

QUARTERLY PROGRESS REPORT OF EXPORT PROMOTION PROGRAM
AT MISSIONS ABROAD FOR FISCAL YEAR 87
FORECAST OF KEY ACTIVITIES AND ANTICIPATED RESULTS STATED IN MISSION'S ANNUAL PLAN

POST : 637-SAO PAULO

009-FOREST PRODUCTS, EQUIP, SERVICES
BRAZIL

PLANNING: ACTIVITIES PROPOSED IN POST PLAN:

ANTICIPATED RESULTS:

ALL SUB-SECTORS

SUPPORT RECENTLY FORMALIZED JOINT VENTURE AGREEMENT BETWEEN SIMONS AND NATRON AND HELP THEM INCREASE THEIR EXPOSURE TO PARTICIPATE IN UPCOMING PULP AND PAPER PROJECTS.

PARTICIPATION IN FEASIBILITY/CONSULTING ENGINEERING EVALUATION OF PROJ. E.G. MORRO VERDE, ETC. WHICH WOULD CREATE OPPORTUNITIES FOR EQUIPMENT SALES.

PROVIDE CONTINUED ASSISTANCE TO A CANADIAN FIRM, ESPECIALLY TO WITHSTAND EMERGING COMPETITION FROM USA ON BASIS OF LOCAL CONTENT, FINANCING ETC.

MAINTAIN AND/OR EXPAND CANADIAN COY'S MARKET SHARE IN BRAZIL.

INITIATE PRELIMINARY ASSESSMENT OF NEW PROJECTS OPPORTUNITIES IN THE PULP AND PAPER SECTOR.

IDENTIFICATION OF 2 OR 3 MAJOR PROJECTS OFFERING OPPORTUNITIES FOR ENGINEERING SERVICES AND EQUIPMENT SALES.

COMPREHENSIVE REPORT ON PULP AND PAPER SECTOR AND RELATED ACTIVITIES (E.G. BAGASS) WITH EMPHASIS ON NEW PROJECTS (OR EXPANSION).

TO EVALUATE NEED AND EVENTUALLY SUPPORT OUTGOING FORESTRY MISSION TO BRAZIL.

CONTINUE TO MAINTAIN/DEVELOP SENIOR CONTACTS IN BRAZILIAN FORESTRY COMPANIES IN LIGHT OF EXTENSIVE INVESTMENT PLANS IN THIS SECTOR OVER THE MEDIUM TERM.

FACILITATE MARKET ACCESS FOR CANADIAN COMPANIES.

ENCOURAGE MORE TECHNICAL COOPERATION BETWEEN CANADIAN & BRAZILIAN FORESTRY MANAGEMENT ENTITIES (E.G. CFS, IBDF) TO PROMOTE USE OF FIRE FIGHTING TECHNIQUE FROM CANADA.

IN MEDIUM TERM SOME SALES OF FIREFIGHTING EQUIPMENT.

TRACKING: ACTIVITIES UNDERTAKEN IN QUARTER:

QUARTERLY RESULTS REPORTED:

QUARTER: 1 GATHER INFORMATION - TECHNICAL, ETC. - ON VARIOUS PULP AND PAPER PROJECTS PLANNED OVER NEXT FIVE YEARS. SUPPORT ONGOING SALES EFFORTS VY CANADIAN EXPORTERS.

MOST INFO ALREDY ACCUMULATED THRU CONTACTS WITH COYS AND ASSOCIATION. TWO COYS (NATRON/SIMMONS AND SENTROL) CURRENTLY NEGOTIATING NEW CONTRACTS

QUARTER: 2 A) IDENTIFY SELECTED OPPORTUNITIES FOR SALE OF EQPT; B) MAINTAIN CONTACTS WITH OFFICIALS IN THIS SECTOR TO PRODUCE REPORT ON UPCOMING PROJECTS.

A) CARBORUNDUM SOLD \$50000 OF GRINDING EQPT & EXPECT ANNUAL VOLUME \$150000. IDENTIFIED \$50M. OPPORTUNITY FOR MILL CONTROLS FOR ARACRUZ PROJECT; B) TOTAL OF US\$6BILLION IS PLANNED PROJECTS OVER NEXT 8 YEARS. ENGIN/CONSULT POTENTIAL HIGH FOR

QUARTER: 3 PREPARE PROGRAM OF ACTIVITIES FOR QUEBEC MISSION MEMBER. ONGOING ASSISTANCE TO CDN EXPORTERS. UPDATE PULP & PAPER PROJECTS REPORT.

APPLIED HIGH TECHNOLOGY IDENTIFIED PARTNERS & A MULTIMILLION DOLLAR MARKET OVER NEXT 5 YRS. CARBORUNDUM, SIMONS, SENTROL ALL NEGOTIATING ADDITIONAL SALES AND/OR BIDDING ON NEW PROJECTS. POSTPONED TO NEXT QUARTER.