

firms to compete abroad successfully. Furthermore, many developing countries have started to develop their own consulting engineering industry. Thus, contracts are being awarded to local firms and outside consultants who have been successful in establishing a presence in the market either by forming a joint venture with local engineers or setting up offices in the region.

Increasingly, Canadian firms are facing competition which is prepared to offer "up front" engineering services on major projects without cost to the buying country. These services are offered in the hopes of securing larger follow-on contracts for the supply of equipment and the construction of the project itself. CIDA's Industrial Cooperation Program can fund such studies, however, the program funds are limited and not all countries qualify to receive these funds.

Canadian Export Capability

Services can be described as intangible economic outputs produced for sale or distribution through the market mechanism or through established state institutions or programmes. Examples run from personal and distribution services, through engineering and other consulting and business services, to financial services, and to transport and communication services, education, health and cultural services.

By 1982, the Canadian consulting services industry consisted of over 2,200 active firms with 42,000 employees with total billings of \$2.2 billion. It is interesting to note that relatively few firms (20 firms in 1980) enjoy most of the involvement in international projects. Furthermore, Quebec and Ontario based firms account for the majority of foreign contracts awarded to Canadian consultants.

Experience suggests that the Canadian consulting industry, based on capacities developed in contributing to Canada's resource-based industries, has the competitive ability to win further markets abroad.

Canada is regarded as a leader in the provision of telecommunications facilities and services, as carriers have overcome great geographic difficulties and become more responsive to increasingly sophisticated user demands. Telecommunications consulting services are important to Canada and considerable trade takes place in telecommunications transmission services between Canada and the rest of the world.

Computer services are an area where demand is growing fast. Canada has strong domestic industrial and export capability in some specialized areas. The field of computer services, because of rapidly changing markets and technology, is one requiring close attention in terms of export promotion, import trends and national and international regulatory arrangements.

Proposed Promotional Activities

Canadian consulting engineering firms are generally using federal export support programs including PEMD, PPP and market investigation and support by the posts abroad. Early identification of opportunities is critical for success in this sector.