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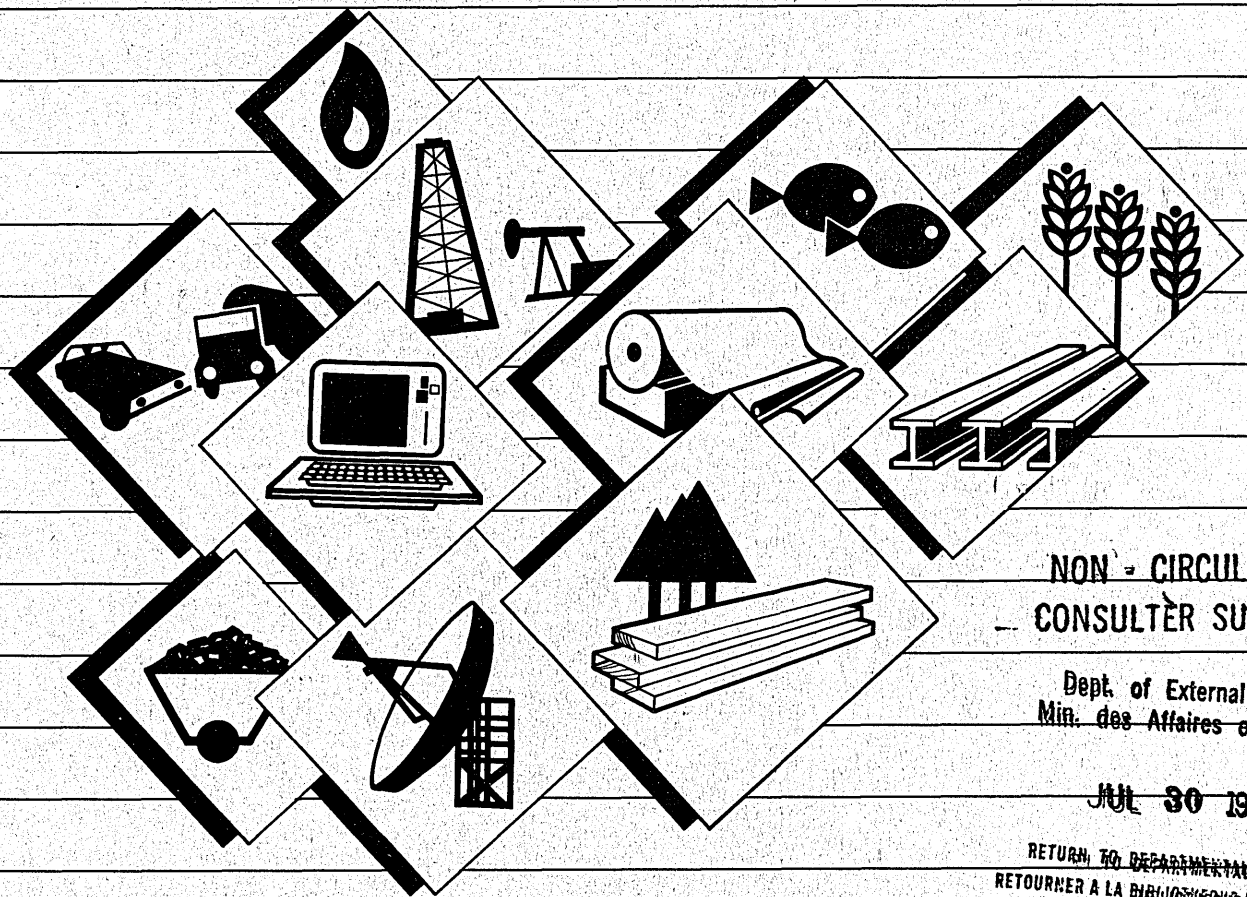
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DOCS

GEOGRAPHICAL SYNOPSIS

EASTERN EUROPE

1987-88 EXPORT AND INVESTMENT PROMOTION OPERATIONAL PLAN



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MARCH 1987

GEOGRAPHIC SYNOPSIS OF
EXPORT PROMOTION PROGRAM PLANS
OF CANADIAN MISSIONS ABROAD
FY 1987/88

FOREWORD

This report contains a summary of the highlights of the proposed work plans of the export and investment promotion program of Canadian diplomatic missions worldwide for fiscal year 1987-1988 commencing April 1, 1987.

The format of this synopsis is designed to provide Canadians involved in the process of export and investment promotion the means to identify quickly the key components of the trade program of External Affairs missions and access conveniently those features of the plans which are pertinent to their specific interests.

This synopsis is organized geographically and is available for each of seven geographic regions:

Latin America and Caribbean
United States
Asia and Pacific
Western Europe
Eastern Europe
Africa
Middle East

The synopsis provides a trade and economic overview of each country in the region in which market prospects exist for Canadian exporters, a listing of sectorial priorities for each market, profiles of important or interesting sectors and promotional project proposals which post trade officials recommend in support of their program activities.

The emphasis in the synopsis has been placed on providing factual information in as brief a format as possible with minimal narrative.

The computerized planning system from which this report was produced was developed by the Department of External Affairs to facilitate the assembly of vast amounts of detailed information on world markets from some 100 missions abroad. It is programmed to make this information available to the private sector, the Provinces and other departments of government in a format which would enable specific data on sectors or geographic regions to be accessed conveniently.

In their Conference on the Economy held in Regina in 1985, First Ministers noted the major contribution made by the export sector to Canada's national income yet expressed concern at the decline of Canada's share of world exports. To meet this challenge, First Ministers endorsed the need to generate widespread support for a new trade strategy for Canada which would embody three principal elements:

- a) to increase Canadian competitiveness;
- b) to maintain and increase access to foreign markets; and
- c) to achieve more effective international marketing.

It was recognized that these objectives can be met but only if a full and effective partnership of the federal and provincial governments, the private sector and labour can be achieved to ensure a more focussed and consistent approach to international marketing. Appropriate means of assembling and organizing information to suit specific needs is a foundation of the process of consultation from which consensus would be reached. To this end the current computerized planning system was conceived.

In addition to the geographic perspective of this report, information from the data bank is available in a variety of configurations, the most important of which are synopses of 17 sectors and a variety of market reports. Information from these reports can be obtained on request from the geographic or functional bureaux of the Department of External Affairs.

The purpose of this synopsis is to provide those engaged in the process of promoting exports from Canada the means to obtain condensed market data and information on export opportunities. It does not attempt to cover all aspects of foreign markets and by design avoids minutiae and detail. It is intended to highlight what, in the opinion of Canadian Trade Commissioners abroad, is important in their respective territories and what tactics they envisage would be most appropriate to exploit the market. Where markets or sectors in these synopses stimulate interest on the part of exporters, they are invited to seek out more detailed information and further background direct from the post, the geographic and functional bureaux of the Department of External Affairs or the Regional Offices of DRIE throughout Canada.

A last word on statistics. The statistical information contained in this synopsis is to be considered as an attempt on the part of Trade Commissioners abroad to estimate the order or magnitude of market size, market shares, and possible export potential. Users of this synopsis are cautioned that these figures are in many cases best guesses based on discussions with trade sources. In many markets, reliable published statistics are simply not available. However, in an attempt to provide exporters with notional ideas of market size, Trade Commissioners have been asked to do their best to give their considered impressions wherever possible. Therefore it is not intended that the statistical information should be used for purposes other than general guidance.

ADDENDUM

Changes in Canadian Representation Abroad

As part of the Government's program of public service restraint to reduce costs, a decision was made to close seven missions abroad since the data contained in this report was compiled.

The affected missions are:

Quito, Ecuador
Helsinki, Finland
Abu Dhabi, United Arab Emirates
Hamburg, FRG
Marseille, France
Perth, Australia
Philadelphia, U.S.A.

The market plans for these missions (with the exception of Marseille which has not been required to prepare a plan) have been left intact for purposes of this report pending the redistribution of trade and investment responsibilities to neighbouring missions which is currently underway.

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 List of missions/market covered in the following report

MISSIONS

WARSAW

PRAGUE
BUDAPEST
BELGRADEMOSCOW
BUCHAREST

MARKETS

POLAND
EAST GERMANY
CZECHOSLOVAKIA
HUNGARY
BULGARIA
YUGOSLAVIA
UNION OF SOVIET SOC REP
ROMANIA

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 471 WARSAW

Country: 099 POLAND

ECONOMIC RECOVERY IN POLAND REMAINS FRAGILE, PRESENTING A PICTURE OF MODERATE GROWTH & RELATIVE STABILITY, AGAINST A BACKGROUND OF CONTINUING PROBLEMS. GROWTH IN INDUSTRIAL PRODUCTION ROSE BY 3.8% IN 1985 & 5.4% DURING THE FIRST SIX MONTHS OF 1986. AGRICULTURAL PRODUCTION HAS BEEN VERY POSITIVE IN RECENT YEARS & IMMEDIATE PROSPECTS DEPEND A GREAT DEAL ON ITS CONTINUING PERFORMANCE. THIS PERFORMANCE IN TURN DEPENDS ON A CONTINUATION OF THE GOOD AGRICULTURAL WEATHER WHICH COMMENCED IN 1983 & WHICH SO FAR HAS PERSISTED INTO MID-1986. INFLATION, WHILE REDUCED FROM EARLIER YEARS, IS STILL IN THE 15 TO 20% RANGE, AND SHORTAGES OF SOME GOODS PERSIST. THE GOVERNMENT HAS NOT BEEN ABLE TO MAINTAIN DISCIPLINE IN WAGES; INCREASES ARE NOT JUSTIFIED BY ANY IMPROVEMENT IN PRODUCTIVITY. THERE IS NO SIGN OF ALLEVIATING THE HOUSING SHORTAGE. ECONOMIC REFORM COMMENCED IN '82 WITH THE AIM OF INCREASING ENTERPRISE AUTONOMY & PROMOTING FOREIGN INVESTMENT HAS SHOWN NO IMMEDIATE RESULT IN TERMS OF INCREASED OUTPUT. THE GOVERNMENT STILL MAINTAINS A NUMBER OF MECHANISMS OF CENTRAL CONTROL, PARTICULARLY IN THE ALLOCATION OF "PRIORITY" INDUSTRIES. THESE PROGRAMS FRUSTRATE THE OPERATION OF MARKET PRICES, HAVE HAD LIMITED SUCCESS IN MAKING THE ECONOMY RUN MORE SMOOTHLY, & HAVE RAISED DOUBTS ABOUT THE FUTURE & SERIOUSNESS OF THE REFORM EFFORT. ALTHOUGH POLAND CONTINUES TO RUN A HARD CURRENCY TRADE SURPLUS, THIS SURPLUS IS INSUFFICIENT TO SRVCE POLAND'S US\$32 BILLION HARD CURRENCY DEBT, & BOTH OFFICIAL & COMMERCIAL CREDITORS HAVE CONCLUDED AGREEMENTS TO RE-SCHEDULE PAYMENTS. IN 1985 & THE FIRST SIX MONTHS OF 1986, THE LEVEL OF POLAND'S HARD CURRENCY EXPORTS DECLINED FROM ITS 1984 LEVEL, & THIS, COMBINED WITH DEBT SERVICING REQUIREMENTS PLACES A SEVERE CONSTRAINT ON POLAND'S ABILITY TO INCREASE HARD CURRENCY IMPORTS. POLAND HAS A SOFT CURRENCY DEBT OF ABOUT SIX BILLION TRANSFERABLE RUBLES. IN 1986, POLAND BECAME A MEMBER OF THE IMF AND WORLD BANK. ALTHOUGH CDN EXPORTS TO POLAND HAVE DECLINED SIGNIFICANTLY THIS YEAR POSSIBILITIES CONTINUE TO EXIST FOR FURTHER SALES. EUROPEAN & JAPANESE FIRMS ARE ACTIVE IN THE MARKET. BUSINESS IS STILL CONTINUING ON CASH BASIS IN CERTAIN PRIORITY SECTORS TO WHICH POLAND HAS ASSIGNED PREFERENTIAL HARD CURRENCY ALLOCATIONS SUCH AS RAW MATERIALS & EQUIPMENT FOR EXPORT ORIENTED INDUSTRIES, AGRICULTURAL CHEMICALS, PHARMACEUTICALS, AND HIGH-TECHNOLOGY INDUSTRIAL EQUIPMENT. OTHER PROSPECTS EXIST FOR SALES TO THE COUNTRY'S TWO HARD-CURRENCY CHAIN STORES WHICH ENJOY A COMBINED TURNOVER OF OVER HALF A BILLION DOLLARS ANNUALLY. IN ADDITION, THE POLISH GOVERNMENT APPROVED A JOINT VENTURE LAW IN EARLY 1986 WHICH MAY PROVIDE INVESTMENT OPPORTUNITIES IN BOTH SERVICES AND PRODUCTION.

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 A. Post export program priorities

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: THIS SECTOR REPRESENTS A HIGH PRIORITY IN THE CURRENT 5-YEAR PLAN

2. 003 GRAINS AND OILSEEDS

REASONS: CONTINUING REQUIREMENT FOR DURHAM WHEAT BECAUSE OF UNFAVOURABLE SOIL AND CLIMATIC CONDITIONS COUPLED WITH US EXPORT RESTRICTIONS

3. 005 COMM. & INFORM. EQP. & SERV

REASONS: THE CURRENT 5-YEAR PLAN PLACES GREAT EMPHASIS ON THE ACQUISITION OF ADVANCED TECHNOLOGY AND EQUIPMENT

4. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: THERE ARE A VARIETY OF PROJECTS FOR THE MODERNIZATION OF PULP AND PAPER PLANTS.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 003 GRAINS AND OILSEEDS

2. 002 FISHERIES, SEA PRODUCTS & SERV.

3. 008 TRANSPORT SYS, EQUIP, COMP, SERV.

4. 010 MINE, METAL, MINERAL PROD & SRV

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 017 FOOD HANDLING, PROCESSING EQUIP

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size (import) \$	0.00M NA	\$ 150.00M	\$ 150.00M	\$ 180.50M
Canadian Exports \$	0.00M NA	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	0.00% NA	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 123 EAST GERMANY	018 %
ii) 128 GERMANY WEST	015 %
iii) 512 SWITZERLAND	013 %
iv) 354 NETHERLANDS	011 %
v) 093 DENMARK	011 %
vi) 553 UNION OF SOVIET SOC REP	004 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 1-3 \$M

Current status of Canadian exports:

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) FOOD PROCESSING LINES	\$ 0.00 M
ii) DAIRY PROCESSING PLANT EQUIPMENT	\$ 0.00 M

The Trade Office reports that the following factors influence Canadian
export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector
(sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive financing from Canada
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- difficulties in obtaining credit facilities in Canada
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- participation in trade fairs
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- the existence of a bilateral economic/trade arrangement between Canada and this country
- the availability of competitive Canadian financing

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CORPORATE LIAISON PROGRAM WITH FOREIGN TRADE ORGANIZATION TO RE-ESTABLISH CANADIAN INTEREST AND CAPABILITIES.

Results Expected: LEADS TO PROJECTS APPROVED UNDER NEW 5 YEAR PLAN AND REQUESTS FOR BIDS BY CANADIAN COMPANIES.

Activity: RENEWED CONTACT WITH ACTUAL END-USERS TO DETERMINE SPECIFIC REQUIREMENTS AND PRODUCT NEEDS.

Results Expected: IMPROVED GUIDANCE TO SOURCE CANADIAN PRODUCTS TECHNOLOGY COMPETITIVE.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights

Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 003 GRAINS AND OILSEEDS

Subsector: 031 CEREAL GRAINS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	260.00M	\$ 270.00M	\$ 278.90M	\$ 346.30M
Canadian Exports \$	13.00M	\$ 13.40M	\$ 13.40M	\$ 15.50M
Canadian Share of Import Market	5.00%	4.96%	4.80%	4.50%

Major Competing Countries

Market Share

i) 112 FRANCE	000 %
ii) 001 ARGENTINA	000 %
iii) 026 AUSTRIA	000 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: Market share declining

Products/services for which there are good market prospects

Current Total Imports
In Canadian \$
\$ 0.00 M

i) DURUM WHEAT

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be moderate

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- non competitive pricing
- non competitive financing from Canada
- high tariffs
- difficulties in obtaining credit facilities in Canada

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- Canada's position as one of the few major sources of international supply

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: ATTEMPT RESOLUTION OF POLISH CANADIAN DEBT SITUATION THROUGH CONTINUING DISCUSSIONS WITH POLISH BANK AND FINANCE MINISTRY.

