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THE AUSTRALIAN MARKET

FOR

CANADIAN EXPORTERS

LOGGING MACHINERY

With a land mass of 3 million square miles, Australia is almost the same size as the continental U.S. The only continent occupied entirely by one nation, Australia is in the southern hemisphere and lies south east of Asia between the Indian and Pacific Oceans. The country is mostly flat with the centre of the continent a large, dry desert. Down the length of the east coast lies a ridge of mountains which rarely exceed 5000 feet. The capital cities and the coastal areas of the temperate zones where most of the population is to be found, enjoy pleasant climates with lots of sunshine and mild winters.

Nearly 65 percent of the population live in the major cities with Sydney and Melbourne leading the ranking in Australia. The population is expected to increase to 19 million by year 2000. There are about 8 million in the wilderness in Australia where the people are mainly of European background. There are many ethnic groups in Australia due to the influx of migrants from many sources since the end of the second world war.

Similar to Canada in that its economy is largely resource-based, Australia has a very strong secondary manufacturing base which was built up over the years since 1945 behind a very protective tariff barrier. Australian currency is the dollar, using a metric system of measurement.

Current economic conditions in Australia reveal an inflation rate of around 2.5 percent, interest rates of 11 percent, an overseas debt burden of \$145 billion, current account deficit of \$17.6 billion and unemployment level overall of 7 percent. The Gross Domestic Product increased by 3.6 percent in 1989-90 and is forecast to rise by 1.4 percent in the new fiscal year. Imports which rose by 3.6 percent last year are expected to decrease by 4.6 percent in the coming year. On the other hand, exports which went up by 6.1 percent in 89-90 are forecast to increase yet again by the same amount next year. These figures were taken from the August 1990 Budget.

1.2 SCOPE OF THIS REPORT

This report will provide information on the current state of the logging machinery industry sector in a general sense and will concentrate on highlighting opportunities for Canadian suppliers of log harvesting and related equipment. It is intended to assist Canadian manufacturers in analysing marketing opportunities and determining the best method of obtaining a foothold in this market.

Dept. of External Affairs
Min. des Affaires extérieures

MAR 1 1995

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