

development projects; generally moderate-to-high level of interest from Canadian companies. Intellectual Property legislation is in place and to some degree enforced.

Tier C: A combination of all or some of the following factors: long decision cycles; frequent complex business practices; intellectual property violations; lacking necessary infrastructure to adequately support development projects; not a high priority for most Canadian companies.

## **PRIORITY REGIONS**

### **TIER A:**

#### **1. United States of America**

The American market for instrumentation products is the second largest in the world behind the E.E.C. It has been assessed in 1989 to be in the range of \$26.0 billion, accounting for one third of the global instrumentation market.

A majority of Canadian exporters have identified and exploited narrow specialized niches in the U.S. market. This is especially true of the Meteorological/Environmental and the Geological/Geophysical sub-sectors and to a lesser degree of the Industrial Process Control sub-sector. Specific examples of these niches will be oceanographic/marine instrumentation, RF data communications, unique applications of lasers, ultra-sensitive analytical instruments for explosive detection and SCADA systems. For most of the Canadian firms whose specialized, custom-built products are made in much lower quantities, the relatively small scale of operations very often offers many advantages in reduced product costs and greater flexibility in designing and delivery of custom-made orders. On the other hand limited product lines, relatively weak financial and human resources and the higher cost of doing business in foreign markets are constraining Canadian firms from being fully competitive on major projects against large U.S. multinationals with full product offering and financing/turnkey capability.

#### **2. Western Europe**

Until three or four years ago Canadian firms tended not to address European markets primarily due to their own perception of the difficulties associated with the exploitation of this market. They felt that it was already well served by indigenous suppliers protected by very potent tariff and non-tariff barriers.