

These associations were interviewed to obtain the following information:

- market trends for the telecommunications equipment industry;
- the effect of the devaluation of the U.S. dollar on trade in U.S. telecommunications equipment;
- major industry trade fairs;
- major industry publications;
- the potential effect of Free Trade on Canada - U.S. trade in telecommunications equipment;
- their opinion on the strengths and weaknesses of the Canadian telecommunications equipment industry.

Interview Results

While none of the associations could provide a specific forecast of the future level of growth for the telecommunications equipment industry, there was general agreement that the industry would remain strong worldwide and that industry shipments would increase over the next few years. NATA, ICA and TIA felt that the market was growing; however, NATA also added that the U.S. industry is losing market share to foreign competitors. The IASUS reported that after a period of turbulence in the satellite communications equipment industry, the outlook for its members appears more promising. With respect to the devaluation of the U.S. dollar, all associations interviewed agreed that the decline had not made a substantive impact on trade in telecommunications equipment. This is somewhat contrary to the earlier statements regarding U.S. market share and suggests that declining share may be attributable to factors other than price.

Both NATA and ICA expressed the belief that the Canada-U.S. Free Trade Agreement would be beneficial to both Canadian and U.S. telecommunications equipment suppliers. NATA indicated that Canada is currently the largest market for U.S. suppliers and that significant barriers would be removed by the Agreement, paving the way for increased two-way trade. NATA and AEA saw a net improvement of the U.S. trade balance as a result of the Agreement. However, TIA did not foresee any significant impact as a result of the Agreement. IASUS noted that there presently existed good trade relations between Canada and the United States and that the Agreement would not dramatically alter trade in satellite communications equipment. According to the associations,