

are to be successful. The Norwegian government, at the same time, is being very pragmatic in how it proposes to use its oil and gas revenues. Oil revenues and high wages paid to offshore workers have tended to increase inflationary pressures on the domestic economy and added to the competitive difficulties of Norwegian industry. The oil industry and the cash it generates will be used to counteract these effects, and generally help restructure other traditional Norwegian manufacturing activities so that they will continue to be competitive in world markets. The government has also suggested that some offshore money could be employed to help Norwegian firms establish subsidiaries abroad and increase Norwegian ownership in foreign companies in order to secure new export markets or technological inputs. In addition, the government will use preferential treatment in handing out new offshore concessions to encourage foreign companies to set up industrial joint ventures with Norwegian firms or sponsor research projects again with the aim of gaining access to markets, raw materials or technical know-how from abroad. An official survey indicates that 130 projects have so far been set up in this way. Finally, plans are being drawn up for further onshore industrial development based on oil and gas feedstocks from the North Sea. A major pipeline has been proposed to bring these raw materials direct to Norway for the first time, to be complemented with the construction of plants for making ammonia and methanol.

The most promising prospects for Canadian exports to Norway appear to be in the oil and gas sector and encompass a wide range of goods and services associated with the development of offshore petroleum. Such products include communication equipment, STOL aircraft, safety clothing, and environmental control equipment, in addition to traditional oil and gas exploration, development and production equipment. For example, communication systems play an important role in the North Sea operations.

Notwithstanding the priority rating being proposed for this sector, the government will continue to give support through its regular programs to activities promoting any sector which will contribute to the prescribed objectives.

The Overall Strategy

The market development plan for Norway identifies a number of instruments available to the federal government to assist Canadian companies in increasing their penetration of the Norwegian import market. These various forms of assistance have been developed in response to the need to capitalize on opportunities and overcome constraints existing in export markets. A summarized action plan for Norway, included with this Executive Summary, identifies a number of activities and events planned for improving Canadian export performance in the Norwegian market.

Extensive use of the Fairs and Missions Program will be continued with considerable importance being given to ministerial and other high level government-to-government visits. The Program for Export Market