

13.0 SUMMARY

We have determined that California is a leading national machinery producer in the United States and is particularly strong in the production of food processing machinery, general industrial machinery, and packaging machinery. Many of California's leading packaging machinery manufacturers are nationally and internationally export oriented. It is not unusual for a manufacturer to export up to seventy percent of his annual production.

We estimate that the California market for imported packaging machinery is in the vicinity of \$50 million a year. Most major U.S. manufacturers, several Canadian manufacturers, and a large number of international manufacturers are competing for orders in the State, with varying degrees of success.

Although Canada enjoys a nine percent share of the total U.S. import market for packaging machinery, Canada's shipments to California appear to be substantially less than her U.S. average. There are several reasons for this. Canadian packaging machinery production is located in the East, closer to Eastern U.S. markets than the West Coast market. In the last two years, European manufacturers, particularly the Italians and Germans have increased their U.S. and California market shares significantly. Distributors cited hard-hitting, well planned marketing programmes and the availability of sophisticated high speed machines as the reason for their success. This demand will continue to grow. At the same time, distributors pointed out that there is room in the market