f) The Competition and Competitor Activity

Although Australian capabilities are increasing, U.S. technology dominates the market. While most American companies have set up their own sales offices, there is a growing tendency towards more extensive local manufacture by subsidiaries that then become bases for regional exports.

Current estimated import shares for the oil and gas-field equipment are as follows:

	1979-80 %	1980-81 Forecast %	1983-84 Forecast %
U.S.	85	82	78
U.K.	5	4	4
Japan	2	8	12
West Germany	1	2	2
Other	7	4	4
Total	100	100	100

Source: Price Waterhouse Associates: "A Report on the Market in Australia for Oil and Gas Field Equipment."

Japanese companies are expected to increase their penetration of the market, especially for steel-related products such as platform jackets, well casings and other tubular products. Their share would increase even further if pipe requirements for the Dampier-Perth Pipeline are included. U.S., Japanese, British, French, Italian and German firms all maintain active marketing programs, occasionally supported, as in the case of Britain, by government-sponsored participation in fairs and missions.

g) The Action Plan

Of primary importance to increased Canadian penetration of the Australian market for oil, gas and pipeline equipment and services, is an active program to bring Canadian capabilities to the attention of procurement managers involved in Australian projects. In certain cases, penetration may require direct liaison or contact with the head offices of some of the larger multinational players (e.g., Exxon and Shell for development and production, and Fluor and Bechtel on the pipeline project side).

Marketing initiatives for oil and gas equipment should reflect strengths in Canadian supply capabilities in such areas as drilling, sour-gas processing and pipelines.