

Milltronics Ltd. of Peterborough, Ontario, has been represented in Australia since 1975 by Incontrol Pty. Ltd., Sydney. Total sales exceeded \$210,000 in 1979 and are expected to quadruple during 1981. The product line includes industrial process-control instruments and systems including alarms, converters, detectors, feed-rate control systems, flow metering, level measuring, monitors and transducers.

e) Market Considerations

Most of the manufacturing carried on in this industry in Australia consists of the final assembly of imported components and locally produced casings and cabinets. Tariffs consequently impose a cost disadvantage only on imports that enter the country fully assembled. In the area of non-tariff restrictions, occasional problems have been experienced with clearance formalities required by the Australian Standards Association and other regulatory bodies in arranging approval of high technology micro-processor-based measuring equipment.

It appears that a close relationship tends to exist between the relatively small number of users and their suppliers of process-control equipment. The suppliers often are subsidiaries that perform final assembly work and market the products directly to the end user. The role of the supplier is a critical one, since users generally prefer to deal with well-established suppliers which can provide custom-designed products, adequate spare parts inventories, and engineering and service support.

The importance of inventories and an efficient distribution system is probably greater in Australia than in most markets because of the large distances separating the user from the manufacturer. As well, because of the historical development of the Australian market, many engineering services that are provided by consultants in other parts of the world, such as North America, are provided by vendors in Australia. The services are particularly valuable in Australia when installing advanced equipment that is based on unfamiliar technology. Often, the quality of such support service will play a significant role in local purchase decisions, and international suppliers are often prepared to transfer personnel temporarily to Australia to assist users. In such an environment, the inability to secure a reliable local supplier or provide adequate levels of support service would seriously impede market entry.