were held in conjunction with the Alberta Lumber Mission and the B.C. Shake and Shingle Mission in which mission members made presentations on industry capabilities, technical specifications and related trade matters.

Generally speaking, it takes considerable time for contacts developed during missions to develop into firm orders, and it is consequently necessary for individual follow-up contacts to be continued.

A British Columbia producer who has recently entered the British market to take advantage of a growing export potential is exporting softwood lumber through a British timber agent. This is the first B.C. company to ship timber graded to U.K. standards.

During May 1982 a lumber mission to Europe, funded by the Alberta government, visited London and conducted a well-attended seminar held at the Canadian High Commission. The end result of this seminar and follow-up publicity generated a strong favourable response from the British timber trade.

During the past two to three years, a number of Québec sawn softwood producers have entered the United Kingdom market. Other firms have recently been given federal/provincial assistance, and are expected to improve their export sales as a result.

Major Canadian firms exporting softwood plywood to Britain are Northwood, Seaboard and Balfour Guthrie.

The Council of Forest Industries of British Columbia also remains a major force in promoting the sale and application of softwood plywood in the United Kingdom.

Market Considerations

It is essential that sawn softwood mills exporting to Britain have a good understanding of the evolving highly structured distribution set-up of the trade if export success is to be ensured. The internationally knowledgeable and sophisticated British timber trade is attracted to long-term dependable suppliers of sawn softwood.

A few eastern Canadian producers have traditionally exported softwood lumber to the U.K., but the U.K. trade has recently expressed concerns about the difficulties encountered in obtaining vessel space for that lumber, at competitive rates. A shipping consortium could enable the establishment of concentration yards at the major eastern Canadian ports and lead to the use of bulk carriers to the U.K. ports which have appropriate terminal facilities for timber.

Rough lumber accounts for the major volume of United Kingdom imports and enters duty free. The present 4 per cent tariff on Canadian dressed lumber could be a restraining factor on Canadian exports bearing in mind that EFTA countries, including Sweden and Finland, obtained duty-free access in 1984.

For the short term, the present decreasing value of the pound sterling in relation to the Canadian dollar, coupled with the recent devaluation of the Swedish krona and the Finnish mark could have a marked negative affect on the competitiveness of Canadian lumber exports to Britain.

C. OVERVIEW: MANUFACTURED PRODUCTS / HIGH TECHNOLOGY OPPORTUNITIES IN THE UNITED KINGDOM

Following a period of difficulties for much of British manufacturing was the realization that industry must modernize production if it wishes to remain viable by world standards. British manufacturers are being forced to meet world production efficiency standards and will have to lead in the introduction of many new technologies if they are to prosper in the 1990s. Structural changes will be required throughout U.K. industry and more rapid introduction of advanced production techniques is necessary. The result will be a rapid increase in import demand for specialized equipment and innovative production techniques and systems.

Many segments of the British market remain open to foreign supply. In 1983, Britain imported just over $50 billion of fully manufactured end products. The fact that Canada had but a 0.8 per cent share of this market must be viewed as a striking opportunity for future growth, provided efforts are focused and aimed at specific high potential areas.

Britain is Canada's second largest export market for manufactured end products. Sales in 1983 totalled some $334 million, 13.6 per cent of our total exports to the U.K. and a significant increase in relative importance over the 10.5 per cent which manufactured products represented in 1980.

Canadian manufactured products, however, face a difficult market environment in the U.K. There has been an overall contraction in markets brought on by the recession. Particularly in manufactured products, market pressures outside the U.K. have caused British firms to focus more aggressively on their own domestic market. Equally, foreign firms compensating for loss of volume in their home markets have attacked new opportunities in Britain. Growing business interrelationships within the EEC have made it more difficult to gain the attention of British buyers. Significant exchange rate shifts against the Canadian dollar have also made the British market less accessible for Canadian exporters, particularly in the highly price-sensitive consumer market.

The following manufactured product segments offer promising potential for future market expansion or development: materials handling equipment, notably bulk storage and handling and automated warehousing equipment and systems; ship repairing and marine equipment, particularly as it relates to offshore activity; other specialized oil and gas-related machinery and equipment for exploration, development, production and environmental protection, specifically industrial waste disposal and environmental monitoring equipment; chemicals and chemical prod-