

## MOST PROMISING SECTORS FOR CANADIAN EXPORTERS

### Computer Technology (hardware and software)

It is estimated that the U.S. market for computer hardware, software and services will be worth \$250 billion in 1996, accounting for nearly half the world market for this industry. The market for office computer workstations will continue to stimulate the sector's growth while markets for main computers and minicomputers are in decline.

The arrival of increasingly powerful micro-processors, such as Intel's latest generation P6-133 MHz, and 32-bit operating systems, such as Windows 95 and OS/2 Warp, will stimulate the development and production of new, faster and more powerful applications.

Voice processing technologies also will be important and the U.S. market will continue to avidly seek the most innovative and attractive products in all segments and sectors of the market.

### Environment

The U.S. environmental market offers Canadian companies in this sector truly exceptional opportunities. The technology and know-how of Canadian companies put them in a very advantageous position when it comes to meeting the demand. Moreover, Canadian companies now can bid on major U.S. government environmental restoration projects.

The current value of Canadian environmental exports to the U.S. is estimated at approximately \$1 billion. The U.S. market for environmental goods and services is estimated at over US \$130 billion. This market is expected to grow by approximately 5 per cent per year. Its value should, therefore, increase to US \$171 billion by the end of the decade.

### Services

The U.S. business services and professional services sector continue to be very dynamic and, thanks to the FTA and NAFTA, Canadian service firms have access to important new outlets in the U.S. business and federal government procurement markets.

Canadian companies are succeeding in marketing their services in the very competitive U.S. market by demonstrating an innovative spirit, by responding promptly to market dynamics, and by

exploiting niche markets. Assets, as well, are their excellent reputation, their experience in international markets, and the favourable exchange rate.

Business services and professional services rank second after automotive goods among Canada's world-wide exports. These services also make up the largest category of invisible bilateral trade (i.e. non-merchandise trade) with the United States.

Approximately 60 per cent of all Canadian exports of services are destined for the U.S. market. With the continuing North American trend towards a services-driven society, it is expected that this sector will remain one of the main growth sectors in both Canada and the U.S.

Particularly attractive outlets for Canadian businesses are found in sub-sectors, including consulting engineering, construction, the environment, geomatics, information technologies, transport, architecture and interior design, accounting, business studies and training, and consulting in finance, health care and management.

### Biotechnology

The U.S. biotechnology sector includes some 1,300 companies (mostly SMEs) and employs 100,000 people. Approximately 35 per cent of them work in therapeutic products, 28 per cent in diagnostics, 18 per cent in by-products and supplies of biotechnological origin, 8 per cent in agricultural biotechnology, and 11 per cent in other biotechnological fields. In 1994, the U.S. biotechnology industry recorded sales totalling \$8 billion, a 10 per cent year-over-year increase.

U.S. biotechnology companies are receptive to the idea of undertaking mutually beneficial research projects in collaboration with foreign companies. This receptiveness opens many opportunities for strategic partnerships and joint ventures between Canadian and U.S. companies, which would enable both parties to realize the following objectives, among others: raising the necessary capital, developing technology and obtaining easier access to the immense U.S. market.

In 1995, Canadian biotechnology companies realized strategic partnerships, totalling \$75 million, with U.S. companies.

As companies show profits and an improved return on investment figures, there is an evident return of venture capital to the North American biotechnology sector. In 1992 (the last year for which