

type of domestic climate does, however, foster an internationally competitive product. Dreco, Dyer, and Stream-Flo Industries are among some of the larger exporters of petroleum equipment.

While statistics are not available to describe Canadian exports of petroleum services, a number of companies do operate in this area. Some of these, such as Nova and Lavalin have been mentioned in previous sections which overlap into the "service" area. Companies such as Bow Valley, Westburne Drilling, Bawden Drilling, and Challenger International Services Ltd. are active internationally in providing drilling services. Fracmaster and Nowasco are active in exporting well-fracturing services and Caproco in corrosion prevention services. Seismic reservoir delineation and analysis services are offered internationally by D and S, Teknica and Willowglen Systems. Geological mapping services have been sold abroad by firms such as Sproule Associates. Tri-Ocean Engineering and CanOcean (a subsidiary of Novacorp) have designed and supervised construction of offshore production and drilling facilities in the North Sea and other areas.

C. PREVIOUS EXPERIENCE IN CHINA

Canadian exports of petroleum equipment to China were \$ 57,000 in 1981 and \$ 223,000 in 1982. More recent data is not available through Statistics Canada, however, Alberta government officials estimate that \$ 77 million worth of petroleum goods and services were exported to China from Alberta in 1985 and that this figure may grow by 50% in 1986. As estimated, \$ 44 million of these exports are in petroleum services and the remaining \$ 29 million in equipment. The post in Beijing has estimated that \$ 60 million worth of petroleum industry products and technology was exported from Canada to China in 1984.

Major sales to the Chinese market during 1985 included \$ 19 million contract by Dyer Equipment of Calgary to supply ten mobile oil well servicing units, and a contract by Novatel, a subsidiary of Nova Corporation, to build the first mobile telephone system in China. While not classified as petroleum equipment, the latter was developed by Novatel to meet the requirements of the remote oil industries in Canada. In early 1985, Novacorp International Consulting won a contract to provide engineering design for two pipelines (a 240 mile gas pipeline and a 155 mile oil pipeline) in China, marking a first time that a Canadian company has been contracted to do onland pipeline engineering design in China. Husky Oil, controlled by Nova, recently won a World Bank contract to do a heavy oil study in China. Nova Corporation has also sold some petrochemicals to the Chinese. Drill Systems of Calgary recently joined the list with the sale of one CSR 1000 reverse circulation mineral drilling rig valued at US \$ 575,000.

In the petroleum exploration industry, Petro Canada and Ranger Oil have joined a BP-led consortium bidding on concessions to drill offshore in the South China Sea.

The rapidly increasing presence of Canada in the Chinese petroleum market is further indicated by the fact that some 25 Alberta companies participated in a March, 1986 petroleum show in Beijing. In October, 1986, DRIE will be leading a mission of approximately ten companies to the Karamay, Liaohe, and Shengli oilfields in China. This mission will focus on heavy oil