

Recently, consulting engineering exports have been equally divided among, Latin America (19%), the Middle East (21%), Asia (24%), Africa (18%) and the U.S. (15%). Besides making direct sales to countries, Canadian consulting firms can find a large market among the multilateral development banks and agencies.

The international market place is important for Canadian consulting engineering firms; however, considerable time and effort is required to market these services and competition is extremely fierce. Due to the cost involved in undertaking a successful international marketing campaign, as well as the relatively limited financial resources of most consulting firms, it is difficult for the small- and medium-sized firms to compete successfully abroad. Furthermore, many developing countries have started to develop their own consulting engineering industries. Contracts are therefore being awarded to local firms, or to outside consultants that have been successful in establishing a presence in the market, either by forming a joint venture with local engineers, or by setting up offices in the region.

A few of the large firms in the Canadian consulting engineering services industry enjoy most of the involvement in international projects. There are, however, numerous other service industries with unique expertise which have export potential. Included are also technical sectors of recognized international competence such as medical services, banking, insurance, architectural and real estate development services.

11. Resource Industries

Although individual products face varying prospects, a more competitive international market environment is emerging. This is a result of the reduced growth in demand associated with world economic conditions, replacement by other materials, product down-sizing, and health and environmental concerns. Oversupply is common, stemming from developments in the U.S., Scandinavia, and in the lesser developed countries (LDCs). The export prospects for Canadian resource products will continue to be significant, but will likely expand more slowly than in recent decades.

In the forest products sector, slow but stable growth is expected in the traditional export markets for most products, while strong growth in sales of groundwood printing papers, waferboard, and millwork will likely continue in the U.S. Good opportunities exist for expanded sales of newsprint, pulp, and lumber to Pacific countries, as well as for sales of lumber and other wood products to the Middle East and North Africa.

Markets for Canadian minerals and metals — in particular, copper and lead — are expected to grow more slowly, but exports of refined zinc and aluminum should continue to show strength, notably those going to the U.S. Demand for sulphur, potash, and other minerals is expected to remain strong in East and Southeast Asian countries. The potential for increased sales of petrochemical products to the U.S., Japan, and Western Europe is significant, due to the adjustment by domestic industries in those countries to high feedstock prices.

Nominal tariffs, which escalate with the degree of processing, afford effective tariff protection and limit exports of Canadian mineral, forest, and petrochemical products to the U.S. and to Japan, the EEC, and several industrializing countries particularly. Non-tariff barriers include: government procurement practices, quantitative restrictions and their administration, import licensing, building codes and standards, countertrade, strategic stockpiles, and safety and health regulations.

In the forest industries, Canada retains significant advantages which will be enhanced by the restructuring and rationalization now underway. Canadian mineral resources are economically adequate for several decades. Cost-competitive advantages exist for aluminum, copper, zinc, and nickel, as well as asbestos, molybdenum, gypsum and potash. The Canadian petrochemical industry in western Canada is in a good position to meet new export opportunities as traditional producers of basic petrochemicals (i.e., U.S., overseas) shift their activities downstream.

Promotional activities should not only continue to support Canadian exporters in pursuing opportunities for primary resource products in traditional markets, but also in demonstrating the applications and advantages of using further processed products in order to reflect Canadian production capabilities. Particular attention should be devoted to providing assistance in the development of fast-growing markets for Canadian resource products in the Pacific Rim, and other fast-growth markets in the Third World. The Co-operative Overseas Market Development Program has been highly successful in promoting overseas markets for wood products from British Columbia.