Results Expected: NEGOTIATION OF REPAYMENT AGREEMENTS WITH CANADIAN WHEAT BOARD.

Activity: CONTINUING PROMOTION OF CANADIAN WHEAT SALES ON CASH BASIS TO ROLIMPEX.

Results Expected: MODERATE INCREASE IN SALES OF WHEAT.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 005 COMM. & INFORM. EQP. & SERV

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M NA	\$ 280.00M	\$ 280.00M	\$ 313.50M
Canadian Exports \$	0.00M NA	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	0.00% NA	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 128 GERMANY WEST	000 %
ii) 051 UNITED KINGDOM	000 %
iii) 577 UNITED STATES OF AMERICA	000 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 1-3 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) WORKPLACE AUTOMATION	\$ 0.00 M
ii) ELECTRONIC COMPONENTS	\$ 0.00 M
iii) COMPUTERS, SOFTWARE & SYSTEMS	\$ 0.00 M

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive financing from Canada
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- difficulties in obtaining credit facilities in Canada
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- the availability of competitive Canadian financing

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: IDENTIFICATION OF PROJECTS AND PRODUCT NEEDS WHICH ARE NOT SUBJECT TO EXPORT CONTROL RESTRICTIONS.

Results Expected: OPPORTUNITIES WILL BE FOUND IN THE AREA OF PROCESS CONTROL EQUIPMENT.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CORPORATE LIAISON WITH FOREIGN TRADE ORGANIZATIONS AND MANUFACTURING PLANTS TO REESTABLISH CONTACTS AND IDENTIFY EMERGING MODERNIZATION PROJECTS.

Results Expected: UPDATED DEFINITION OF MARKET SEGMENTS AND IDENTIFICATIONS OF NEW OPPORTUNITIES.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES

Subsector: 096 EQUIPMENT AND MACHINERY

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	25.00M	\$ 0.00M	\$ 0.00M	\$ 2.00M
Canadian Exports \$	0.00M NA	\$ 0.00M	\$ 0.00M	\$ 1.10M
Canadian Share of Import Market	0.00% NA	0.00%	0.00%	0.50%

Major Competing Countries

Market Share

i) 504 FINLAND	000 %
ii) 026 AUSTRIA	000 %
iii) 507 SWEDEN	000 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 30-60 \$M

Current status of Canadian exports: Market share declining

Products/services for which there are good market prospects

Current Total Imports
In Canadian \$
\$ 0.00 M

i) PULP AND PAPER INDUSTRY MACHINERY

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: OSTROLEKA PULP & PAPER PLANT
Approximate Value: \$ 50 M
Financing Source: 024 BC
For further info. please contact:
EMBASSY/FRANK PARZYCH

ii) Project Name: MYSZKOW PULP & PAPER PLANT
Approximate Value: \$ 60 M
Financing Source: 024 BC
For further info. please contact:
EMBASSY/FRANK PARZYCH

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive financing from Canada
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- difficulties in obtaining credit facilities in Canada

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- participation in trade missions
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: CORPORATE LIAISON WITH FOREIGN TRADE ORGANIZATION POLIMEX-CEKOP TO DETERMINE SPECIFICATIONS FOR DEVELOPMENT OF PULP AND PAPER MILLS.

Results Expected: TO ASSIST CDN COMPANIES TO BID ON TWO OR THREE MAJOR PROJECTS IDENTIFIED FOR DEVELOPMENT UNDER 5-YEAR PLAN.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: GENERATE INTEREST BY CANADIAN COMPANIES IN PLANS FOR MODERNIZATION OF THE PLANTS FOR POLISH PULP AND PAPER INDUSTRY.

Results Expected: BIDS BY CANADIAN COMPANIES SPECIALIZING IN ENGINEERING AND EQUIPMENT MANUFACTURE.

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 471 WARSAW

Country: 123 EAST GERMANY

DURING 1985 THE GDR ONCE AGAIN REGISTERED THE BEST ECONOMIC RESULTS AMONG ALL CMEA COUNTRIES WITH NET MATERIAL PRODUCT INCREASING BY 4.8%. THIS STRONG PERFORMANCE WAS DUE TO A DYNAMIC INDUSTRIAL SECTOR, AN EXCEPTIONALLY GOOD AGRICULTURAL PERFORMANCE AND STRONG FOREIGN TRADE RESULTS WITH THE RUBLE AND THE DOLLAR AREAS. INDUSTRY REPRESENTING 80% OF THE COUNTRY'S NET MATERIAL PRODUCT (NMP) PRODUCED, WAS THE MAIN CONTRIBUTION TO EAST GERMANY'S GROWTH. DEVELOPMENT IN INDUSTRIAL SECTORS SHOW THAT THE MAIN TARGETS IN 1985 WERE ORIENTED IN TWO MAIN DIRECTIONS: THE EXPANSION OF THE HIGH TECHNOLOGY SECTOR & THE INCREASE OF DOMESTIC ENERGY SOURCES. AGRICULTURAL REFORMS, WHICH WERE BEGUN IN 1984, MAY HAVE CONTRIBUTED TO THE GOOD RESULTS IN THIS SECTOR. THE REDUCTION OF INPUT SUBSIDIES & THE INCREASE IN OUTPUT PRICES, COMBINED WITH THE NEW DIFFERENTIATED TAX SYSTEM, SEEMS TO HAVE STIMULATED PRODUCTION. IT APPEARS LIKELY THAT THE GDR WILL BE ABLE TO SUSTAIN ITS RELATIVELY GOOD ECONOMIC PERFORMANCE OVER THE COMING YEAR & THE MEDIUM TERM. THIS PREDICTION IS REINFORCED BY THE PROVISIONAL HALF YEAR FIGURES FOR 1986. NMP IS EXPECTED TO INCREASE AT AN AVERAGE ANNUAL RATE OF ABOUT 4%. DURING 1985 GROSS INVESTMENT IN FIXED CAPITAL REGISTERED AN IMPRESSIVE INCREASE OF 10.7% OVER 1984. THE GDR'S CURRENT INVESTMENT POLICY REMAINS CAUTIOUS WITH THE 1986-90 FIVE YEAR PLAN STRESSING PLANT MODERNIZATIONS RATHER THAN MAJOR NEW PROJECTS. OPPORTUNITIES EXIST FOR FIRMS OFFERING TECHNOLOGY AND EQUIPMENT ASSOCIATED WITH MATERIAL AND ENERGY CONSERVATION, POLLUTION CONTROL OR OF ASSISTANCE TO THE GDR IN FURTHER MODERNIZING ITS PRODUCTION TECHNOLOGY OR ASSISTING IN AGRICULTURAL SELF-SUFFICIENCY OR IN THE FURTHER DEVELOPMENT OF MICRO-ELECTRONICS AND CAD/CAM CAPABILITIES. CANADIAN FIRMS SHOULD BENEFIT FROM THE FAVORABLE CLIMATE CREATED BY OUR PARTICIPATION IN THE LEIPZIG FAIR, BY THE RENEWAL OF THE LONG TERM TRADE AGREEMENT AND PROGRESS TOWARDS AN EXCHANGE OF MISSIONS.

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 A. Post export program priorities

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: DESPITE CONTINUING EFFORTS TO ACHIEVE SELF-SUFFICIENCY THERE WILL BE A CONTINUING REQUIREMENT FOR CDN GRAIN. THE DRIVE FOR SELF-SUFFICIENCY CREATES OPPORTUNITIES FOR ADVANCED CDN AGRICULTURAL TECHNOLOGY.

2. 005 COMM. & INFORM. EQP. & SERV

REASONS: THE CURRENT 5-YEAR PLAN PLACES GREAT EMPHASIS ON THE ACQUISITION OF ADVANCED TECHNOLOGY AND EQUIPMENT.

3. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: CANADIAN COMPANY'S INTEREST IN WITTENBERGE PULP & PAPERMILL PROJECT AND GDR INTEREST IN FOREST INDUSTRIES RECYCLING EQUIPMENT.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 003 GRAINS AND OILSEEDS

2. 002 FISHERIES, SEA PRODUCTS & SERV.

3. 010 MINE, METAL, MINERAL PROD & SRV

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	37.00M	\$ 36.00M	\$ 36.00M	\$ 34.00M
Canadian Exports \$	1.00M	\$ 0.50M	\$ 0.30M	\$ 0.20M
Canadian Share of Import Market	2.70%	1.40%	0.80%	0.60%

Major Competing Countries

Market Share

- | | |
|----------------------|-------|
| i) 607 COMECON | 063 % |
| ii) 128 GERMANY WEST | 019 % |

Cumulative 3 year export potential for CDN products in this Sector/Subsector:

1-3 \$M

Current status of Canadian exports:

Products/services for which there are good market prospects

Current Total Imports

- | | In Canadian \$ |
|-------------------------------|----------------|
| i) TURKEY HATCHING EGGS | \$ 0.50 M |
| ii) FOOD PROCESSING EQUIPMENT | \$ 0.50 M |
| iii) SEMEN | \$ 0.00 M |

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

- i) Project Name: MODERNIZATION OF STARCH REACTOR
Approximate Value: \$ M
Financing Source: 023 EDC
For further info. please contact:
CDN EMBASSY/E. MECZYNSKA TLX: 63-813424

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- the degree of import duty protection of local industry tends to be high

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive pricing
- high tariffs
- non-tariff protectionist measures which are difficult to overcome

Some Canadian exporters to this market in this sector(sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- competitive export pricing for this market
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CORPORATE LIAISON CALLS TO RELEVANT FOREIGN TRADE ORGANIZATIONS TO ESTABLISH BUYING INTENTIONS OF EQUIPMENT.

Results Expected: TO FAMILIARIZE GDR WITH CDN CAPABILITIES WHICH MATCH PROCUREMENT PLANS IN THE SECTOR.

Activity: MAINTAIN AND INCREASE RELATIONS WITH NAHRUNG EXPORT-IMPORT TO PROMOTE CANADIAN SALES OF BARLEY AND WHEAT.

Results Expected: PURCHASES BY GDR OVER AND ABOVE MINIMUM LEVEL SPECIFIED IN SALES AGREEMENT WITH WHEAT BOARD

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

Sector: 005 COMM. & INFORM. EGP. & SERV

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	250.00M	\$ 220.00M	\$ 210.00M	\$ 200.00M
Canadian Exports \$	1.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	0.40%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 607 COMECON	063 %
ii) 128 GERMANY WEST	017 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 1-3 \$M

Current status of Canadian exports:

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) ROBOTICS & ARTIFICIAL INTELLIGENCE	\$ 0.00 M
ii) WORKPLACE AUTOMATION	\$ 0.00 M

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be high

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- the availability of competitive Canadian financing

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CORPORATE LIAISON CALLS TO RANGE OF FOREIGN TRADE ORGANIZATIONS RESPONSIBLE FOR EMERGING PROJECTS IN VARIOUS MANUFACTURING SECTORS.

Results Expected: TO DEFINE THE MARKET, INTRODUCE CANADIAN CAPABILITIES, AND GENERATE INTEREST BY CANADIAN COMPANIES TO FOLLOW UP LEADS AND SUBMIT BIDS.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

Sector: 009 FOREST PRODUCTS, EQUIP. SERVICES

Subsector: 096 EQUIPMENT AND MACHINERY

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	100.00M	\$ 0.00M NA	\$ 0.00M NA	\$ 0.00M NA
Canadian Exports \$	0.00M NA	\$ 0.00M NA	\$ 0.00M NA	\$ 0.00M NA
Canadian Share of Import Market	0.00% NA	0.00% NA	0.00% NA	0.00% NA

Major Competing Countries

Market Share

i) 128 GERMANY WEST	000 %
ii) 507 SWEDEN	000 %
iii) 504 FINLAND	000 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 100 \$M AND UP

Current status of Canadian exports:

Products/services for which there are good market prospects

Current Total Imports
In Canadian \$
\$ 0.00 M

i) EQUIPMENT FOR PULP AND PAPER PLANT

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: MODERNIZATION OF WITTENBERGE
Approximate Value: \$ 100 M
Financing Source: 023 EDC
For further info. please contact:
CDN EMBASSY/E. MECZYNSKA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector. (sub-sector).

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- other factor(s) described by the Trade Office as follows:

FINAL DECISION HAS NOT BEEN MADE YET BY THE GDR AUTHORITIES ABOUT THE MODERNIZATION OF WITTENBERGE.

Some Canadian exporters to this market in this sector(sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- participation in trade fairs
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: CURRENT INFORMATION FLOW TO CANADIAN COMPANY BIDDING ON PROJECT (THIS CO. HAS BEEN TRACKING THE PROJECT FOR 6 YEARS).

Results Expected: TO HELP THE COMPANY SUCCESSFULLY BID ON A CONTRACT FOR MODERNIZATION OF WITTENBERGE PULP AND PAPER MILL.

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional Projects approved and planned for the coming fiscal year.		

Mission: 471 WARSAW

Sector: 999 MULTIPLE SECTORS

010 FAIRS		
POZNAN INT'L FAIR, POZNAN,	POLAND	POZNAN
LEIPZIG INT'L SPRING FAIR,	LEIPZIG, POLAND	LEIPZIG
		0687
		0388

Type of Event	Location	Date
Promotional projects proposed for the two following fiscal years.		

Mission: 471 WARSAW

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

010 FAIRS		
POLAGRA		POZNAN
		1089

020 MISSION OUTGOING		
FOOD PROCESSING MISSION & SEMINAR		WARSAW, BERLIN
DAIRY MISSION		BERLIN
		0689
		0988

Sector: 005 COMM. & INFORM. EQP. & SERV

010 FAIRS		
COMPUTER AND SOFTWARE MISSION		WARSAW
ROBOTICS & ARTIFICIAL INTELLIGENCE MISSION		WARSAW, BERLIN
		0290
		0390

Sector: 007 POWER & ENERGY EQUIP. & SERV.

020 MISSION OUTGOING		
ENERGY CONSERVATION MISSION & SEMINAR		WARSAW, BERLIN
		1088

Sector: 010 MINE, METAL, MINERAL PROD & SRV

020 MISSION OUTGOING		
MINING AND FOUNDRY EQUIPMENT		KATOWICE, LUBIN, WARSA
		0589

Sector: 014 EDUCATION, MEDICAL, HEALTH PROD

010 FAIRS		
SALMED		POZNAN
		0489

Sector: 999 MULTIPLE SECTORS

010 FAIRS		
LEIPZIG SPRING FAIR		LEIPZIG
		0390

Export and Investment Promotion Planning System

Type of Event

Location

Date

Promotional projects proposed for the two following fiscal years.

