market factors as design, price, distribution and the various competitive approaches used by domestic and foreign firms.

Printing/Packaging/Labelling Equipment

In 1982, the total value of the British packaging/labelling equipment stood at £380 million, exhibiting a growth of 7-9 per cent from 1981. Although growth momentum has been declining due to the recession, sales continue strong as British firms move away from the traditional packaging and labelling methods.

Imports have grown and there has been an increasing demand for highly automated and sophisticated equipment. This has tended to come from France, West Germany, Italy, the United States, Japan and Scandinavia. Imports have captured 25 per cent of the market. This import trend was notable during the 1983 PAKEX Exhibition held in Birmingham, where foreign exhibitors reported considerable success.

The majority of British packaging/labelling equipment manufacturers sell their wares directly to the end user through their own sales force. As these firms also install and service their equipment and provide consulting services (which are added buying incentives), the buyer has shown a preference for this method which avoids a middleman.

Foreign manufacturers usually utilize British distributors for sales and service of their packaging machinery. There has been a movement towards distribution agreements with British manufacturers, which produce complementary lines of equipment, enabling them to benefit from a distributor's servicing capabilities. Larger firms, wishing to establish a more permanent presence, would need to have their own subsidiary.

Canadian labelling and packaging equipment has gained wide international acceptance on the basis of its advanced technology, price competitiveness and quality. Exports to the U.K. in 1982 reached $1.8 million.

As with labelling and packaging equipment, printing and book-binding machinery is wide-ranging and sophisticated, requiring continuous product development. Canadian exports to the U.K. in 1982 amounted to over $1.3 million.

The best vehicle for Canadian manufacturers to introduce their products into the U.K. has been the PAKEX/BREWEX exhibition. These shows are only held every three years, which necessitates the firm's selection of its own complementary events and visits to support its market development activities in the intervening period.

Opportunities in this sector are available, provided that Canadian companies are prepared to expend the necessary time and energy exploring and researching this increasingly sophisticated market segment.

Lack of familiarity with Canadian equipment and machinery, and a somewhat antiquated misperception of Canadian supply capability have been the major inhibitors of British purchases of Canadian machinery. It is the "image" rather than the duty (between 4 and 5 per cent) which has to be overcome prior to increased market penetration.

Plastics Processing Equipment

Canadian exports of plastics processing equipment through the U.K. have increased significantly from $637,000 in 1975 to some $8.2 million in 1982.

Canadian marketing initiatives to date in this sector have tended towards the Europe-wide approach rather than specifically for the United Kingdom market. However, what activity there has been has centred largely on technology transfer, especially licensing from the United Kingdom — where the *New Products Bulletin* has proved invaluable — and on joint venture agreements.

In this connection, Canadian plastics processing equipment firms have participated at Interplas 1982 in Birmingham, and in Kunststoff in Düsseldorf, West Germany in 1983. Both of these shows have proved to be excellent vehicles for promoting Canadian exports of plastics processing equipment to other country markets, as well as an opportunity to view the latest technology in the market place for this rapidly changing industry.

Cleaning and Catering Equipment

The cleaning and catering equipment markets in Britain can be considered jointly as they both exhibit many of the same characteristics. Both can be subdivided into three segments: (a) home consumers, (b) contract cleaning or catering, and (c) industrial or commercial enterprises. They can be supplied by either retail outlets or distributors as appropriate.

Sales by retail outlets in both sectors grew slightly in 1982 while sales to industrial and service enterprises fell dramatically. The major growth areas in 1982 were purchases by contract cleaning and catering firms. These purchases may in fact be further assisted by British government policies aimed at privatizing cleaning and catering services in the public sector, i.e. schools, hospitals and prisons.

While tariffs are not of major concern in either market sector, standards approval is required from the British Standards Institute for equipment which is electrically operated. The approval process can sometimes be lengthy.

In 1982 total sales in each of the markets was approximately £300 million, of which imports in each sector were approximately 30 per cent (£90 million).

More and more Britons are eating out and doing so at fast-food restaurants, giving this sector continuing good potential for growth. There are currently some 10,000 fast-food franchises in the U.K., most of them still serving fish and chips. The attractiveness of franchising in the North American style has been aggressively demonstrated by the successful entry of U.S. franchises such as McDonald's.

There is also a move afoot to supply convenience foods through the traditional pubs and more recently