

a number of cases, been achieved through rationalization agreements whereby the Canadian subsidiary produces a line of machinery for the corporate group while rounding out its product lines with imports from the parent organization. In other cases, companies have developed unique equipment and capabilities which they have been able to market successfully in Canada and abroad.

Despite cyclical problems the resource machinery equipment sector continues to provide a diversified range of high quality products to meet the particular and varied needs of the Canadian resource industries as well as international market demands. Canadian manufacturers have derived a considerable competitive advantage from their longstanding reputation for service and reliability established through close association with the development of the Canadian resource base. Many areas of resource machinery production involve custom-engineered equipment where production scale is a less significant factor than in most other industrial sectors. Accordingly, Canadian production facilities for resource machinery are normally of a size comparable to foreign competitors.

Canadian industrial electrical equipment firms have developed several areas of internationally recognized competence, notably large hydro-electrical turbines and generators, transformers, long distance transmission equipment and large motors and controls systems. In most of these products, the sector is internationally competitive. In the case of agricultural equipment, the Canadian industry is technologically competitive and, in recent years, has been at the forefront of several technological achievements including the development of large capacity 4-wheel drive tractors and axial flow combines. Canadian developed specialized machinery for the production of cereal grains on large farms under dryland farming conditions is also well suited to the requirements of other large scale farms throughout the world, especially the grain growing regions of the U.S. and Australia where it has enjoyed significant success in recent years.

Canada's competitive strength in plant and industrial equipment, as with most other capital goods sectors, tends to be selective in terms of the range of sizes and models of equipment produced. Particular strengths include specialized packaging equipment, customized machine tool equipment, particularly for the automotive industry, steel plant and heat treating equipment, and a wide range of equipment for the food and beverage industry. Although encompassing a diverse range of products, production of service industries machinery and equipment involves, to a greater extent than other machinery sectors, standard or off-the-shelf types of products where economies of scale are a major competitive factor.

4. Proposed Promotional Activities

Apart from ongoing trade development activities including support under the Export Market Development and Promotional Projects Programs, exports of machinery and equipment could benefit from a series of export marketing conferences for significant subsectors (eg. oil & gas equipment). Such conferences, similar in format to the Annual High Tech Conference, could consist of brief presentations by trade commissioners from identified priority market areas on the "how-to's" of doing business in each market, the specific opportunities existing in the target country, and statements by DEA, CIDA, EDC on government services available to exporters. One or two days as required would be devoted to private interviews between industry representatives and trade commissioners.