Mission: 471 WARSAW

Sector: 999 MULTIPLE SECTORS

010 FAIRS

LEIPZIG SPRING FAIR

LEIPZIG

0389

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 472 PRAGUE

Country: 088 CZECHOSLOVAKIA

RECENT CDA CSSR TRADE HAS EXHIBITED A DISTURBING DOWNWARD TREND. STATS CAN FIGURES FOR JAN.-AUG. 1986 INDICATE THAT WHILE CSSR SALES TO CDA HAVE FALLEN OFF MARGINALLY TO \$45.4 MN (-6.6%), CDN EXPORTS PLUMMETED A SUBSTANTIAL 45% TO \$8.2 MN. MUCH OF THE DISAPPOINTING PERFORMANCE FOR CDA IS THE RESULT OF A REDUCTION IN ASBESTOS AND RAW HIDE SALES, TRADITIONALLY THE TWO LEADING EXPORT ITEMS. DESPITE THE DISAPPOINTING RESULTS, 1986 HAS BEEN A YEAR OF INTENSE MKT DVLPMT WORK ON THREE LARGE PROJECT OPPORT. WHERE CDN COS. STAND AN EXCELLENT CHANCE OF SIGNING CONTRACTS IN 1987. THE INTERESTS OF A CDN CO. IN A MAJOR PAPERMILL PROJECT WERE SUPPORTED BY PROVIDING MKT INTELLIGENCE, THE ORGANIZING, A MAJOR TECHNICAL SEMINAR, CALLS ON SR. DECISION-MAKERS, AND CLOSE COLLABORATION DURING THE COY'S NUMEROUS VISITS TO THE TERRITORY. THE EMBASSY ALSO PROVIDED BID PREPARATION ADVICE, LOBBIED HIGH-LEVEL AUTHORITIES, AND COORDINATED AN OUTGOING TECHNICAL MISSION TO CDA AS PART OF AN OVERALL EFFORT TO SECURE A MAJOR SAWMILL CONTRACT. SIMILAR SERVICES WERE EXTENDED TO ANOTHER CDN FIRM IN ORDER TO ADVANCE ITS INTEREST IN A USED-OIL REFINERY PROJECT. THESE THREE COMMERCIAL PRIORITIES ALSO RECEIVED FOCUSSED ATTENTION DURING THE ANNUAL CDA-CSSR TRADE CONSULTATIONS IN MARCH 86 AND THE VISIT TO CDA IN SEPT. 86 OF CZECHOSLOVAK PM STROUGAL AND HIS MINISTER OF FOREIGN TRADE. THE POST PLAYED A CENTRAL ROLE IN THE NEGOTIATION OF A TEN YEAR LONG TERM ECONOMIC AGREEMENT WITH CZECHOSLOVAKIA (SIGNED IN SEPT. 86), AND ASSISTED IN THE RENEWAL OF THE BILATERAL TEXTILE AGREEMENT (AUG. 86). CDN GOVT AND INDUSTRY INTERESTS WITH REGARD TO ASBESTOS EXPORTS AND THE EMBRYONIC "INT'L NICKEL STUDY GROUP" WERE ALSO SUPPORTED. IN ADDITION, WE WORKED HARD TO ENSURE THAT THE INAUGURAL SESSION OF THE CSSR CHAMBER OF COMMERCE-CEETC TOOK PLACE IN SEPT. DURING THE ANNUAL BRNO ENGINEERING FAIR. FINALLY THE EMBASSY INITIATED AND DEVELOPED A PROMOTIONAL PROGRAM TO EXPLOIT THE COMMERCIAL POTENTIAL OF THE IMPORTANT YAMBURG TRANSIT GAS PIPELINE PROJECT. (A NUMBER OF ALBERTA-BASED COMPANIES HAVE BONA FIDE SALES PROSPECTS AS A RESULT). IT IS ANTICIPATED THAT 1987 WILL SEE A MAJOR CONTRACT SIGNING IN AT LEAST ONE OF THE AREAS DESCRIBED ABOVE. A SALES BREAKTHROUGH IN THE LUCRATIVE GAS EQUIPMENT MARKET SHOULD ALSO MATERIALIZE AS A RESULT OF CURRENT AND PLANNED PROMOTIONAL ACTIVITY, AND ANOTHER REPEAT ORDER FOR HIGH QUALITY CANADIAN BREEDING CATTLE IS EXPECTED.

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 A. Post export program priorities

Region: EASTERN EUROPE

Mission: 472 PRAGUE

Market: 088 CZECHOSLOVAKIA

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: CDN PULP & PAPER EQPT. AND SERVICES, HAVE AN EXCELLENT REPUTATION. INTEREST IN CDN SAWMILLING EQPT. INCREASED THROUGH AGGRESSIVE PROMOTION OVER PAST TWO YEARS.

2. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: YAMBURG TRANSIT GAS PIPELINE A PRIORITY CMEA PROJECT, MAY OFFER OPPORTUNITIES FOR CDN SUPPLIER. ECONOMICS AND ENVIRONMENTAL BENEFITS MAJOR FACTORS DETERMINING GO-AHEAD FOR KORAMO KOLIN.

3. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: CDN SUPPLIERS DOMINATE THE MKT IN HIGH QUALITY BREEDING CATTLE, SEMEN AND EMBRYOS; FOLLOW ON SALES ARE ASSURED. SPECIALIZED PROMOTIONS COULD RESULT IN ADDITIONAL SUCCESSES.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 010 MINE, METAL, MINERAL PROD & SRV
2. 001 AGRI & FOOD PRODUCTS & SERVICE
3. 005 COMM. & INFORM. EQP. & SERV

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 472 PRAGUE

Market: 088 CZECHOSLOVAKIA

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 011 ANIMAL, POULTRY BREEDING STOCK

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M NA	\$ 0.00M NA	\$ 17.60M	\$ 19.30M
Canadian Exports \$	0.00M NA	\$ 0.00M NA	\$ 3.20M	\$ 0.10M
Canadian Share of Import Market	0.00% NA	0.00% NA	18.20%	0.50%

Major Competing Countries	Market Share
i) 032 HUNGARY	062 %
ii) 026 AUSTRIA	011 %
iii) 354 NETHERLANDS	004 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 0-1 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) BREEDING CATTLE	\$ 0.00 M
ii) BOVINE SEMEN	\$ 0.05 M
iii) BOVINE EMBRYOS	\$ 0.10 M

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- non-tariff protectionist measures which are difficult to overcome

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade missions
- use of Canadian Government export promotion activities
- use of provincial governments export promotion activities
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada

Export and Investment Promotion Planning System

MISSION: 472 PRAGUE

COUNTRY: 088 CZECHOSLOVAKIA

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: SUCCESSFUL DELIVERY OF RED HOLSTEIN EMBRYOS FROM ALBERTA (INITIAL CONTRACT ALREADY SIGNED).

Results Expected: FURTHER ORDERS OF EMBRYOS ANTICIPATED IN 1987/88.

Activity: SOME SMALL SCALE PROMOTION OF CDN BREEDING CATTLE, IN ANTICIPATION OF A FURTHER ORDER BY CSSR IN 1987; LIAISON SUPPORT FOR BUYER VIS-A-VIS AGCAN (HEALTH CERT.)

Results Expected: A LIVE CATTLE CONTRACT FOR CANADA IN 1987.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: VISIT OF CZECHOSLOVAK MINISTER OF AGRICULTURE MR. M. TOMAN TO CANADA IN SPRING 1987.

Results Expected: INITIATIVE WILL FURTHER STIMULATE LOCAL INTEREST IN CDA SOURCES OF SUPPLY IN SECTOR

Activity: POST TO WORK CLOSELY WITH CDN FIRM TO EXPLORE POSSIBILITIES FOR ESTABLISHING A FULL-FLEDGED COOPERATION AGREEMENT WITH LOCAL AGRICULTURAL ENTERPRISE (SLUSOVICE).

Results Expected: CANNOT BE PREDICTED AT THIS TIME.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 472 PRAGUE

Market: 088 CZECHOSLOVAKIA

Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES

Subsector: 096 EQUIPMENT AND MACHINERY

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	60.00M	\$ 50.00M	\$ 50.00M	\$ 48.50M
Canadian Exports \$	5.00M	\$ 1.00M	\$ 1.00M	\$ 6.00M
Canadian Share of Import Market	8.30%	2.00%	2.00%	12.40%

Major Competing Countries

Market Share

i) 026 AUSTRIA	019 %
ii) 553 UNION OF SOVIET SOC REP	016 %
iii) 128 GERMANY WEST	016 %
iv) 504 FINLAND	012 %
v) 112 FRANCE	010 %
vi) 099 POLAND	004 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 60-100 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) PAPER MACHINES	\$ 30.00 M
ii) PULP & PAPER MACHINE PARTS	\$ 10.00 M
iii) WOODWORKING MACHINERY	\$ 10.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

- i) Project Name: BUKOVEC PULP & PAPER PROJECT (CTMP AND NEWSPRINT MACHINE)

Approximate Value: \$ 150 M

Financing Source: 023 EDC

For further info. please contact:

B. OAK, CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

- ii) Project Name: JOINT VENTURE IN PREFABRICATED WOODEN HOUSES

Approximate Value: \$ 20 M

Financing Source: 023 EDC

For further info. please contact:

B. OAK, CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

Export and Investment Promotion Planning System

MISSION: 472 PRAGUE

COUNTRY: 088 CZECHOSLOVAKIA

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

iii) Project Name: JOINT VENTURE IN GLUE LAMINATED WOOD CONSTRUCTIONS

Approximate Value: \$ 10 M

Financing Source: 023 EDC

For further info. please contact:

B.OAK, CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

iv) Project Name: TREE SEEDLING CULTIVATION TECHNOLOGY AND EQUIPMENT

Approximate Value: \$ 10 M

Financing Source: 023 EDC

For further info. please contact:

B.OAK, CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- non competitive pricing
- difficulties of adaptation of marketing techniques to the market by some Canadian companies

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country
- the availability of competitive Canadian financing

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: CONTINUATION OF INTENSIVE POST LOBBYING OF HIGH-LEVEL CSSR OFFICIALS IN SUPPORT OF A CDN COMPANY MARKET DEVELOPMENT WORK (RUZOMBEROK PAPER MILL PROJECT).

Results Expected: WE EXPECT THE CDN COMPANY TO BE SUCCESSFUL IN WINNING THIS CONTRACT IN 1987.

Export and Investment Promotion Planning System

MISSION: 472 PRAGUE

COUNTRY: 088 CZECHOSLOVAKIA

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: INCREASED POST LIAISON WITH CZECH MINISTRY OF INDUSTRY TO PROMOTE INTERESTS OF CANADIAN COMPANIES IN ZDIREC AND VRBNO SAWMILL PROJECTS.

Results Expected: AT LEAST ONE CONTRACT (ZDIREC) TO BE SIGNED WITH CANADIAN COMPANIES IN 1987.

Activity: SUPPORT ONGOING MARKETING ACTIVITIES OF CANADIAN COMPANIES AT TELSA ORAVA (EQUIPMENT FOR PRODUCTION OF WOODEN TV CONSOLES).

Results Expected: TWO VISITS TO SLOVAKIA PLANNED BEFORE JUNE 87 POSSIBLE INCOMING REFERENCE VISIT BY DECEMBER 1987.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: POST TO HELP ORGANIZE INCOMING REFERENCE TRIP OF SENIOR CSSR PULP AND PAPER INDUSTRY OFFICIALS (RUZOMBEROK PAPER MILL PROJECT)

Results Expected: TO BE COMPLETED BY MARCH 87; INITIATIVE MAY PROVE DECISIVE IN CONTRACT DECISION MAKING

Activity: MARKET INTERESTS OF TWO SAWMILLING EQUIPMENT MANUFACTURERS ARE TO BE PROMOTED IN SLOVAKIA.

Results Expected: AT LEAST ONE TRIP TO SLOVAKIA WILL TAKE PLACE BEFORE JUNE 1987.

Activity: PROMOTION OF CANADIAN COMPANY INTERESTS IN FURNITURE INDUSTRIES OF BOTH REPUBLICS.

Results Expected: ONE VISIT TO MORAVIAN AND SLOVAK FURNITURE ENTERPRISES WILL TAKE PLACE BEFORE JUNE 1987.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 472 PRAGUE

Market: 088 CZECHOSLOVAKIA

Sector: 011 OIL & GAS EQUIPMENT, SERVICES

Subsector: 116 MACHINERY AND EQUIPMENT

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	520.00M	\$ 470.00M	\$ 430.00M	\$ 390.00M
Canadian Exports \$	5.00M	\$ 0.00M NA	\$ 0.00M NA	\$ 0.00M NA
Canadian Share of Import Market	1.00%	0.00% NA	0.00% NA	0.00% NA

Major Competing Countries

Market Share

i) 128 GERMANY WEST	015 %
ii) 112 FRANCE	010 %
iii) 512 SWITZERLAND	009 %
iv) 237 ITALY	006 %
v) 026 AUSTRIA	004 %
vi) 051 UNITED KINGDOM	004 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are
good market prospects

Current Total Imports

	In Canadian \$
i) PIPELINE EQUIPMENT	\$ 200.00 M
ii) OIL AND GAS EXPLORATION	\$ 10.00 M
iii) SAFETY EQUIPMENT	\$ 10.00 M
iv) DRILLING EQUIPMENT	\$ 20.00 M
v) ANTI-CORROSION EQUIPMENT	\$ 10.00 M
vi) INSTRUMENTATION & CONTROL	\$ 20.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: YAMBURG PIPELINE CONSTRUCTION

Approximate Value: \$ 5 M

Financing Source: 023 EDC

For further info. please contact:

B. OAK CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

Export and Investment Promotion Planning System

MISSION: 472 PRAGUE

COUNTRY: 088 CZECHOSLOVAKIA

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

ii) Project Name: UNDERGROUND GAS STORING FACILITIES IN
CSSR

Approximate Value: \$ 5 M

Financing Source: 023 EDC

For further info. please contact:

B.OAK CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

iii) Project Name: OIL/GAS EXTRACTION AND PROCESSING

Approximate Value: \$ 3 M

Financing Source: 023 EDC

For further info. please contact:

B.OAK, CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

iv) Project Name: GAS DISTRIBUTION SERVICES IN CSSR

Approximate Value: \$ 3 M

Financing Source: 023 EDC

For further info. please contact:

B.OAK, CDN EMBASSY PRAGUE TLX: 121 061 DMCN C

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- use of provincial governments export promotion activities
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

Export and Investment Promotion Planning System

MISSION: 472 PRAGUE

COUNTRY: 088 CZECHOSLOVAKIA

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: VISIT BY CSSR MINISTER OF FUEL AND POWER TO CANADA AND ALBERTA, SPRING 1987

Results Expected: POSSIBLE SIGNING OF LONG TERM COOPERATION AGREEMENT(S) WITH CANADIAN COMPAN(IES), BY JUNE 1987

Activity: REGULAR VISITS CANADIAN COMPANIES TO CSSR

Results Expected: INITIAL CONTRACT SIGNINGS BY SOME OF THOSE FIRMS CURRENTLY ACTIVE, BY JUNE 1987

Activity: REFERENCE TRIP BY LOCAL AUTHORITIES TO VANCOUVER IN SUPPORT OF KORAMO KOLIN LUBE OIL REREFINING PROJECT.

Results Expected: INITIATIVE TO BE COMPLETED BY MARCH 1987; KEY DECISION-MAKERS TO BE POSITIVELY INFLUENCED.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: MAIL DISTRIBUTION OF COMPANY LITERATURE AND FOLLOW UP ON RESULTING INQUIRIES

Results Expected: IDENTIFICATION OF NEW BUSINESS OPPORTUNITIES, BY JUNE 1987

Activity: PLACING THIS AREA OF COMMERCIAL ACTIVITY ON AGENDA OF IRREGULAR BILATERAL TRADE CONSULTATIONS

Results Expected: CONFIRMATION OF SUPPORT BY SENIOR CSSR TRADE POLICY OFFICIAL OF CANADIAN COMPANY EFFORTS IN THIS SECTOR

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional Projects approved and planned for the coming fiscal year.		

Mission: 472 PRAGUE

Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.

010 FAIRS		
BRNO INT'L ENGINEERING FAIR,	BRNO, CZECHOSLOVAKIA	0987

024 MISSION INCOMING		
OIL & GAS INDUSTRY MISSION	FROM CZECHOSLOVAKIA	0587
SAWMILLING EQUIPMENT MISSION	FROM CZECHOSLOVAKIA	0687

Type of Event	Location	Date
Promotional projects proposed for the two following fiscal years.		

