

operators. Purchases are scrutinized by this Ministry to ensure that Norwegian interests are obtaining a reasonable share and in some cases justification must be given by the operator as to why a particular foreign supplier was chosen. In addition, the Ministry of Petroleum and Energy has the authority to add names of Norwegian firms to "bidders lists" of the oil companies when it is felt that such Norwegian firms are capable of meeting particular specifications in accordance with the criteria set down in Section 54 (i.e. quality, service, delivery and price). The Norwegian government further takes the view that a price from a Norwegian firm, which is up to 10 per cent in excess of other competitors, should be considered as equally competitive, from a price point of view, as the others.

Norway's industrial co-operation policy is unique and can often serve as a non-tariff barrier. Needing only 10 per cent of their oil for home consumption, the Norwegians are in the fortunate position of using oil and gas primarily as an industrial tool and export resource. They are able therefore to interpret industrial co-operation as the awarding of oil and gas concessions in the Norwegian sector of the North Sea in return for a prospective applicant providing attractive industrial benefits to Norway. These industrial benefits need not be associated with the petroleum industry.

Prospective applicants must provide the Norwegian government with information not only on their technical expertise and financial strength but also on their ability to use Norwegian goods and services, their potential and history as a constructive collaborator, and their ability to attract new industries to Norway.

f) The Competition and Competitor Activity

The United States has played a leading role in the development of Norway's offshore oil and gas industry and is the major supplier to the Norwegian market. The country's first commercial discovery Ekofisk was brought onstream by the Phillips Petroleum Co. of Oklahoma. Many other U.S. based multinationals such as Mobil, EXXON, and Conoco have also played prominent roles in the exploration and development of Norway's offshore resources. These companies have tended to utilize American engineers and contractors who through their familiarity with U.S. manufactured goods and services have been favourably disposed to reply on them.

Competition from other foreign manufacturers, primarily the Japanese, British, French, Germans, Dutch, Finns and Swedes, is also very strong. If Canadian firms are to