

## **EXECUTIVE SUMMARY**

This report addresses one of approximately 80 sectors reviewed as part of a broadly-based study commissioned by the U.S. Trade, Tourism and Investment Development Bureau of the Department of External Affairs. The objective of this study is to provide a preliminary indication of potential opportunities for the expansion of Canadian exports into the United States. The findings in each report are based on an analysis of U.S. trade statistics and a limited survey of U.S. importers and trade associations from a broad cross-section of the U.S. industry.

The purpose of each report is to assist Canadian companies in identifying potential export opportunities that may justify further investigation. While the reports do not provide analyses of Canadian export industries or their international competitiveness, they do provide other kinds of information that should be useful. For example, each report provides information on individual companies that have indicated an interest in new sources of supply, some of which are quite specific. Information on U.S. import market size and shares and on industry publications and trade fairs that the companies surveyed felt were most useful are also provided. As such, individual reports in the series should be of particular interest to small and medium-sized Canadian companies that either are not yet exporting or that would like to increase their level of exports to the United States.

Paper machinery is one of the sectors examined during the study. A survey of U.S. importers of paper machinery and parts was conducted to determine the effects of the devaluation of the U.S. dollar and to identify potential opportunities for Canadian manufacturers. The survey revealed that roughly two-thirds of respondents were facing rising costs for their machinery imports as a result of the devaluation of the dollar. A large number of these importers were interested in investigating Canadian supply capabilities. Importers indicated a preference for receiving preliminary product information via brochures, industry publications or trade fairs. Key considerations in the decision to import paper machinery are the limited availability of the product domestically and to get a favourable price. The importance of price, coupled with the effect of a devalued dollar, suggests that opportunities exist for Canadian firms to increase their exports to the U.S. market.