

Computing sales in U.S. federal procurement market

Pick a product. Any product—from water glasses to battleships to wheelbarrows—and the largest single buyer in the United States will likely be the U.S. federal government. This enormous market accounts for between seven to 12 per cent of all product purchases in the U.S. Surprisingly, to date, it has been virtually untapped by Canadian exporters. Now, with the Free Trade Agreement, comes

the opportunity to bid on more U.S. government contracts. Until January 1, Canadian businesses could only bid on non-defence contracts above \$171,000. Today, that threshold has been lowered to \$25,000, opening up a potential \$3 billion dollars worth of new business. (U.S. government defence contracts over \$25,000 were open to Canadians before FTA). Predictions are that, with free trade, computer

hardware and software industries will be the big winners. One of the fastest growing elements of U.S. federal government procurement is in the field of information resource management (IRM) or, put more simply, the supply of computer equipment, software and services.

In 1987 alone, U.S. government purchases of IRM totalled approximately \$3.2 billion. Increasing at a rate of eight per cent to 12 per cent a year, this record far outstrips many segments of the commercial market.

However, selling to the U.S. government can be a somewhat complex and difficult process. To date, it has not been worth the hassle for many Canadian businesses to argue with U.S. red tape, which can be twice as intimidating as it is in Canada.

But there is good news. With Free Trade, changes in the Immigration and Customs regulations in the U.S. have given Canadian companies greater access to the U.S. marketplace. The immediate elimination of tariffs on Canadian-made computer hardware and related equipment (such

Technically speaking, Canada Days were terrific

A highly successful mission to North Africa has helped Canadian telecommunications and computer equipment manufacturers penetrate that market area.

The occasion was Canadian Technical Days, which saw 11 Canadian companies take their expertise to Tunisia, Morocco and Algeria.

Seminars on Canadian telecommunications and

computer technology drew several hundred visitors, including top government officials and private-sector business people, in each of the three countries visited.

Launched in Tunis on Nov. 28, 1988, immediately after Canada's highly acclaimed participation in Tunisia Telecoms 88, the Canadian Technical Days gave mission members an opportunity to meet privately with officials from the Tunisian Ministry of Communications, the National Data Processing Centre and the Ministry of Transport, including the Airport Board of Tunisia.

Senior Tunisian officials taking part in the Canadian Technical Days included the Minister of Telecommunications, Brahim Khouaja, and Farouk Kammoun, President of the National Data Processing Centre. Each gave an overview of the telecommunications and computer technology sectors of their country.

Canadian mission members also got valuable information on bidding opportunities from the Tunisian Ministries of Telecommunications, Transport and the National Data Processing Centre.

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Communications' the name--Tunisia's Minister of Telecommunications, Brahim Khouaja (second from right), takes in the Canadian stand at Tunisia Telecoms 88, which helped drum up support for the Canadian Technical Days, held in Tunis, Rabat and Algiers, Nov.-Dec. 1988. Looking on are Canada's Ambassador to Tunisia, Timothy A. Williams (right), Peter Furesz, Canadian Counsellor (Commercial) and Consul in Tunis, (far left) and Luc Fournier, Department of Communications.

New Zealand: Relaxed rules rewarding

Canadian suppliers of telecommunications equipment could be on-line as New Zealand's Telecommunications Corporation moves to deregulate and modernize services.

With plans to introduce a central computerized billing system, new regional maintenance centres, and automatic telephone exchanges, Telecom Corp. has allocated \$2 billion over the next three years to improve its network throughout New Zealand.

This is an aggressive push for the new corporation, which was established in April 1987, when telecommunications services were severed from the New Zealand Post Office and re-established under a state-owned agency.

Now is the time for Canadian suppliers to think long distance. Indeed, Canada already has been successful in helping Telecom Corp. to "ring out the old and bring in the new".

A Canadian firm has been provisionally awarded the consulting contract to design the new Telecom Corp. system, with the final technical negotiations now in progress.

Canadian suppliers of telecommunication equipment would do well to keep tabs on further developments as they arise.

For more information on trade opportunities in New Zealand, contact Brian MacKay of External Affairs' Asia Pacific South Trade Development Division (PST), tel: (613) 995-7652.

Gone are the procedures that made it cumbersome for Canadian suppliers to travel to the U.S.

as keyboards and monitors), as well as the reduction of duty on computer software to 8.7 cents per square metre from 9.7 cents, has also boosted market competitiveness.

Gone are the cumbersome procedures and paper work that made it difficult for Canadian suppliers to travel to the U.S. to train a user, or install and maintain a computer system.

Now with no waiting system and a reduced paper burden, companies can get out there and sell to the commercial and government market in ways that they couldn't before.

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