- the potential effect on the industry of the Canada-U.S. Free Trade Agreement
- perceived strengths and weaknesses of the Canadian industry.

Interview Results

While most of the associations were hesitant to provide a definite forecast of industry growth, they did project that agricultural equipment supply will increase at rates varying between 3% and 10% over the next five-year period. All agreed that both the industrial and construction industries will experience slower growth (2% to 5%). It was generally agreed that the devaluation of the U.S. dollar has increased the international competitiveness, and hence exports, of the U.S. agricultural machinery industry. With respect to a Free Trade Agreement between Canada and the United States, the associations felt that trade was likely to remain the same as there are no tariffs or barriers at the present for agricultural machinery. Furthermore, many U.S. companies have Canadian manufacturing subsidiaries.

The Farmstead Equipment Association did not know how the devaluation of the U.S. dollar would alter trade patterns, as the industry production is rationalized on a global basis. The Association noted that the large number of U.S. companies that had moved offshore were now relocating their manufacturing plants back to the United States.

The Canadian agricultural machinery industry is perceived to be very comparable to the U.S. industry. The Canadian government is, however, considered to be providing more support to domestic companies than the U.S. government.

The U.S. industry associations listed the following trade fairs as being the most important for agricultural machinery: the "Farm Progress Show", "National Farm and Power Equipment Show", "Industrial Construction Utilities Equipment Exposition", "SIMA (Société industrielle de méchanisation agricole)", and the "Royal Smithfield Show" in England. Further information on these trade shows, together with names of relevant industry publications provided by the associations are listed in Appendix 8.