

CANADIAN EXPORT OPPORTUNITIES IN THE UNITED STATES MARKET

PURPOSE

This study was commissioned by the United States Trade, Tourism and Investment Development Bureau of the Department of External Affairs. The study's objective is to identify the potential for increased Canadian export opportunities in the United States as a result of:

- Currency realignments
- The Free Trade Agreement
- Other competitive factors such as productivity improvements

Given that these factors are working to favour Canadian exporters, opportunities to substitute U.S. imports with Canadian goods have been identified. This study has involved the analysis of U.S. trade statistics and telephone surveys of U.S. importers in 80 manufacturing sectors.

SCOPE

This document contains the highlights from a series of sector reports. Some of these sector reports have already been issued, while others are still in preparation. Highlights for each sector include:

- The size of the U.S. import market
- The market shares held by Canadian, Western European, Japanese and other exporters
- The impact of Free Trade on current U.S. tariffs on Canadian goods

SIGNIFICANT FINDINGS

While there are variations between each sector studied, generally the U.S. importers surveyed reported that the prices of their purchases of products from Europe and Japan have increased significantly. Consequently, many U.S. importers are looking for, or are receptive to, alternative sources of supply. Several of these importers are interested in obtaining product information from Canadian manufacturers. Combined with the U.S. importers' perceptions of the Canada - U.S. Free Trade Agreement, there would appear to be good opportunities for Canadian manufacturers to increase the level of their exports to, and share of, many significant U.S. markets.