

CHEMICALS

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Hydrocarbon Processing Industry Outlook '92 estimates that the total number of capital projects worldwide will increase to 2,907, an increase of 341 over 1990. Construction projects in the U.S. are up 57 to 446 projects, and up 25 to 123 in Canada. Capital spending on equipment, materials and services are related directly to annual construction activity levels. Capital, maintenance and operating budgets worldwide were expected to total US\$126.6 billion in 1991, an increase of US\$9.1 billion over 1990 spending. The U.S. share of this is US\$33.4 billion, or 26 per cent.

Products such as pumps, valves, heat exchangers, compressors, piping, instruments and electrical equipment are sold by domestic and foreign suppliers to the U.S. hydrocarbon processing industry. Major opportunities also exist for well replacement parts, construction materials and technical services.

CONVERTED WOOD PRODUCTS

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U.S. converted wood products shipments totalled \$9.5 billion in 1990, down 1 per cent from the previous year. Since 1986, when the level of new construction began to decline, the repair/remodelling market has become an increasingly important component of U.S. demand.

The largest industry commodity grouping was wooden doors, which accounted for an estimated 30 per cent of industry shipments. Wooden windows comprised 26 per cent, while wooden moldings made up 14 per cent of industry deliveries. Other key categories included wooden stairs and components, wood blinds and shutters, exterior millwork (including porch columns and rails). Canada supplies 24 per cent of total U.S. wooden door imports and 7 per cent of its wooden windows. Canada has also made inroads in supplying doors incorporating alternative materials (molded doors) which are energy efficient and require lower maintenance.

CULTURAL INDUSTRIES (Book Publishing; Film & Video; Performing Arts; Sound Recording)

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A soft U.S. economy held book publishers' receipts to

\$16 billion in 1990. The 1991 outlook was for an 8 per cent increase to \$17.3 billion. U.S. book imports in 1990 grew by 10 per cent to \$880 million, with exports of \$1.4 billion.

Demographic, economic and technological trends should help the U.S. publishing market achieve average growth of 3.5 per cent in constant dollars through 1995. Elementary and high school enrolment is projected to rise by 3 million students, improving markets for text and juvenile books. Sales of trade books should be aided by the formation of over 6 million households and the addition of 10 million persons to the high income, heavy reading population segment aged 35 to 54. Markets for college textbooks and technical, scientific and professional books may not increase as rapidly since college enrolment is not expected to grow and library budgets will be addressing serial subscriptions and electronic information requirements as well as budgets for books.

The U.S. market for **film & video** appears to be levelling off after years of expansion. Combined box office and video rental receipts were expected to top \$15 billion in 1991. The market continues to have a voracious appetite.

The U.S. market for **performing arts** is virtually inexhaustible, but dominated by companies that cater primarily to popular tastes. The pervasiveness of popular American culture tends to overshadow the fact that rich markets for "High Culture" exist in virtually every region of the United States.

Growth rates in the **sound recording** sector are expected to stabilize around 5 per cent per annum over the next few years with most activity in the sale of pre-recorded compact discs and cassettes.

DEFENCE PRODUCTS

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The U.S. military, as a result of the Gulf War, will place more emphasis on precision-guided, laser-designated, smart weaponry, unmanned aerial vehicles to reduce casualties, aircraft losses, logistics transportation of massive quantities of munitions, and time on deployment. They will cancel some production runs of proven weapons and vehicles in favour of technological advantages in the near future, and become more demanding for better quality, better performance, and improved field testing of prototypes. They will refine and improve the Total Quality Management System (TQMS) to obtain more reliable sources.
