

SECTOR: Industrial Machinery, Environmental Equipment and Related Equipment

SUB-SECTOR: MATERIALS HANDLING

Officer: P.-A. Rolland

U.S. Market Opportunities: Materials handling is a \$24 billion dollar industry. The main area for growth in exports is in overhead travelling cranes, and conveyors where Canadian exports to the United States represent 70% of US imports. The Materials Handling Institute of America outlook for the industry is positive next year noting that the projected real growth is 3.7% annually into the mid-1990's.

Canadian Capabilities: The Canadian materials handling industry can be divided into four distinct sub-sectors: conveyors and handling systems (20% of total shipments); cranes and hoists (27%); industrial lift trucks and attachments (18%); and elevators (35%). The sector is composed of 106 manufacturers with industry shipments of over \$1 billion in value, including \$262.4 million to the United States in 1990. Manufacturing facilities are located primarily in Ontario, which accounts for 57% of employment, followed by the Prairies with 20%, Quebec 14%, B.C. 8%, and the Atlantic region 1%.

While research and development is not extensive in the industry, Canadian firms have a strong capability in custom-engineered products. The FTA will remove tariffs in this industry over a five-year period as well as ease entry requirements of service personnel. Non-tariff barriers are not an important factor. Product safety and performance standards are almost identical in both Canada and the United States and therefore not a source of concern.

Strategy: - A recent private sector study demonstrated that the best way for Canadian firms to market their products in the US is through trade fairs. Largely through this medium the strategy will provide opportunities for exporting Canadian companies to increase sales/networks to new market regions, assist companies new to U.S. export markets, and identify trends, issues and challenges particular to this sector

- Increase industry awareness of opportunities in the U.S.