Mission: 472 PRAGUE

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

024 MISSION INCOMING		
BIOTECHNOLOGY MISSION	ALTA, SASK, ONT, QUEBEC	0688

Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES

024 MISSION INCOMING		
SAWMILL EQUIPMENT MISSION	B. C.	0988
PULP AND PAPER PROJECTS	B. C.	0589

Sector: 011 OIL & GAS EQUIPMENT, SERVICES

024 MISSION INCOMING		
OIL AND GAS MISSION	ALBERTA	0689

Sector: 999 MULTIPLE SECTORS

010 FAIRS		
BRNO ENGINEERING FAIR	BRNO	0988
BRNO ENGINEERING FAIR	BRNO	0989

024 MISSION INCOMING		
ENVIRONMENTAL EQUIPMENT MISSION	ONT., QUEBEC	0488

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 473 BUDAPEST

Country: 032 HUNGARY

IN ADDITION TO BEING THE FIRST YEAR OF THE SEVENTH FIVE YEAR PLAN 1986 MARKED THE TURNING POINT IN CANADA'S COMMERCIAL ACTIVITY IN HUNGARY WITH INCREASES IN THE QUANTITY OF INITIATIVES. THIS BREAK FROM TRADITION REFLECTS THE FACT THAT CANADIAN COMPANIES ARE STARTING TO DISCOVER THE POSITIVE DIFFERENCES BETWEEN HUNGARY AND THE REST OF EASTERN EUROPE. IT ALSO REFLECTS AN AGGRESSIVE EFFORT BY THE POST TO IMPROVE THE EFFECTIVENESS OF COMPANIES INITIAL VISITS. FOLLOW-UP VISITS ARE NOW OCCURRING 2-3 MONTHS AFTER THE FIRST VISIT INSTEAD OF AFTER 2-3 YEARS AS GENERALLY OCCURED IN THE PAST. WE FULLY EXPECT THAT THIS ACTIVITY WILL LEAD TO INCREASED SALES AND COMMERCIAL AGREEMENTS IN 1987 (DESPITE HUNGARY'S CURRENT ECONOMIC DIFFICULTIES) WITH A SIGNIFICANT STATISTICAL INCREASE IN OUR EXPORT TRADE FIGURES OCCURING IN 1988. A KEY INGREDIENT IN THE RECENT GAINS MADE BY CANADIAN COMPANIES IN HUNGARY HAS BEEN THEIR WILLINGNESS AND ABILITY TO APPROACH THIS MARKET ON A FLEXIBLE AND OPEN BASIS FOCUSING MORE ON ASSISTING HUNGARIAN FIRMS IN MEETING THEIR OBJECTIVES THAN TRYING SIMPLY TO SELL A PRODUCT OR SERVICE FROM CANADA. ANOTHER IMPORTANT ELEMENT HAS BEEN THE ACCEPTANCE BY CANADIAN COMPANIES THAT THEY MUST COMPETE IN THIS MARKET THROUGH DIRECT CONTACT INSTEAD OF CANADA VIA TELEXES AND LETTERS. IN REFLECTING HUNGARY'S REQUIREMENTS, CANADIAN FIRMS HAVE AND WILL CONTINUE TO MAKE THEIR MOST SIGNIFICANT GAINS IN THE ENERGY SECTOR WHERE HUNGARY HOPES TO BOTH REDUCE IMPORTS AND IMPROVE DOMESTIC PRODUCTION; THE AGRICULTURAL SECTOR WHICH REQUIRES IMPROVED GENETIC STOCKS, MECHANIZATION AND FOOD PROCESSING; AND THE INDUSTRIAL SECTOR WHERE THE COUNTRY IS TRYING TO IMPROVE THE PERFORMANCE OF ITS COMPANIES THROUGH THE ACQUISITION OF NEW TECHNOLOGIES AND PROCESS SYSTEMS. CANADIAN FIRMS WILL ALSO CONTINUE TO TAKE ADVANTAGE OF HUNGARY'S ATTRACTIVE JOINT VENTURE REGULATIONS AS WELL AS THE MORE RECENT BUT NONE-INCREASINGLY INDEPENDENT ENTERPRISES (PUBLIC AND PRIVATE). THIS LATTER POINT DEFINITELY SETS HUNGARY APART FROM ITS CMEA NEIGHBOURS AND SHOULD HELP TO MAKE IT AN INTERESTING BASE OF OPERATION IN CENTRAL EUROPE FOR MANY CANADIAN COMPANIES.

Export and Investment Promotion Planning System

REPT: SYN-GED

87/88

A. Post export program priorities

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 007 POWER & ENERGY EQUIP. & SERV.

REASONS: NATIONAL PRIORITY TO EFFICIENT ENERGY PRODUCTION AND REDUCED ENERGY IMPORTS. GOOD POTENTIAL FOR WASTE HEAT ENERGY EQUIP. MINI NUCLEAR REACTORS AND ENERGY MANAGEMENT SYSTEMS.

2. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: AVAILABILITY OF WORLD BANK & PARALELL SYNDICATION LOANS . ONE CDN-HUNGARIAN EQUIPMENT JOINT VENTURE HAS BEEN FORMED WITH MORE AGREEMENTS EXPECTED.

3. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: CDA WILL CONTINUE TO BE A SUPPLIER OF BREEDING STOCK & GENETIC MATERIAL. HUNGARY'S REQUIREMENTS TO UPGRADE ITS AGRICULTURAL PRODUCTS THROUGH BETTER FARM MECHANIZATION CREATES OPPORTUNITIES.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 011 OIL & GAS EQUIPMENT, SERVICES

2. 001 AGRI & FOOD PRODUCTS & SERVICE

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 011 ANIMAL, POULTRY BREEDING STOCK

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	4.20M	\$ 4.00M	\$ 4.60M	\$ 5.00M
Canadian Exports \$	0.40M	\$ 0.40M	\$ 0.50M	\$ 0.60M
Canadian Share of Import Market	10.00%	10.00%	11.00%	12.00%

Major Competing Countries

Market Share

i) 370 NEW ZEALAND	020 %
ii) 128 GERMANY WEST	008 %
iii) 112 FRANCE	021 %
iv) 051 UNITED KINGDOM	014 %
v) 029 BULGARIA	021 %
vi) 577 UNITED STATES OF AMERICA	006 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 3-5 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are
good market prospects

Current Total Imports
In Canadian \$

i) DAIRY BREEDING STOCK, SEMEN AND EMBRYOS	\$ 0.00 M
ii) POULTRY BREEDING STOCK	\$ 0.40 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: INTEGRATED LIVESTOCK PROJECT

Approximate Value: \$ 110 M

Financing Source: 001 IBRD

For further info. please contact:

M. VLAD (613) 996-7107 G. WRIGHT TLX 22-4588 CDA H

Export and Investment Promotion Planning System

MISSION: 473 BUDAPEST

COUNTRY: 032 HUNGARY

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- non competitive pricing
- other factor(s) described by the Trade Office as follows:

ECONOMIC PRESSURES HAVE TEMPORARILY REDUCED IMPORTS

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- use of provincial governments export promotion activities
- strong sectoral capability in Canada

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: CONTINUE SUPPORTING ONGOING EFFORTS TO ESTABLISH A CANADIAN LIVESTOCK JOINT VENTURE IN HUNGARY.

Results Expected: INCREASED CANADIAN EMBRYO, SEMEN & BREEDING STOCK SALES. IMPROVED LIVESTOCK SALES TO THIRD MARKETS.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: VISIT BY D. M. NOREAU (AGR. CDA) TO HUNGARY. TRIP TO COINCIDE WITH FIRST MEETING OF JOINT AGRICULTURE COMMITTEE.

Results Expected: STRENGTHENING OF AGRICULTURE TRADE RELATIONS WITH EXPANDED COVERAGE OF REVISED JOINT AGRICULTURE COMMITTEE.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 016 AGRICULTURE MACH, EQUIP, TOOLS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	250.00M	\$ 220.00M	\$ 215.00M	\$ 230.00M
Canadian Exports \$	0.50M	\$ 0.40M	\$ 0.30M	\$ 0.60M
Canadian Share of Import Market	0.20%	0.20%	0.10%	0.20%

Major Competing Countries

Market Share

i) 128 GERMANY WEST	032 %
ii) 123 EAST GERMANY	027 %
iii) 026 AUSTRIA	022 %
iv) 112 FRANCE	008 %
v) 088 CZECHOSLOVAKIA	004 %
vi) 093 DENMARK	007 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) SHORT LINE FARM MACHINERY	\$ 0.10 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: GRAIN PRODUCTION IMPROVEMENT
Approximate Value: \$ 475 M
Financing Source: 001 IBRD 012 DOM
For further info. please contact:
M. VLAD(613)996-7107 G. WRIGHT TLX 22-4588 CDA H

Export and Investment Promotion Planning System

MISSION: 473 BUDAPEST

COUNTRY: 032 HUNGARY

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- participation in trade fairs
- use of provincial governments export promotion activities

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: AGDEVCO PLANS TO START PROMOTING FARM MACHINERY (VIA OFFICE IN VIENNA) IN 1987.

Results Expected: CANADIAN FARM MACHINERY WILL LIKELY BE DISPLAYED AND TESTED IN HUNGARY.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 017 FOOD HANDLING, PROCESSING EQUIP

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	183.00M	\$ 170.00M	\$ 180.00M	\$ 187.00M
Canadian Exports \$	1.80M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	0.10%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 123 EAST GERMANY	023 %
ii) 099 POLAND	023 %
iii) 128 GERMANY WEST	018 %
iv) 088 CZECHOSLOVAKIA	014 %
v) 553 UNION OF SOVIET SOC REP	012 %
vi) 504 FINLAND	010 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 15-30 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) ALL TYPES OF FOOD PROCESSING & PACKAGING EQUIPMENT	\$ 0.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: INTEGRATED LIVESTOCK PROJECT
 Approximate Value: \$ 110 M
 Financing Source: 001 IBRD
 For further info. please contact:
 M. VLAD (613)996-7107 G. WRIGHT TLX. 22-4588 CDA H

Export and Investment Promotion Planning System

MISSION: 473 BUDAPEST

COUNTRY: 032 HUNGARY

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- No factors reported by mission

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: WE ARE CURRENTLY TRYING TO INTEREST LEADING CANADIAN FOOD PROCESSORS TO VISIT HUNGARY.

Results Expected: THEY WILL DECIDE TO TARGET HUNGARY'S FOOD PROCESSING SECTOR FOR MARKETING ACTIVITY.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: MARKET ASSESSMENT VISIT BY ONE OR TWO LEADING CANADIAN FOOD PROCESSORS TO HUNGARY.

Results Expected: DECISION TO ACTIVELY PURSUE HUNGARY'S FOOD PROCESSING SECTOR.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 019 SERVICES INCLUDING CONSULTING

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M NA	\$ 0.00M NA	\$ 0.00M NA	\$ 0.00M NA
Canadian Exports \$	0.00M NA	\$ 0.00M NA	\$ 0.00M NA	\$ 0.00M NA
Canadian Share of Import Market	0.00% NA	0.00% NA	0.00% NA	0.00% NA

Major Competing Countries

Market Share

- | | |
|---------------------------------|-------|
| i) 609 EUROPEAN COMMON MARKET C | 000 % |
| ii) 026 AUSTRIA | 000 % |

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 1-3 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are
good market prospects

Current Total Imports In Canadian \$	
i) DAIRY HERD ANALYSIS SYSTEM	\$ 0.00 M
ii) AGRICULTURAL POST GRAD TRAINING	\$ 0.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

- i) Project Name: INTEGRATED LIVESTOCK PROJECT
Approximate Value: \$ 110 M
Financing Source: 001 IBRD
For further info. please contact:
M. VLAD(6130996-7107 G. WRIGHT TLX 22-4588 CDA H

The Trade Office reports that the following factors influence Canadian
export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

Export and Investment Promotion Planning System

MISSION: 473 BUDAPEST

COUNTRY: 032 HUNGARY

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- No factors reported by mission

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: QUEBEC COMPANY WILL ADD HUNGARIAN STATE FARM TO ITS DAIRY HERD ANALYSIS SYSTEM ON A PILOT PROJECT BASIS AS WELL AS EXCHANGING TECHNICAL EXPERTS.

Results Expected: WORK WITH HUNGARIAN AUTHORITIES TO DEVELOP A DHAS FOR HUNGARY.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ONCE HUNGARY'S DHAS HAS BEEN ESTABLISHED, WORK WITH MCGILL AND HUNGARIANS TO SELL THE NEW VERSION OF THE SYSTEM IN OTHER COUNTRIES.

Results Expected: FOLLOW-ON SALES TO THIRD MARKETS.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

Sector: 007 POWER & ENERGY EQUIP. & SERV.

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	270.00M	\$ 258.00M	\$ 256.00M	\$ 274.00M
Canadian Exports \$	2.40M	\$ 1.60M	\$ 1.60M	\$ 1.80M
Canadian Share of Import Market	0.90%	0.60%	0.60%	0.60%

Major Competing Countries

Market Share

i) 088 CZECHOSLOVAKIA	026 %
ii) 265 JAPAN	026 %
iii) 099 POLAND	018 %
iv) 553 UNION OF SOVIET SOC REP	016 %
v) 123 EAST GERMANY	007 %
vi) 112 FRANCE	004 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 60-100 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) WASTE HEAT/GEOTHERMAL ELECTR. GENERATION EQUIP.	\$ 50.00 M
ii) AECL'S "SLOW POKE" REACTOR	\$ 0.00 M
iii) NUCLEAR SOFT EQUIPMENT	\$ 0.00 M
iv) HYDRO AND THERMAL RELATED EQU. FOR USE IN 3RD MKTS.	\$ 0.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

- i) Project Name: POWER PROJECT
Approximate Value: \$ 85 M
Financing Source: 001 IBRD
For further info. please contact:
M. VLAD (613)996-7107 G. WRIGHT TLX 22-4588 CDA H
- ii) Project Name: INDUSTRIAL ENERGY CONSERVATION
Approximate Value: \$ 100 M
Financing Source: 001 IBRD
For further info. please contact:
M. VLAD (613)996-7107 G. WRIGHT TLX 22-4588 CDA H

Export and Investment Promotion Planning System

MISSION: 473 BUDAPEST

COUNTRY: 032 HUNGARY

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- No factors reported by mission

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: ALBERTA COMPANY WILL RUN TWO PILOT PROJECTS (STARTING NOV '86) USING WASTE HEAT FROM GAS DECOMPRESSION PLANTS TO GENERATE ELECTRICITY & ONE PROJECT USING GEOTHERMAL HEAT (STARTING JUNE '87).

Results Expected: WE FULLY EXPECT THAT THESE PROJECTS WILL BE SUCCESSFUL AND WILL LEAD TO MULTIMILLION \$ EQUIPMENT SALES LASTING AT LEAST FIVE YEARS.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

Sector: 011 OIL & GAS EQUIPMENT, SERVICES

Subsector: 116 MACHINERY AND EQUIPMENT

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	40.00M	\$ 40.00M	\$ 37.80M	\$ 21.80M
Canadian Exports \$	5.00M	\$ 1.60M	\$ 0.60M	\$ 0.05M
Canadian Share of Import Market	12.50%	4.20%	1.60%	0.20%

Major Competing Countries

Market Share

i) 123 EAST GERMANY	027 %
ii) 026 AUSTRIA	020 %
iii) 112 FRANCE	017 %
iv) 577 UNITED STATES OF AMERICA	014 %
v) 128 GERMANY WEST	012 %
vi) 265 JAPAN	004 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 15-30 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are
good market prospects

Current Total Imports
In Canadian \$
\$ 1.60 M

i) OIL EXPLORATION EQUIPMENT

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: PETROLEUM PROJECT

Approximate Value: \$ 420 M

Financing Source: 001 IBRD 012 DOM

For further info. please contact:

M. VLAD(6130996-7107 G. WRIGHT TLX 22-4588 CDA H

Export and Investment Promotion Planning System

MISSION: 473 BUDAPEST

COUNTRY: 032 HUNGARY

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive pricing
- difficulties of adaptation of marketing techniques to the market by some Canadian companies

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- participation in trade missions
- use of Canadian Government export promotion activities
- use of provincial governments export promotion activities
- competitive export pricing for this market
- strong sectoral capability in Canada

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: CANADIAN COMPANIES HAVE RECENTLY BECOME VERY AGGRESSIVE IN THIS SECTOR & MANY ARE ACTIVELY INVESTIGATING THE PROSPECTS OF WORKING MORE CLOSELY WITH HUNGARIAN EQUIPMENT MANUFACTURERS.

