

responses may also apply to opportunities for automotive parts for the U.S. aftermarket. The survey indicated that 86% of the respondents were facing higher costs for their imports due to the lower value of the U.S. dollar. As a result, many importers (64%) were interested in hearing more about Canadian automotive parts manufacturers and their products. In addition, approximately 15% of the respondents reported that they would increase purchases from Canada in the event of a Free Trade Agreement between Canada and the United States.

The majority of U.S. firms indicated that they prefer to obtain information on Canadian manufacturers, their products and prices through the mail. However, information obtained from personal contacts and from firms associated with the importer were said to be most frequently used as key inputs in deciding from which company products would be purchased.

Of the total number of importers interviewed, approximately 50% reported that they imported from affiliated companies. These importers were primarily Japanese companies which have established U.S. operations to supply Japanese assemblers located in the United States. However, almost half of these companies indicated that they had set local (North American) content goals with the majority expecting to reach their goals by 1990. The average local content goal was approximately 70%.

Other respondents indicated that the key consideration to their decision to import is the lack of availability of the product in the United States. Lower prices and superior quality were also significant considerations.

While the survey respondents were generally satisfied with their current suppliers, products from Canada and the United States were preferred. The high level of preference indicated for Canadian and U.S. products was attributed to delivery capability, a definite advantage that Canada has over NIC's. The survey of U.S. associations indicated that Canadian goods are considered to be competitive with U.S. products, and the Canadian industry is viewed as being well managed and innovative.

The survey results and statistical analysis suggest that there are an increasing number of export opportunities in the United States for Canadian auto parts producers. Some specific opportunities have been uncovered during the course of this survey. Sources of supply are being sought for heel pads, polyurethane, crankshaft forgings, connecting rod forgings, small to medium ferrous