$30 billion.

Expo Food'92, being held November 6-10 in Milan, Italy, is an international food show in which Canada will be participating for the second time.

Now in its 22nd year, **Expo Food** is one of the largest specialized international food trade exhibitions in the world. More than 3,000 exhibitors are expected to participate in this year's event.

As well, the event expects to attract more than 200,000 trade visitors (approximately 80 per cent from the European Community, 10 per cent from Latin America, 5 per cent from Arab countries, and 5 per cent from other countries).

Industry spokespersons say that Italy is "a very large market" for imported foodstuffs, with annual purchases from foreign suppliers currently exceeding \$30 billion.

It is also a market in which Canadian firms have proved their competitiveness — Canada annually exports more than \$300 million in food products to Italy.

What's more, "good opportunities for increased sales of Canadian food lines" exist, especially for seafood products, prepared food and meal components, frozen vegetables, health and dietetic foods, beans and lentils, wild rice, berries, mineral water, and honey.

Participation in **Expo Food'92** is being organized by Interexpo Canada Inc. in collaboration with External Affairs and International Trade Canada and the Canadian Consulate General in Milan.

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Australia's Economic Plan Benefits Canadian Exports

Australia's recently announced four-year economic plan will stimulate the country's sluggish economy with a \$2.3 billion injection in the next 16 months.

Any improvement in the country's economic fortunes bodes well for Canadian exporters, most especially in key areas which have accounted for a disproportionate amount of the total decline (Canadian exports to Australia declined in the last two years from \$1 billion to \$637 million), such as autoparts, newsprint, building supplies, and agricultural inputs.

Relevant Measures

Notable measures affecting Canadian export potential are:

- A lowering of the sales tax on automobiles by 5 per cent which

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should improve Canadian autoparts exports, which in 1991 were down 50 per cent from the previous year;

- A one-time payment to 1.9 million families which will quickly put an additional \$300 million into the economy and spur consumer spending;

- A series of financial measures including improved banks' bad debt writeoff provisions, accelerated depreciation capital equipment allowances, income tax cuts, and incentives for small business investment that will allow for more business spending in all areas.

Opportunities

A more buoyant Australian economy will increase advertising and the demand for Canadian newsprint. The local construction

sector will improve and this should create more demand for Canadian building products. The much needed farming assistance should help Canadian exporters of agricultural equipment. All these immediate and short-term measures could become an important factor in improving Canada's export position.

Competition Increases

Although the news for Canadian exporters to Australia is positive, the implications of other measures designed to increase Australian competitiveness (particularly in the Asia Pacific) are more difficult to assess for Canadian interests.

It is evident that the Australian economy, like Canada's, is undergoing structural changes to adapt to the global economy. Australia has chosen to move closer to Asia Pacific and its competitiveness in that region will become stronger.

Canadian companies can expect to face stiffer opposition from Australian firms in these markets. Concurrently, both Australia and Canada are undergoing rationalization of industry. At present, the two countries are parallel economies, often competing in the same markets and selling the same goods (i.e. minerals, agricultural products).

After structural adjustments the two economies may become more complementary and, as a result of more cooperation, more opportunities for Australian/Canadian ventures in third markets may evolve.

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