Results Expected: WE EXPECT TO SEE A STEADY INCREASE IN CANADIAN SALES IN THIS SECTOR.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: WE WILL CONTINUE ENCOURAGING CDN CO. TO CONSIDER THE BENEFITS OF APPROACHING THIS & THIRD COUNTRY MARKETS WITH HUNGARIAN MANUFACTURERS AS WELL AS TO INVESTIGATE THE PROSPECTS OF ESTABLISHING A SHARED CANADIAN MARKETING OFFICE HERE.

Results Expected: IT IS HOPED THAT THE ESTABLISHMENT OF MORE PERMANENT MARKETING CONNECTIONS HERE WILL ENABLE THEM TO COMPETE MORE EFFECTIVELY AGAINST THEIR WEST EUROPEAN BASED COMPETITORS

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional Projects approved and planned for the coming fiscal year.		
Mission: 473 BUDAPEST		
Sector: 001 AGRI & FOOD PRODUCTS & SERVICE		
010 FAIRS		
AGRICULTURE CANADA DAIRY SEMINAR	BUDAPEST	0587
020 MISSION OUTGOING		
AGRI-FOOD PROCESSING SECTOR MISSION	BUDAPEST	0087
AGRI-FOOD PROCESSING SECTOR MISSION	BUDAPEST	0088

Sector: 999 MULTIPLE SECTORS

010 FAIRS		
BUDAPEST SPRING FAIR	BUDAPEST	0587
BUDAPEST INT'L SPRING FAIR, BUDAPEST, HUNGARY	BUDAPEST	0587

Type of Event	Location	Date
Promotional projects proposed for the two following fiscal years.		
Mission: 473 BUDAPEST		
Sector: 999 MULTIPLE SECTORS		
010 FAIRS		
BUDAPEST SPRING FAIR	BUDAPEST	0588
BUDAPEST SPRING FAIR	BUDAPEST	0589

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 474 BELGRADE

Country: 029 BULGARIA

IN 85, THE BULGARIAN ECONOMY GREW BY ONLY 1.8%, MUCH BELOW THE PLANNED 4.1%. AS A RESULT OF ADVERSE WEATHER CONDITIONS AGRICULT. RESULTS DECREASED BY 9%. THE GRAIN CROP BY 42% & POWER PROD'N BY 6%. IND'L OUTPUT GROWTH WAS REPORTED AT 4%, HOWEVER THAT FIGURE MIGHT NOT REFLECT THE ECONOMIC DISLOCATION THAT LIKELY TOOK PLACE. FOR THE 1ST TIME IN RECENT YRS, BULGARIA BORROWED \$450M FROM WESTERN BANKS FOR COMMODITY PURCHASES. THE GROSS DEBT LEVEL OF \$3.6B REMAINED MANAGEABLE, BUT THE CURRENT ACCOUNT BALANCE WAS NEGATIVE FOR THE 1ST TIME IN YRS. BULGARIA CONDUCTS 75-80% OF ITS TRADE WITH THE SOCIALIST COUNTRIES, PRIMARILY WITH THE THE SOVIET UNION. WEST EUROPEAN COUNTRIES, PRIMARILY THE FRG, ARE HISTORICALLY THE LARGEST WESTERN SUPPLIERS TO BULGARIA, BULGARIA IMPORTING APPROX. DOUBLE ITS EXPORTS TO THE OECD. HOWEVER, WITH THE EXCEPTION OF '85, THE TREND HAS BEEN A DECLINE IN IMPORTS FROM THE OECD COUNTRIES. THE 20% INCREASE RECORDED IN '85 WAS DUE TO IMPORTS OF GRAIN & FODDER. WHILE, ACCORDING TO BULGARIAN FIGURES, BULGARIA'S EXPORTS TO DEVELOPING COUNTRIES ARE INCREASING SLOWLY, ITS RE-EXP. OF SOVIET OIL, BULGARIA'S OTHER MAIN SOURCE OF HARD CURRENCY, ARE THOUGHT TO HAVE BEEN REDUCED. IN ADDITION, THE INCREASING DEMAND FM THE SOVIET UNION FOR BETTER QUALITY GOODS WILL LIKELY DECREASE THE AVAILABILITY OF PRODS FOR HARD CURRENCY COUNTRIES. PRELIMINARY INDICATIONS FOR '86 ARE THAT THE IND'L OUTPUT WILL BE ABOVE THE PLANNED 4.5%. GOOD RESULTS ARE EXPECTED FOR THE AGRI. SECTOR, BUT NOT AT RECORD LEVELS. FOREIGN TRADE HAS INCREASED 4.4% IN THE 1ST 6 MTHS & THE PROPORTION TAKEN BY THE CMEA COUNTRIES & THE USSR - IS INCREASING. IN SUMMER, BULGARIA HAS ALSO BORROWED ANOTHER APPROX \$400M FM WESTERN BANKS. THE SPECIFICS OF THE 5 YR PLAN HAVE YET TO BE MADE PUBLIC. THE SWEEPING REORGANISATIONS ANNOUNCED IN THE SPRING ARE STILL BEING IMPLEMENTED, BUT AT A MUCH SLOWER PACE THAN EXPECTED. AS A RESULT THERE HAS BEEN CONFUSION IN MANDATES AND RESPONSIBILITIES, AND CONSEQUENTLY SLOW DECISION MAKING. TRADITIONALLY CDA'S EXPORTS HAVE BEEN CHARACTERIZED BY SPOT SALES, PRIMARILY IN THE AGRI. SECTOR, BUT ALSO CAPITAL EQPT AND SOME RAW MATERIALS. 1985-86 SALES OF C\$67M OF WHEAT & BARLEY SHOW THAT, ALTHOUGH SMALL, THIS MKT SHOULD NOT BE OVERLOOKED. IN THE MEDIUM TERM THERE WILL BE OPPORTUNITIES IN SELECTED PRIORITY SECTORS. AGRI. IS ONE OF THESE SECTORS, WITH STEADY SALES OF BREEDING CATTLE SINCE 1981. PROPOSED CONSTRUCTION & RENOVATION PROJ. IN FERROUS & NON-FERROUS METALLURGY HAVE SIGNIFICANT BUSINESS POTENTIAL FOR CDN FIRMS. EQPT FOR FOOD PROCESSING, OIL & GAS, AND PULP & PAPER MAKING WILL ALSO BE SOURCED ABROAD. ELECT. EQPT & COMPONENTS & SCIENTIFIC INSTRUMENTATION WILL ALSO CONSTITUTE EXPORT POTENTIAL WITHIN THE USUAL REGULATORY LIMITS. AS PART OF THE TRANSACTION, THE BULGARIANS MAY REQUIRE LICENSING, TECHNOLOGY TRANSFER AND THERE IS A RISK OF ONE OFF SALES FOR COPY.

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 A. Post export program priorities

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: BULGARIA PLANS TO IMPROVE THE QUALITY OF CATTLE & POULTRY PRODUCTION. A CDN CO. HAS BEEN A REGULAR SUPPLIER SINCE '81. CDA HAS ALSO MADE SIGNIFICANT SPOT SALES OF AGRICULTURAL PRODUCTS AND EQUIPMENT.

2. 016 INDUSTRIAL MACHIN, PLANTS, SERV.

REASONS: BULGARIAN STEEL MILLS ARE IN NEED OF MODERNIZATION/EXPANSION. CDA'S UNIQUE ZINC-LEAD SMELTING TECH. IS OF INTEREST TO BULGARIA. A VISIT OF THE BULGARIAN MIN. OF METALLURGY TO CDA IS PLANNED FOR EARLY '87.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 003 GRAINS AND OILSEEDS
2. 001 AGRI & FOOD PRODUCTS & SERVICE
3. 016 INDUSTRIAL MACHIN, PLANTS, SERV.
4. 010 MINE, METAL, MINERAL PROD & SRV

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 011 ANIMAL, POULTRY BREEDING STOCK

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M NA	\$ 0.00M NA	\$ 2.00M	\$ 0.00M NA
Canadian Exports \$	2.00M	\$ 0.02M	\$ 0.25M	\$ 0.63M
Canadian Share of Import Market	0.00% NA	0.00% NA	12.00%	0.00% NA

Major Competing Countries

Market Share

i) 112 FRANCE	000 %
ii) 354 NETHERLANDS	000 %
iii) 051 UNITED KINGDOM	000 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 3-5 \$M

Current status of Canadian exports: Well established and growing

Products/services for which there are
good market prospects

Current Total Imports	
In Canadian \$	
i) BREEDING CATTLE	\$ 0.00 M
ii) BREEDING POULTRY	\$ 0.00 M

The Trade Office reports that the following factors influence Canadian
export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector
(sub-sector) in this market is lower than optimum mainly because of:

- other factor(s) described by the Trade Office as follows:
LACK OF HARD CURRENCY.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 029 BULGARIA

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- use of provincial governments export promotion activities
- strong sectoral capability in Canada

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: TECHNICAL COOPERATION AGREEMENT BETWEEN GOVERNMENTS FOR RESEARCH INCLUDING VETERINARY MATTERS.

Results Expected: WOULD SOLIDIFY POSITION OF CANADIAN SUPPLIERS IN MARKET.

Activity: VISIT OF AGRICULTURE CANADA DEPUTY MINISTER TO BULGARIA (DELAYED)

Results Expected: WOULD SOLIDIFY POSITION OF CANADIAN SUPPLIERS IN MARKET.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CONTINUING SUPPORT OF CANADIAN FIRMS' EFFORTS IN THE MARKET.

Results Expected: TIMELY PERCEPTION OF IMPORTANT SIGNALS.

Activity: SUPPORT CANADIAN EFFORTS FOR SALES OF POULTRY.

Results Expected: INITIAL IMPORTS OF TURKEY POULTS AND CHICKEN BREEDERS.

Activity: EXPLORE MARKET OPPORTUNITIES FOR CANADIAN SEED POTATOES.

Results Expected: TRIAL OF CANADIAN SEED POTATOES.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 017 FOOD HANDLING, PROCESSING EQUIP

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	70.00M	\$ 50.00M	\$ 60.00M	\$ 40.00M
Canadian Exports \$	3.00M	\$ 2.60M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	4.00%	5.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 123 EAST GERMANY	022 %
ii) 128 GERMANY WEST	020 %
iii) 507 SWEDEN	020 %
iv) 099 POLAND	015 %
v) 026 AUSTRIA	008 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 3-5 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) MEAT PROCESSING	\$ 3.00 M
ii) FOOD STERILIZATION	\$ 2.00 M
iii) PACKAGING	\$ 0.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: IRRADIATION EQUIPMENT
Approximate Value: \$ 2 M
Financing Source: 025 OTHER 023 EDC
For further info. please contact:
DANIEL DE BELLEFEUILLE CDN EMB., BELGRADE

ii) Project Name: MEAT PROCESSING EQUIPMENT
Approximate Value: \$ M
Financing Source: 023 EDC 025 OTHER
For further info. please contact:
DANIEL DE BELLEFEUILLE CDN EMB., BELGRADE

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 029 BULGARIA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- strong sectoral capability in Canada

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

- product/service information from Canadian companies

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: GATHERING OF MARKET INTELLIGENCE ON POTENTIAL PROJECT AND CONTINUING SUPPORT OF CANADIAN FIRMS.

Results Expected: ADDITIONAL SALES OF MEAT PROCESSING AND SLAUGHTERING EQUIPMENT.

Activity: CONTINUATION OF OUR CONTACTS WITH THE BULGARIAN FOOD PROCESSING INDUSTRY.

Results Expected: BETTER INFORMATION ON THEIR INTERESTS AND PURCHASING POTENTIAL.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: PRESENTATION ON GAMMA IRRADIATION FOR FOOD STERILIZATION.

Results Expected: OVERCOME MYTHS OF RADIO-ACTIVE CONTAMINATION OF FOOD STUFFS.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 029 BULGARIA

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ACTIVE FOLLOW UP ON PERCEIVED POTENTIAL FOR SLAUGHTERING AND MEAT PROCESSING PLANTS.

Results Expected: ADDITIONAL SALES OF MEAT PROCESSING EQUIPMENT

Activity: INTRODUCTION OF BULGARIAN AUTHORITIES TO CANADIAN BIOTECHNOLOGY CAPABILITIES.

Results Expected: CONTACTS BETWEEN CANADIAN FIRMS AND BULGARIAN INDUSTRY.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

Sector: 003 GRAINS AND OILSEEDS

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M NA	\$ 300.00M	\$ 150.00M	\$ 0.00M NA
Canadian Exports \$	0.00M NA	\$ 43.00M	\$ 22.00M	\$ 0.00M NA
Canadian Share of Import Market	0.00% NA	14.30%	14.60%	0.00% NA

Major Competing Countries

Market Share

i) 112 FRANCE	000 %
ii) 001 ARGENTINA	000 %
iii) 507 SWEDEN	000 %
iv) 577 UNITED STATES OF AMERICA	000 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 3-5 \$M

Current status of Canadian exports:

Products/services for which there are
good market prospects

Current Total Imports
In Canadian \$

i) WHEAT	\$ 43.00 M
ii) BARLEY	\$ 20.00 M

The Trade Office reports that the following factors influence Canadian
export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector
(sub-sector) in this market is lower than optimum mainly because of:

- non competitive pricing

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 029 BULGARIA

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- use of Canadian Government export promotion activities
- strong sectoral capability in Canada

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: TECHNICAL COOPERATION AGREEMENT BETWEEN GOVERNMENTS FOR RESEARCH ON AGRICULTURAL MATTERS.

Results Expected: WOULD SOLIDIFY POSITION OF CANADIAN SUPPLIERS IN MARKET.

Activity: VISIT OF AGRICULTURE CANADA DEPUTY MINISTER TO BULGARIA (DELAYED)

Results Expected: WOULD SOLIDIFY POSITION OF CANADIAN SUPPLIERS IN MARKET.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: TO HAVE BULGARIAN EXPERT ATTEND CIGI COURSE ON WHEAT/CANOLA.

Results Expected: WOULD INCREASE PROFILE OF CDN WHEAT AND INTRODUCE CANOLA AS ALTERNATIVE OILSEED.

Activity: VISIT OF AGRICULTURE CANADA DEPUTY MINISTER TO BULGARIA.

Results Expected: WOULD SOLIDIFY CANADA'S POSITION IN MARKET AND OPEN NEW MARKETS.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.

Subsector: 152 EQUIPMENT & MACHINERY

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	30.00M	\$ 0.00M	\$ 0.00M	\$ 50.00M
Canadian Exports \$	0.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	0.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	000 %
ii) 128 GERMANY WEST	000 %
iii) 507 SWEDEN	000 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 30-60 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) ENGINEERING FOR STEEL MILL	\$ 0.00 M
ii) COILBOX	\$ 0.00 M
iii) STEEL MILL AUTOMATION	\$ 0.00 M
iv) ELECTRIC ARC FURNACES	\$ 0.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: KREMIKOVTSI STEEL MILL RENOVATION
Approximate Value: \$ 60 M
Financing Source: 028 TO/DETER
For further info. please contact:
CANADIAN EMBASSY/BELGRADE

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 029 BULGARIA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- the apparent limited sectoral capability in Canada compared to other competing export countries
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters
- other factor(s) described by the Trade Office as follows:

THE FOREIGN COMPETITION CAN OFFER GLOBAL PACKAGE FM ENGINEERING SERVICES TO EQUIP. SUPPLY & FINANCING. CDN COMPANIES HAVE TENDED TO OFFER EITHER SERVICES OR INDIVIDUAL ITEM OF EQUIPMENT.

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade missions
- use of Canadian Government export promotion activities
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: KEEPING CLOSE CONTACTS WITH BULGARIAN AUTHORITIES ON BULGARIAN MINISTERIAL VISIT DELAYED TO SPRING 87.

Results Expected: VISIT OF BULGARIAN MINISTER OF METALLURGY TO CANADA.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ENCOURAGE THE FORMATION OF A CDN CONSORTIUM FOR A FULLY COMPREHENSIVE APPROACH.

Results Expected: A GLOBAL OFFER COVERING TOTALITY OF PROJECT.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 029 BULGARIA

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: FULL SUPPORT OF CANADIAN COMPANY ACTIVITIES IN THIS UNFAMILIAR AND FLUID MARKET PLACE.

