

## EXAMPLE OF RATIONALIZING PRIORITY SECTORS.

### PRIORITY SECTOR RATIONALIZATION

#### **Aerospace:**

Market Size and Opportunity: 72% of aerospace components in the region are imported. Up to 30% of the sector demand comes from Tier 1 companies, and imports are on the rise. US components, while still dominating the market, are considered expensive and Tier 1 companies are looking to diversify their supply chains with equal quality but lower cost components.

Canadian Capability and Interest: AIAC, AQA and the OAC have a three year market entry strategy focused on our region. We are currently in year 2. 20% of our TRIO tracking is from this sector.

Other relevant factors: There is a long history of exports from eastern Canada in this sector.

#### **Environmental Industries:**

Market Size and Opportunity: Market is growing and the regional Development Bank projects expansion in this sector. Needs are directly linked to tourism sector, which is the regions largest and highest potential sector.

Canadian Capability and Interest: 15% of TRIO tracking is in this sector. Capabilities in waste water, solid waste, recycling programs, diversion programs, hazardous waste, and renewable energy are well suited to the area. Many Canadian firms have specialized in the region for quite some time and use it as their launching pad/proving ground for further international projects. Interest comes from both clients and partner clients.

Other relevant factors: Obstacles to change are substantial, but potential is very high.

#### **Service Industries and Capital Projects:**

Market Size and Opportunity: Market size is \$200 million/year. Canada's share should ideally be at the level of our contribution of approximately \$45 million.

Canadian Capability and Interest: Our capability and interest in IFI projects is substantial - 40% of our TRIO tracking is related to IFI's. We win about 70% of the technical assistance projects but only 2-5% of the capital projects.

Other relevant factors: n/a

### EXPLORATORY

#### **Building Products:**

Market Size and Opportunity: The upcoming Olympic games will increase demand in this sector across the whole region for residential construction, specialty construction, hotels, exhibition areas, stands, stadiums. Increase in wealth, tourism, and continued stability of the region leads to a stable demand for residential housing materials, hotel/larger structure materials, cabinets, doors, windows, green construction materials and concepts, and interior design features.

Canadian Capability and Interest: About 10% of our TRIO tracking is in this sector. Cost of transportation is an obstacle but recent success points to cost-effective options available.

Other relevant factors: Green construction is direly needed in this region of fragile eco-systems, but awareness and practice are not present.

#### **ICT:**

Market Size and Opportunity: Deregulation across this sector presents opportunities for Canadian expertise. Market size is easily in the hundreds of millions of dollars, but hard to judge exactly due to varying stages of deregulation and implementation across the region. Sub-sectors of high potential include telecommunications technology, software (financial, tourism, GIS)

Canadian Capability and Interest: About 10% of TRIO tracking is in this sector. Language of operation helps in this highly technical sector.

Other relevant factors: IPR protection is generally very good in the region.