

### ***Equipment - Import Statistics***

<b>Market (US\$ millions)</b>	<b>1995</b>	<b>1996</b>	<b>1997 ( estimated )</b>
Total market size	699.3	802.2	919.9
Total local production	44.0	48.4	53.2
Total exports	2.5	2.9	3.3
Total Imports	657.8	756.5	870.0
Imports from U.S.	412.0	453.9	544.7

The market for equipment and parts is shared by USA: 60%, Japan 10%, Germany 7%, Venezuela 6%, Brazil 5%, Mexico 4%, CANADA 3%, others 5%. Canadian exports have consisted of pumping equipment and parts, valves, instrumentation and laboratory equipment; there is however substantial room for more Canadian supply into this sector.

Although there are many projects and significant market opportunities for oil equipment and materials and, despite the fact that the Canadian product is highly regarded in the Colombian oil and gas industry, the factors that have diminished the level of Canadian participation include: lack of familiarity with the market, competitiveness, Colombian purchasing habits, price considerations, freight availability and cost and language barriers.

Although the supply of technical services is difficult to quantify due to the absence of reliable data and information, it is known and accepted that Canadian participation is significant, particularly in areas of land surveying and data acquisition, geographic information and monitoring and design and implementation of scada systems.

A detailed list of the major private and public sector customers for equipment and services is provided in sections VI and VII of this report.

## **IV. KEY FACTORS SHAPING FUTURE GROWTH**

### ***Background***

1983 marked the beginning of a new era in the oil and gas sector in Colombia with the discovery and development of Caño - Limón (located in the eastern plains, province of Arauca) by the Occidental - Ecopetrol association contract. Later, exploration activities conducted in the south-eastern plains of Los Llanos, led by BP Exploration, have rendered positive results with new discoveries of the large fields of Cusiana, Cupiagua, Floreña, Pauto and most recently Coporo.