Results Expected: VISITS TO MARKETPLACE OF SEVERAL CANADIAN FIRMS IN ACTIVE PURSUIT OF PROJECT.

Activity: BULGARIAN MINISTERIAL VISIT TO CANADA IN SPRING 87.

Results Expected: GREATER FAMILIARIZATION WITH RANGE OF CDN CAPABILITY WITH A VIEW TO INCREASED RANGE AND SALE OF CANADIAN GOODS.

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 474 BELGRADE

Country: 599 YUGOSLAVIA

YUGOSLAVIA'S ECONOMIC PERFORMANCE IN 1986 HAS BEEN MIXED. THE GROSS SOCIAL PROD. IS NOW PROJECTED TO INCREASE ON AN ANNUAL BASIS BY 4% WHICH IS CONSIDERABLY BETTER THAN THE 1% GROWTH OF '85. IND'L PROD'N FOR THE 1ST 8 MTHS HAS INCREASED 4.7% NEARLY DOUBLE LAST YEAR'S ANNUAL PERFORMANCE & AGRICULT. PROD'N HAS INCREASED ABOUT 5%. ON THE OTHER HAND, EXPORTS TO CONVERTIBLE CURRENCY COUNTRIES HAVE FALLEN 1% AS COMPARED TO A TARGETED ANNUAL INCREASE OF 10% & IMPORTS HAVE RISEN 6% ALSO LESS THAT TARGET. INFLATION IS RUNNING AT AROUND 100%. THE DEBT SERVICE RATIO IS ABOUT 43%. THE CURRENT FOREIGN EXCHANGE DEBT IS APPROX. \$19 BN. THE GOVT HAS INTRODUCED MEASURES TO DAMPEN INFLATION, EXPAND EXPORTS & PRODUCTIVITY & STRENGTHEN DISCIPLINE IN THE FINANCIAL SYSTEM. ADD'L REFORMS ARE UNDERWAY. YUGOSLAV CREDITORS HAVE CRITICIZED SEVERAL MEASURES PARTICULARLY DEVERGENCES FM REAL INTEREST RATE POLICY & MORE ADMIN. PRICE CONTROLS. ALTHOUGH YUGOSLAVIA IS SHORT OF HARD CURRENCY, IT IS MEETING ITS DEBT OBLIGATIONS WHICH IN '86 ARE HIGH, AMOUNTING TO \$5.8 BN. YUGOSLAVIA HAS NOT ONLY MET ITS DEBT OBLIGATIONS BUT AS OF THE END OF SEPT. HAS REDUCED ITS OVER-ALL DEBT BY \$900 MN. THE STRICT IMPORT REGIME HAS REMAINED & THE PATTERN & STRUCTURE OF IMPORTS HAS NOT CHANGED DRAMATICALLY. 82% ARE RAW OR SEMI MFTD GOODS. DEVELOPED COUNTRIES ACCOUNT FOR ABOUT 47% OF IMPORTS, 37.5% OF EXPORTS, WHILE SOCIALIST COUNTRIES ACCNT FOR 33% OF IMPORTS & 48% OF EXPORTS. THERE ARE BUSINESS OPPORTUNITIES. UNLESS THE PROJECTS/PRODUCTS ARE EITHER IN PRIORITY DESIGNATED SECTOR, SOLD TO A MAJOR EXPORTER, OR PART OF AN EXTERNALLY FINANCED PROJECT, SOME FORM OF COUNTERTRADE, COUNTERPURCHASE, JOINT VENTURE AND/OR TECHNOLOGY TRANSFER WILL BE REQUIRED. DESPITE THE FOREGOING, 1986 SAW SOME NOTABLE SUCCESSES FOR CDN COS ALTHOUGH STATISTICS WILL NOT FULLY REFLECT THIS AS DELIVERIES SPAN 2-3 YRS. IN MAY, COMBUSTION ENG. SIGNED THE CONTRACT FOR TWO 350MW STEAM GENERATORS FOR THE KOLUBARA POWER PROJECT. IN AUGUST, CANADAIR DELIVERED A CL-215 AIRCRAFT. SEVERAL CDN COS ARE BIDDING FOR SUPPLY OF OIL AND GAS EQUIPMENT FOR THE IBRD/COFINANCED FIRST YUGOSLAV PETROLEUM PROJECT. CONTRACTS ARE TO BE AWARDED EARLY 87. THERE HAVE ALSO BEEN RENEWED AND CONTINUING SALES OF WOOD-PULP, COKING COAL, IRON ORE AND ASBESTOS. DOING BUSINESS WILL NOT BE EASY IN THE SHORT TO MEDIUM TERM, BUT THERE IS BUSINESS TO BE DONE: IN THE FIELD OF OIL & GAS EQPT., FORESTRY, POWER, TRANSPORTATION, COMMUNICATIONS AND RESOURCES. BUT THE SHORTAGE OF HARD CURRENCY PRESUPPOSES A FLEXIBILITY FOR BUSINESS ARRANGEMENTS WITH NON-TRADITIONAL FORMS OF PAYMENT.

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 A. Post export program priorities

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 008 TRANSPORT SYS, EQUIP, COMP, SERV.

REASONS: FDSP HAS REQUIREMENT FOR ADD'L GL215 FOR DELIVERY IN '87. IN SPRING 87, JAT WILL BE MAKING ITS DECISION ON 2ND TIER AIRCRAFT/& DE HAVIL-LAND'S DASH 8-300 IS A KEEN COMPETITOR.

2. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: THE OIL & GAS SECTOR IS A PRIORITY SECTOR FOR YUGOSLAVIA. CDN SUCCESS WITH THE FIRST YUGO. PETRO. PROJ. WILL PROVIDE AN OPPORTUNITY FOR CDN COS TO EXPAND THEIR MKT PENETRATION FOR THE SECTORS ONGOING REQUIRE'TS

3. 007 POWER & ENERGY EQUIP. & SERV.

REASONS: YUGO. WANTS TO DOUBLE ITS POWER GENERATING CAPACITY IN THE NEXT 20 YRS. ITS THERMAL GENERATING CAPACITY MUST BE INCREASED. THE NUCLEAR POWER TENDERS HAVE BEEN SUBMITTED. CDN COS ARE WELL PLACED IN THIS MKT.

4. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: FORESTRY ACCNTS FOR 4.7% OF YUGO'S GNP & 9% OF THE VOLUME OF ITS EXPORTS. THERE IS AN ONGOING REQUIREMENT FOR FORESTRY EQPT. YUGO IMPORTS PULPWOD BUT ITS SHORTAGE OF HARD CURRENCY IS A CONSTRAINT.

5. 010 MINE, METAL, MINERAL PROD & SRV

REASONS: YUGO. IMPORTS OF COKING COAL, IRON ORE & ASBESTOS. OPPORT. FOR COKING COAL ARE INCREASING; COMPETITION IS STRONG IN THE IRON ORE MARKET AND THE ASBESTOS MARKET IS DECREASING.

6. 003 GRAINS AND OILSEEDS

REASONS: THE REPORTING REQUIREMENTS FOR THE AGRICULTURE SECTOR MAKE MAJOR DEMANDS ON PERSON YR RESOURCES. THERE ARE LIMITED OPPORT. FOR AGRI. EXPORTS TO YUGOSLAVIA, BUT COUNTERTRADE IS INCREASINGLY A FACTOR.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 010 MINE, METAL, MINERAL PROD & SRV
2. 008 TRANSPORT SYS, EQUIP, COMP, SERV.
3. 011 OIL & GAS EQUIPMENT, SERVICES
4. 009 FOREST PRODUCTS, EQUIP, SERVICES
5. 007 POWER & ENERGY EQUIP. & SERV.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 003 GRAINS AND OILSEEDS

Subsector: 031 CEREAL GRAINS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M NA	\$ 41.00M	\$ 10.00M	\$ 0.35M
Canadian Exports \$	0.00M NA	\$ 3.00M	\$ 0.00M NA	\$ 0.00M NA
Canadian Share of Import Market	0.00% NA	7.00%	0.00% NA	0.00% NA

Major Competing Countries	Market Share
i) 577 UNITED STATES OF AMERICA	050 %
ii) 029 BULGARIA	030 %
iii) 112 FRANCE	010 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 1-3 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) WHEAT	\$ 41.00 M

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- the degree of import duty protection of local industry tends to be moderate
- approval of technical standards can present problems in the case of some imported products

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive pricing
- non competitive financing from Canada
- other factor(s) described by the Trade Office as follows:

YUGOSLAVIA DOES NOT IMPORT WHEAT REGULARLY, BUT ONLY EVERY SECOND OR THIRD YEAR, WHEN THE WEATHER CONDITIONS ARE UNFAVOURABLE (DROUGHT, HEAVY RAIN). YUGOSLAVIA BUYS WHEAT THROUGH TENDERS USUALLY ON A COUNTERTRADE BASIS AGAINST EXPORTS OF MAIZE.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- participation in trade missions
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country
- the availability of competitive Canadian financing

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: THE CWB WAS ADVISED OF TENDERS BUT WE ARE NOT AWARE OF ANY OF THE AGENTS RESPONDING TO YUGOSLAV IMPORTERS WITH OFFERS OF CDN WHEAT. WHILE CWB'S REPRESENTATIVES HAVE VISITED THIS MKT WE ARE NOT AWARE OF ANY VISITS OF THEIR SHIPPERS/AGENTS WITH A VIEW OF SELLING

Results Expected: OFFERS OF CANADIAN WHEAT AGAINST TENDERS.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CONTINUE ADVISING THE WHEAT BOARD OF OPPORTUNITIES AND THROUGH DIRECT CONTACT WITH AGENTS OF THE WHEAT BOARD ENCOURAGE THEM TO RESPOND.

Results Expected: SALE OF CANADIAN WHEAT AND OILSEEDS.

Activity: MAINTAIN CONTACT WITH MAJOR YUGOSLAV IMPORTERS OF WHEAT AND OILSEEDS.

Results Expected: ENSURE THAT CANADIAN COMPANIES ARE NOTIFIED OF TENDERS IN A TIMELY MANNER.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 007 POWER & ENERGY EQUIP. & SERV.

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	520.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Exports \$	105.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	20.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	000 %
ii) 112 FRANCE	000 %
iii) 128 GERMANY WEST	000 %
iv) 265 JAPAN	000 %
v) 512 SWITZERLAND	000 %
vi) 099 POLAND	000 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 100 \$M AND UP

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) BOILERS	\$ 105.00 M
ii) INSTRUMENTATION	\$ 0.00 M
iii) NUCLEAR ISLAND	\$ 0.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: PREVLAKA NUCLEAR PLANT
Approximate Value: \$ 750 M
Financing Source: 026 CN'TRADE
For further info. please contact:
COMMERCIAL DIV. CDN EMB. TLX: 11137 DOMCA YU

ii) Project Name: KOSOVO THERMAL POWER PROJECTS
Approximate Value: \$ 100 M
Financing Source: 026 CN'TRADE
For further info. please contact:
COMMERCIAL DIV. CDN EMB. TLX: 11137 DOMCA YU

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be moderate

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- other factor(s) described by the Trade Office as follows:
NUCLEAR DECISION UNLIKELY BEFORE 1988 AT THE EARLIEST. GESTATION PERIOD FOR A POWER PROJECT IS SEVERAL YEARS.

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ACTIVE PROGRAM OF VISITS TO YUGOSLAV AUTHORITIES/UTILITIES RE FUTURE POWER OPPORTUNITIES.

Results Expected: IN THE LONGER TERM, AWARD OF BOILERS AND INSTRUMENTATION CONTRACTS ON NEW PROJECTS TO CANADIAN COMPANIES.

Activity: SUPPORT OF AECL'S ACTIVITIES IN THE MARKET AS TENDER EVALUATION PROCESS CONTINUES.

Results Expected: AWARD OF NUCLEAR POWER CONTRACT TO AECL.

Activity: ENCOURAGE VISIT OF CDN ENERGY MINISTER WITH BUSINESS MISSION IN SUPPORT OF A RANGE OF CDN INTERESTS IN THE ENERGY AND MINING FILED.

Results Expected: RAISE THE LEVEL OF AWARENESS OF CDN CAPABILITY & IN THE MEDIUM TERM INCREASE SALES AND RANGE OF CDN GOODS IN THIS SECTOR.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 008 TRANSPORT SYS, EQUIP, COMP, SERV.

Subsector: 085 AEROSPACE

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size (import) \$	16.00M	\$ 7.80M	\$ 0.00M	\$ 16.50M
Canadian Exports \$	16.00M	\$ 7.80M	\$ 0.00M	\$ 16.50M
Canadian Share of Import Market	100.00%	100.00%	0.00%	100.00%

Major Competing Countries

Market Share

i) 051 UNITED KINGDOM	000 %
ii) 499 SPAIN	000 %
iii) 354 NETHERLANDS	000 %
iv) 237 ITALY	000 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 15-30 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) CL-215	\$ 7.90 M
ii) DASH 8-300	\$ 0.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

- i) Project Name: JAT'S SECOND TIER AIRCRAFT (4-6)
Approximate Value: \$ 40 M
Financing Source: 026 CN'TRADE
For further info. please contact:
CDN EMB., BELGRADE K. DJORDJEVIC TLX: 11137 DOMCA YU

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- No factors reported by mission

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ACTIVE SUPPORT FOR CANADIAR'S ACTIVITIES TO SELL CL-215S TO FDSP.

Results Expected: SALES OF 2 AIRCRAFT IN 1987
SALES OF 2 AIRCRAFT IN 1989

Activity: ACTIVE SUPPORT OF DE HAVILLAND'S EFFORTS TO WIN THE CONTRACT FOR JAT'S SECOND TIER AIRCRAFT WITH THE DASH 8-300.

Results Expected: SELECTION OF THE DASH 8-300 AIRCRAFT AND SALE OF 4 DASH 8-300 OVER NEXT 3 YEARS.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES

Subsector: 094 PULP AND PAPER PRODUCTS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	150.00M	\$ 167.00M	\$ 201.00M	\$ 171.00M
Canadian Exports \$	3.00M	\$ 2.00M	\$ 0.60M	\$ 5.00M
Canadian Share of Import Market	2.00%	1.10%	0.29%	2.92%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	052 %
ii) 026 AUSTRIA	022 %
iii) 032 HUNGARY	009 %
iv) 099 POLAND	004 %
v) 507 SWEDEN	002 %
vi) 237 ITALY	002 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 3-5 \$M

Current status of Canadian exports: Market share declining

Products/services for which there are good market prospects

Current Total Imports

i) WOODPULP	\$ 57.00 M
ii) PULPWOOD	\$ 19.00 M

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- the degree of import duty protection of local industry tends to be moderate

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- other factor(s) described by the Trade Office as follows:
THE 3 MAIN REASONS FOR THE SMALL CDN SHARE OF THE MARKET ARE: A) LACK OF HARD CURRENCY, WHICH YUGOSLAVIA OVERCOMES BY IMPORTING FM THE EAST EUROPEAN COUNTRIES ON A CLEARING ACCOUNT BASIS. B) HIGH COST OF TRANSPORT. , & C) REQUIREMENTS FOR COUNTERTRADE.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: FOLLOW UP WITH MAJOR YUGOSLAV IMPORTERS/USERS ON REQUIREMENTS. CONTACT CDN EXPORTERS TO ENCOURAGE & ASSIST IN SERIOUS CONSIDERATION OF THIS MARKET.

Results Expected: FACILITATE CONTACTS BETWEEN CDN EXPORTERS & YUGOSLAV IMPORTERS TO INCREASE CDN MKT SHARE AND NUMBER CDN CO'S ACTIVE IN THE MARKET.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES

Subsector: 096 EQUIPMENT AND MACHINERY

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	3.50M	\$ 4.00M	\$ 4.00M	\$ 5.40M
Canadian Exports \$	1.09M	\$ 1.20M	\$ 1.50M	\$ 1.80M
Canadian Share of Import Market	25.00%	30.00%	45.00%	30.00%

Major Competing Countries

Market Share

i) 507 SWEDEN	000 %
ii) 599 YUGOSLAVIA	000 %
iii) 088 CZECHOSLOVAKIA	000 %
iv) 026 AUSTRIA	000 %
v) 099 POLAND	000 %
vi) 237 ITALY	000 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 3-5 \$M

Current status of Canadian exports: Well established and growing.

Products/services for which there are good market prospects

Current Total Imports

	In Canadian \$
i) LOG SKIDDERS	\$ 0.00 M
ii) DEBARKERS	\$ 0.00 M
iii) ENVIRONMENTAL CHAMBERS	\$ 0.00 M
iv) CHAIN SAWS	\$ 0.00 M
v) FORESTRY MANAGEMENT SERVICES	\$ 0.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: REFURBISHING OF YUGOSLAV PULP & PAPER MILLS

Approximate Value: \$ M

Financing Source: 028 TO/DETER

For further info. please contact:

K. DJORDJEVIC CDN EMB. TLX: 11137 DOMCA YU

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

ii) Project Name: MODERNIZATION & EXPANSION OF WOOD PROCESSING PLANTS IN BOSNIA STAGES.

Approximate Value: \$ M

Financing Source: 012 DOM

For further info. please contact:

K. DJORDJEVIC CDN EMB. TLX: 11137 DOMCA YU

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be moderate

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- other factor(s) described by the Trade Office as follows:

THIS IS A MAJOR SECTOR FOR YUGOSLAVIA. RECENT SHORTAGE OF HARD CURRENCY, DOMESTIC CAPABILITY & OPPOSITION TO IMPORTS & GENERAL ECONOMIC UNCERTAINTY HAS CURTAILED/SLOWED IMPLEMENTATION FOR SOME PROJECTS.

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: FORSTRY MISSION/SEMINAR TO COINCIDE WITH THE ANNUAL OCTOBER FORESTRY FAIR IN SARAJEVO.

Results Expected: INCREASED AWARENESS OF AND SALES OF A BROADER RANGE OF CANADIAN FORESTRY EQUIPMENT.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: SERIES OF VISITS TO THE MAJOR YUGOSLAV AUTHORITIES & COMPANIES THROUGHOUT YUGOSLAVIA, RESPONSIBLE FOR FORESTRY MANAGEMENT/EXPLOITATION TO INCREASE AWARENESS OF CANADIAN EQUIPMENT AND SERVICE CAPABILITIES.

Results Expected: CONCRETE SALES OF CANADIAN GOODS AND SERVICES

Activity: DIRECT SYSTEMATIC CONTACT WITH THE MAJOR PULP & PAPER MILLS PARTICULARLY IN SLOVENIA TO ASCERTAIN PLANS. THIS WILL BE FOLLOWED BY SYSTEMATIC NOTIFICATION OF POTENTIAL CANADIAN SUPPLIERS.

Results Expected: IDENTIFICATION OF MODERNIZATION PLANS TIMING AND FINANCING REQUIREMENTS. TIMELY INTRODUCTION OF CDN COMPANIES & CAPABILITIES AT THE EARLIEST PLANNING STAGES.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 010 MINE, METAL, MINERAL PROD & SRV

Subsector: 102 MINERALS AND MINERAL PRODUCTS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	310.00M	\$ 327.00M	\$ 355.00M	\$ 332.00M
Canadian Exports \$	15.00M	\$ 15.00M	\$ 16.14M	\$ 13.37M
Canadian Share of Import Market	4.83%	4.58%	4.54%	4.01%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	020 %
ii) 047 BRAZIL	018 %
iii) 426 PERU	013 %
iv) 142 LIBERIA	010 %
v) 507 SWEDEN	008 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 15-30 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects

Current Total Imports

	In Canadian \$
i) IRON ORE	\$ 64.00 M
ii) COOKING COAL	\$ 199.00 M
iii) ASBESTOS	\$ 18.00 M

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- other factor(s) described by the Trade Office as follows:
YUGOSLAV'S SHORTAGE OF HARD CURRENCY CURTAILS MARKET OPPORTUNITY UNLESS COUNTERPURCHASE/COUNTERTRADE CAN BE ELEMENT OF PAYMENT.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- participation in trade missions
- use of provincial governments export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: FORMAL VISIT TO RMK ZENICA AT ITS MINE AND STEEL PLANT IN ZENICA, BOSNIA-HERCEGOVINA.

Results Expected: SUPPORT OF CURRENT CO. EFFORTS. HEIGHTENED AWARENESS OF CDN CAPABILITY AS A SUPPLIER OF RESOURCES/MINING EQUIP. /RESOURCE PROCESS. EQUIPT.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: VISIT TO THE 3 MAJOR INTEGRATED STEEL COMPANIES IN YUGOSLAVIA TO PROMOTE BOTH SOURCING CDN MINERALS, AND CDN MINING, AND STEEL PRODUCTION EQUIPMENT.

Results Expected: INCREASED PURCHASES OF CDN COAL & IRON ORE, AND PURCHASE OF CDN MINING & MINERALS PROCESSING EQUIPMENT.

Activity: THROUGH DIRECT CONTACT WITH CANADIAN COMPANIES ENCOURAGE INCOMING VISITS TO THE MARKET PLACE.

Results Expected: RE-INFORCE CURRENT EXPORT OF BOTH MINERALS & MINING EQUIPMENT AND EXPAND RANGE OF GOODS BEING MARKETED.

Activity: ENCOURAGE A VISIT BY THE CANADIAN MINISTER OF ENERGY ACCOMPANIED BY A BUSINESS MISSION.

Results Expected: MAINTAIN AND POSSIBLY EXPAND MARKET POSITION.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 010 MINE, METAL, MINERAL PROD & SRV

Subsector: 106 EQUIPMENT AND MACHINERY

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	38.00M	\$ 38.00M	\$ 52.00M	\$ 36.00M
Canadian Exports \$	4.70M	\$ 4.70M	\$ 0.30M	\$ 11.00M
Canadian Share of Import Market	2.60%	2.60%	0.50%	30.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	000 %
ii) 553 UNION OF SOVIET SOC REP	000 %
iii) 507 SWEDEN	000 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector:

Current status of Canadian exports: Mature with little growth

Products/services for which there are
good market prospects

Current Total Imports In Canadian \$
\$ 38.00 M
\$ 1.50 M
\$ 0.00 M

- i) HEAVY TRUCKS
- ii) ROAD GRADERS
- iii) HOISTS

The Trade Office reports that the following factors influence Canadian
export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems

In the Trade Office's opinion, Canadian export performance in this sector
(sub-sector) in this market is lower than optimum mainly because of:

- other factor(s) described by the Trade Office as follows:

LACK OF HARD CURRENCY.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CONTINUOUS MONITORING OF LOCAL SITUATION. GIVEN CURRENT COMMODITY PRICES & SHORTAGE OF FOREIGN CURRENCY THE OUTLOOK IN THE SHORT TERM FOR INCREASED SALES IS NOT OPTIMISTIC.

Results Expected: MAINTAIN MARKET SHARE.

Activity: CONTINUED SUPPORT AND NOTIFICATION OF CANADIAN SUPPLIERS - CURRENT AND POTENTIAL.

Results Expected: MAINTAIN MARKET SHARE.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 011 OIL & GAS EQUIPMENT, SERVICES

Subsector: 116 MACHINERY AND EQUIPMENT

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	100.00M	\$ 20.00M	\$ 35.00M	\$ 30.00M
Canadian Exports \$	10.00M	\$ 0.30M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	10.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	000 %
ii) 265 JAPAN	000 %
iii) 051 UNITED KINGDOM	000 %
iv) 354 NETHERLANDS	000 %
v) 112 FRANCE	000 %
vi) 128 GERMANY WEST	000 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 15-30 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are
good market prospects

Current Total Imports

	In Canadian \$
i) LOGGING AND CEMENTING UNITS	\$ 0.00 M
ii) OIL AND GAS SEPARATORS	\$ 0.00 M
iii) FRACTURING UNITS	\$ 0.00 M
iv) SEISMIC DATA PROCESSING	\$ 0.00 M
v) DRILLING EQUIPMENT	\$ 0.00 M
vi) SPARES AND COMPONENTS	\$ 0.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: FIRST YUGOSLAV PETROLEUM PROJECT

Approximate Value: \$.92.5 M

Financing Source: 001 IBRD 025 OTHER

For further info. please contact:

CDN COMMERCIAL CORP. M. MAJEED TEL: 613-9960034

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

- ii) Project Name: INA - OIL STORAGE
Approximate Value: \$ 40 M
Financing Source: 028 TO/DETER
For further info. please contact:
K. DJORDJEVIC CDN EMB. /BELGRADE TLX: 11137 DOMCA YU

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive pricing
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters
- other factor(s) described by the Trade Office as follows:
USA HAS ESTABLISHED MARKET ACCEPTANCE & THIS IS DIFFICULT TO OVERCOME. THE IBRD PROJ. WITH INT'L BIDDING REQUIREMENTS HAS PROVIDED THE INCENTIVE & VEHICLE FOR CDN MARKET INTRODUCTION & PENETRATION & HAS INCREASED CDN AWARENESS OF THIS MKT & MKT POTENTIAL

Some Canadian exporters to this market in this sector(sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- No factors reported by mission

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: POST HAS BEEN ACTIVE IN INTRODUCING CDN CO'S TO INA AND NAFTAGAS & FACILITATING THEIR BIDDING ON THE INA & NAFTAGAS TENDERS FOR BOTH IBRD & COFINANCING PORTIONS OF THE 1ST YUGOSLAV PETROLEUM PROJECT.

Results Expected: \$10 MILLION TOTAL OF THE CONTRACTS AWARDED FOR THE FIRST YUGOSLAV PETROLEUM PROJECT.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CONTINUOUS CONTACT WITH THE 3 YUGOSLAV CUSTOMERS FOR OIL & GAS EQUIPMENT - INA, NAFTAGAS, AND ENERGOINVEST - WILL BE MAINTAINED.

Results Expected: \$10 MILLION PER ANNUM IN SALES OF CANADIAN EQUIPMENT AND SERVICES.

Export and Investment Promotion Planning System

MISSION: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: INCOMING MISSION COMPOSED OF REPRESENTATIVES FROM INA & NAFTAGAS HAS BEEN PROPOSED.

Results Expected: ADDITIONAL SOURCING FROM CANADIAN COMPANIES.

Activity: ENCOURAGE THROUGH DIRECT CONTACT ACTIVE PARTICIPATION OF A RANGE (6-8) OF OIL & GAS EQUIP. & SERVICE SUPPLIERS IN THE 1987 ZAGREB FAIR, WITH THE ALBERTA GOVERNMENT AS PART OF THE CDN STAND.

Results Expected: INCREASED DEPTH AS WELL AS INCREASED RANGE OF GOODS BEING SOURCED FROM CANADA FOR THE OIL AND GAS SECTOR.

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional Projects approved and planned for the coming fiscal year.		
Mission: 474 BELGRADE		
Sector: 001 AGRI & FOOD PRODUCTS & SERVICE		
020 MISSION OUTGOING NOVI SAD AGRICULTURAL FAIR	NOVI SAD	0587
024 MISSION INCOMING GRAIN COURSE - 2 PARTICIPANTS	WINNIPEG, MANITOBA	0687
Sector: 007 POWER & ENERGY EQUIP. & SERV.		
020 MISSION OUTGOING ENERGY MINISTERIAL MISSION		0088
Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES		
020 MISSION OUTGOING FORESTRY EQUIPMENT MISSION/SEMINAR	SARAJEVO	1087
Sector: 011 OIL & GAS EQUIPMENT, SERVICES		
024 MISSION INCOMING NATIONAL PETROLEUM SHOW INA/NAFTAGAS MISSION	CALGARY, ALBERTA ALBERTA	0088 0087
Sector: 017 SERVICE INDUSTRIES		
020 MISSION OUTGOING METALLURGICAL MISSION	BULGARIA	0987
Sector: 999 MULTIPLE SECTORS		
010 FAIRS INT'L ZAGREB AUTUMN FAIR	ZAGREB	0987
INTERNATIONAL TECHNICAL FAIR	PLOVDIV	0987
PLOVDIV INT'L FALL FAIR, PLOVDIV, BULGARIA	PLOVDIV	0987
ZAGREB INT'L FALL FAIR, ZAGREB YUGOSLAVIA	ZAGREB	0987

Type of Event

Location

Date

Promotional projects proposed for the two following fiscal years.

Mission: 474 BELGRADE

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

024 MISSION INCOMING GRAIN COURSE - 2 PARTICIPANTS	WINNIPEG, MANITOBA	0688
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Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional projects proposed for the two following fiscal years.		
Mission: 474 BELGRADE		
Sector: 999 MULTIPLE SECTORS		
010 FAIRS		
INTERNATIONAL TECHNICAL FAIR	PLOVDIV	0988
INTERNATIONAL ZAGREB AUTUMN FAIR	ZAGREB	0989
INTERNATIONAL TECHNICAL FAIR	PLOVDIV	0989
INT'L ZAGREB AUTUMN FAIR	ZAGREB	0988

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 475 MOSCOW

Country: 553 UNION OF SOVIET SOC REP

THE USSR ECONOMY GREW BY 3.1 PERCENT IN 1985, BUT THE OIL INDUSTRY CONTINUED TO BE A TROUBLE SPOT, WITH PRODUCTION DECLINING BY 3 PERCENT TO 595 MILLION TONS. GRAIN PRODUCTION WAS UP, BUT AGRICULTURE AS A WHOLE SHOWED ZERO GROWTH. IN RESPONSE TO THESE UNSATISFACTORY RESULTS, THE GOVERNMENT HAS MOVED TO TIGHTEN WORK DISCIPLINE. AGRICULTURE HAS BEEN REORGANIZED UNDER A "SUPER-MINISTRY" CALLED GOSAGROPROM, BUT OTHER REFORMS HAVE BEEN MINOR.

THE 12TH FIVE YEAR PLAN (1986-1990) AIMS TO SHIFT FROM EXTENSIVE TO INTENSIVE GROWTH, BASED ON HIGHER PRODUCTIVITY. PRIORITIES ARE TO BE THE OIL/GAS INDUSTRY, AGRICULTURE, MACHINE BUILDING (INCLUDING INSTRUMENTATION), ELECTRIC POWER GENERATION AND COAL MINING, WITH THE EMPHASIS ON RECONSTRUCTING EXISTING FACTORIES RATHER THAN BUILDING NEW ONES. TEETH HAVE BEEN PUT INTO THIS POLICY BY THE COLLAPSE OF THE WORLD OIL PRICE, WHICH HAS LED TO A NUMBER OF MEGA-PROJECTS BEING SHELVED. THE USSR USED TO DEPEND ON OIL FOR TWO-THIRDS OF ITS HARD CURRENCY RECEIPTS, WHICH MAY NOW HAVE FALLEN BY AS MUCH AS HALF.

SOVIET EXPORTS OF MANUFACTURED GOODS ARE, THEREFORE, RECEIVING NEW PRIORITY. "JOINT VENTURES" ARE BEING PUSHED, TO PROVIDE SOVIET ENTERPRISES WITH MARKETING SKILLS AND PRODUCT INNOVATION, BUT MOST OBSERVERS ARE SCEPTICAL THEY WILL HAVE MUCH EFFECT IN THE ABSENCE OF BASIC REFORMS TO THE ECONOMY. EXPORTS OF LADA CARS TO CANADA MAY INCREASE WITH THE INTRODUCTION IN 1986 OF THE LONG AWAITED EXPORT VERSION OF A NEW MODEL DESIGNED WITH THE ASSISTANCE OF PORSCHE. THIS WOULD HELP TO MOLLIFY SOVIET OFFICIALS WHO ARE BOTHERED BY THE USSR-CANADA TRADE IMBALANCE. CANADIAN EXPORTS IN 1985 WERE \$1.6 BILLION (MOSTLY GRAIN). IMPORTS WERE ONLY \$28 MILLION.

TRADE RELATIONS BETWEEN THE USA AND THE USSR HAVE WARMED CONSIDERABLY SINCE PRESIDENT REAGAN MET GENERAL SECRETARY GORBACHEV IN GENEVA LAST YEAR. THERE IS GROUNDS FOR HOPE, HOWEVER, THAT BOTH THE SOVIET HARD CURRENCY SQUEEZE AND THE INCREASED COMPETITION FROM THE USA WILL HAVE LITTLE EFFECT ON CANADIAN EXPORTS BECAUSE THESE ARE CONCENTRATED IN THE PRIORITY SECTORS OF OIL/GAS AND AGRICULTURE. IN BOTH OF THESE, THE SOVIET UNION IS ENCOUNTERING CONDITIONS VERY SIMILAR TO THOSE OF CANADA. IN 1986, A COOPERATION AGREEMENT WAS SIGNED BETWEEN ALBERTA AGRICULTURE AND THE RUSSIAN REPUBLIC AND THIS MAY BE FOLLOWED BY AN ADDITIONAL AGREEMENT WITH KAZAKSTAN IN 1987.

THE USSR WILL REMAIN CANADA'S LARGEST CUSTOMER FOR GRAIN UNDER A NEW FIVE YEAR AGREEMENT (FROM 8/86) THAT GUARANTEES MINIMUM ANNUAL SALES OF FIVE MILLION TONS. THE SOVIET UNION WILL CONTINUE AS ONE OF CANADA'S LARGEST OVERSEAS MARKETS. THE PRIORITIES OF THE POST WILL BE TO SAFEGUARD OUR GRAIN SALES WHILE EXPANDING TRADE, BOTH IMPORTS AND EXPORTS, IN OTHER AREAS

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 A. Post export program priorities

Region: EASTERN EUROPE

Mission: 475 MOSCOW

Market: 553 UNION OF SOVIET SOC REP

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: INCREASING FOOD SUPPLIES, IN PARTICULAR MEAT AND DAIRY PRODUCTS, IS A HIGH PRIORITY OF THE CURRENT FIVE YEAR PLAN.

2. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: DECLINING OIL PRODUCTION HAS FORCED THE USSR TO DEVELOP NEW OIL/GAS FIELDS IN CONDITIONS SIMILAR TO CANADA: A) ARCTIC OFFSHORE, B) SOUR OIL/GAS, C) PERMAFROST REGIONS.

3. 002 FISHERIES, SEA PRODUCTS & SERV.

REASONS: FISH PRODUCTS PURCHASE QUOTAS HAVE BEEN AGREED TO BY THE SOVIETS IN EXCHANGE FOR FISHING RIGHTS OFF THE CANADIAN COAST.

N

4. 003 GRAINS AND OILSEEDS

REASONS: THE SOVIET UNION IS CANADA'S LARGEST MARKET FOR GRAINS, AND CLIMATIC CONDITIONS IN SIBERIA ARE SIMILAR TO THE PRAIRIES WHERE NEW VARIETIES OF GRAINS AND OILSEEDS (ESPECIALLY CANOLA) HAVE BEEN DEVELOPED.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 003 GRAINS AND OILSEEDS
2. 011 OIL & GAS EQUIPMENT, SERVICES
3. 010 MINE, METAL, MINERAL PROD & SRV
4. 001 AGRI & FOOD PRODUCTS & SERVICE
5. 002 FISHERIES, SEA PRODUCTS & SERV.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 475 MOSCOW

Market: 553 UNION OF SOVIET SOC REP

Sector: 001 AGRI & FOOD PRODUCTS & SERVICE

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	125.00M	\$ 125.00M	\$ 100.00M	\$ 100.00M
Canadian Exports \$	6.00M	\$ 5.00M	\$ 4.00M	\$ 4.50M
Canadian Share of Import Market	4.80%	4.00%	4.00%	4.50%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	20 %
ii) 128 GERMANY WEST	30 %
iii) 051 UNITED KINGDOM	20 %
iv) 093 DENMARK	15 %
v) 370 NEW ZEALAND	10 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects

Current Total Imports
In Canadian \$

i) BOVINE SEMEN	\$ 6.00 M
ii) LIVE CATTLE	\$ 20.00 M
iii) DRYLAND AG. EQUIPMENT	\$ 2.00 M
iv) GRAIN HANDLING TECH.	\$ 5.00 M
v) TALLOW	\$ 64.00 M
vi) PULSES	\$ 5.00 M
vii) CATTLE HIDES	\$ 5.00 M
viii) BOVINE EMBRYOS	\$ 1.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: TECHNOLOGY LICENSES & EQUIPMET FOR
OILSEED CRUSHING

Approximate Value: \$ 3 M

Financing Source: 012 DDM

For further info. please contact:

P. MACARTHUR, MOSCOW TLX#413401

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

- ii) Project Name: SOVIET HOLSTEINIZATION PROGRAM
Approximate Value: \$ 50 M
Financing Source: O12. DOM
For further info. please contact:
EXTOTT/TAA E. L. GRAY 613-996-3418 053-3745
- iii) Project Name: DRYLAND FARMING MACHINERY LICENSING
Approximate Value: \$ 3 M
Financing Source: O12. DOM
For further info. please contact:
P. MACARTHUR, MOSCOW

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low
- approval of technical standards can present problems in the case of some imported products

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters
- other factor(s) described by the Trade Office as follows:
(1) VETERINARY PROBLEMS. (2) LACK OF COORDINATION BETWEEN SOVIET BUYER (PROODINTORG) AND END-USER (GOSAGROPROM). (3) REORG. OF AGRICULTURE BUREAUCRACY. (4) ACCESS TO END-USERS AND TEST RESULTS.

Some Canadian exporters to this market in this sector(sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- use of provincial governments export promotion activities
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

- product/service information from Canadian companies

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities, which include:

Activity: PROTOCOL OF COOPERATION ON CATTLE SALES.

Results Expected: \$10 MILLION

Activity: EMBRYO TRANSFER CONTRACTS

Results Expected: \$800,000 IN 1986

Activity: SEMEN SUPPLY CONTRACT, LTA, AND RESOLUTION OF VETERINARY OBSTACLES.

Results Expected: \$1.5 MILLION PER ANNUM.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ASSIST ONTARIO AGRICULTURE AT 2 LIVESTOCK FAIRS

Results Expected: \$100,000

Activity: FARM MACHINERY TECHNOLOGY SEMINAR

Results Expected: \$4 MILLION

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 475 MOSCOW

Market: 553 UNION OF SOVIET SOC REP

Sector: 002 FISHERIES, SEA PRODUCTS & SERV.

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	150.00M	\$ 150.00M	\$ 165.00M	\$ 180.00M
Canadian Exports \$	12.00M	\$ 12.00M	\$ 8.80M	\$ 3.40M
Canadian Share of Import Market	8.00%	8.00%	5.00%	2.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	47 %
ii) 051 UNITED KINGDOM	29 %
iii) 405 ICELAND	10 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects

Current Total Imports

In Canadian \$

i) HERRING	\$ 75.00 M
ii) FROZEN COD BLOCKS	\$ 35.00 M
iii) FROZEN MAKEREL	\$ 15.00 M
iv) DRESSED SEA FISH	\$ 5.00 M
v) CANNED HERRING	\$ 5.00 M
vi) SQUID	\$ 10.00 M
vii) PACIFIC SALMON	\$ 15.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: REPAIR OF SOVIET ATLANTIC FISHING FLEET
Approximate Value: \$ 5 M
Financing Source: 012 DOM
For further info. please contact:
DRIE, ST. JOHNS/TPT/I. G. LOCKHEAD 613-996-2964

ii) Project Name: REPAIR OF SOVIET PACIFIC FISHING FLEET
Approximate Value: \$ 5 M
Financing Source: 012 DOM
For further info. please contact:
DRIE, VANCOUVER/TPT/I. G. LOCKHEAD 613-996-2964

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

iii) Project Name: FISH REFRIGERATION EQUIPMENT

Approximate Value: \$ 4 M

Financing Source: 023 EDC

For further info. please contact:

RBT/R. BEARE 613-996-7800 053-3745

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- the degree of import duty protection of local industry tends to be low
- approval of technical standards can present problems in the case of some imported products

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- non competitive pricing
- the unsuitability of Canadian products for this market
- the apparent limited sectoral capability in Canada compared to other competing export countries
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters
- other factor(s) described by the Trade Office as follows:
 - (1) LACK OF COORDINATION BETWEEN SOVIET FISHERIES MINISTRY AND SOVIET BUYERS (PRODINTORG). (2) PROBLEMS IN FISH QUALITY STANDARDS AND FISH PROCESSING/SHIPPING TIMETABLE.

Some Canadian exporters to this market in this sector(sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade missions
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: NEW FISH PURCHASE COMMITMENT.

Results Expected: \$12 MILLION

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: INTELLIGENCE GATHERING FOR CANADIAN FISH INDUSTRY

Results Expected: THIS ACTIVITY SHOULD LEAD TO INCREASED ABILITY ON THE PART OF CANADIAN SUPPLIERS TO MEET THE PECULIAR REQUIREMENTS OF THE SOVIET MARKET

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: JOINT VENTURE FISHING COMPANY (EVENTUAL MOSCOW OFFICE)

Results Expected: \$ 1 MILLION

Activity: IN-STORE PROMOTION OF CANADIAN SEAFOODS.

Results Expected: \$100,000

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 475 MOSCOW

Market: 553 UNION OF SOVIET SOC REP

Sector: 003 GRAINS AND OILSEEDS

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	8000.00M	\$10000.00M	\$12000.00M	\$10260.00M
Canadian Exports \$	2000.00M	\$ 2000.00M	\$ 1500.00M	\$ 2007.20M
Canadian Share of Import Market	25.00%	20.00%	12.00%	20.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	35 %
ii) 001 ARGENTINA	10 %
iii) 112 FRANCE	15 %
iv) 011 AUSTRALIA	10 %
v) 499 SPAIN	1 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 100 \$M AND UP

Current status of Canadian exports: Mature with little growth

Products/services for which there are good market prospects

Current Total Imports
In Canadian \$

i) WHEAT AND WHEAT FLOUR	\$ 5300.00 M
ii) DURUM WHEAT	\$ 800.00 M
iii) CORN	\$ 1000.00 M
iv) FLAXSEED	\$ 800.00 M
v) CANOLA OIL	\$ 0.00 M
vi) CANOLA SEED	\$ 0.00 M
vii) HIGH YIELD GRAIN SEED	\$ 10.00 M
viii) HIGH YIELD FORAGE	\$ 0.00 M
ix) CROP SEED	\$ 5.00 M
x) CANOLA MEAL	\$ 0.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

- i) Project Name: FYP LIVESTOCK FEEDS TARGET
Approximate Value: \$ 30 M
Financing Source: 012 DOM
For further info. please contact:
P. MACARTHUR, MOSCOW TLX 413401

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

ii) Project Name: FYP OILSEED TARGETS
Approximate Value: \$ 25 M
Financing Source: 012 DOM
For further info. please contact:
P. MACARTHUR, MOSCOW TLX 413401

iii) Project Name: FYP DRYLAND AGRICULTURE TARGETS
Approximate Value: \$ 20 M
Financing Source: 012 DOM
For further info. please contact:
P. MACARTHUR, MOSCOW TLX 413401

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- the degree of import duty protection of local industry tends to be low
- approval of technical standards can present problems in the case of some imported products

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- other factor(s) described by the Trade Office as follows:
(1) SEED SALES CANNOT BE MADE UNTIL TESTS ARE MADE. (2) CDN EXPORTERS HAVE NOT YET MADE JAPANESE AND AMERICAN TRADING HOUSES. MOSCOW OFFICES FAMILIAR WITH THEIR PRODUCTS.

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- participation in trade missions
- use of provincial governments export promotion activities
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

- product/service information from Canadian companies

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: IMPLEMENTING 1986-1990 LONG TERM GRAINS AGREEMENT.

Results Expected: 3.75 BILLION OVER 5 YEARS

Activity: SEED EXCHANGE/TESTS.

Results Expected: \$2 MILLION PER ANNUM.

Activity: TWO SEED PROTOCOL AGREEMENTS (FOR KING GRAIN AND THOMPSON SEEDS)

Results Expected: \$ 2 MILLION PER ANNUM.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: CANOLA PRODUCTION PROJECT.

Results Expected: \$ 3 MILLION

Activity: FEED MIX AND SEED SYMPOSIUM IN MOSCOW.

Results Expected: \$1 MILLION

Activity: FOLLOW-UP OF MITSUBISHI ORGANIZED CANOLA OIL SEMINAR OF JUNE 1986

Results Expected: \$ 10 MILLION

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 475 MOSCOW

Market: 553 UNION OF SOVIET SOC REP

Sector: 011 OIL & GAS EQUIPMENT, SERVICES

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	900.00M	\$ 900.00M	\$ 1227.00M	\$ 2033.00M
Canadian Exports \$	35.00M	\$ 25.00M	\$ 19.00M	\$ 22.00M
Canadian Share of Import Market	3.90%	2.80%	2.60%	1.10%

Major Competing Countries

Market Share

i) 128 GERMANY WEST	23 %
ii) 237 ITALY	17 %
iii) 112 FRANCE	16 %
iv) 035 ROMANIA	15 %
v) 051 UNITED KINGDOM	9 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 100 \$M AND UP

Current status of Canadian exports: Well established and growing

Products/services for which there are good market prospects

Current Total Imports

	In Canadian \$
i) WORKOVER RIGS	\$ 100.00 M
ii) TRACKED VEHICLES	\$ 60.00 M
iii) DRILLING RIGS	\$ 100.00 M
iv) OTHER OILFIELD EQUIPMENT	\$ 200.00 M
v) GAS COMPRESSORS	\$ 100.00 M
vi) OILFIELD SAFETY EQUIPMENT	\$ 20.00 M
vii) ICEBREAKERS	\$ 300.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: ASTRAKHAN II
 Approximate Value: \$ 100 M
 Financing Source: 023 EDC 012 DOM
 For further info. please contact:
 P. DRAGER, MOSCOW TLX 413401

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

ii) Project Name: KARACHAGANAK
Approximate Value: \$ 200 M
Financing Source: 023 EDC 012 DOM
For further info. please contact:
P. DRAGER, MOSCOW TLX 413401

iii) Project Name: BARENTS SEA
Approximate Value: \$ 300 M
Financing Source: 023 EDC 012 DOM
For further info. please contact:
P. DRAGER, MOSCOW TLX 413401

iv) Project Name: KUZBAS-URALS COAL SLURRY PIPELINE PUMPS
Approximate Value: \$ 230 M
Financing Source: 023 EDC 012 DOM
For further info. please contact:
P. DRAGER, MOSCOW TLX 413401

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- No factors reported by mission

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- support provided by the PEMD program
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- use of provincial governments export promotion activities
- competitive export pricing for this market
- strong sectoral capability in Canada

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: REACTIVATION OF OIL AND GAS WORKING GROUPS

Results Expected: 6,000,000

Export and Investment Promotion Planning System

MISSION: 475 MOSCOW

COUNTRY: 553 UNION OF SOVIET SOC REP

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: CONTINUED SUPPORT FOR JOINT PRODUCTION OF TRACKED VEHICLES

Results Expected: 50,000,000

Activity: COOPERATION WITH ALBERTA COMPANIES FOR HYDRAULIC FRACTURING SEMINAR

Results Expected: 10,000,000

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: COOPERATION WITH ALBERTA FOR NEFTEGAS '87 OIL AND GAS EQUIPMENT SHOW

Results Expected: 16,000,000

Activity: ASSISTANCE TO SIGN COOPERATION AGREEMENT ON SAFETY IN OIL AND GAS FIELDS

Results Expected: 2,000,000

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional Projects approved and planned for the coming fiscal year.		
Mission: 475 MOSCOW		
Sector: 001 AGRI & FOOD PRODUCTS & SERVICE		
010 FAIRS INFO BOOTH/LIVESTOCK SHOW	RIGA	0987
024 MISSION INCOMING FARM PROGRESS SHOW	REGINA	0687
ROYAL WINTER FAIR	TORONTO	1187
ROYAL WINTER FAIR	TORONTO	1187
Sector: 011 OIL & GAS EQUIPMENT, SERVICES		
010 FAIRS NEFTEGAS	MOSCOW	1087
024 MISSION INCOMING OIL/GAS MINISTRY MISSION	EDMONTON	0288
OIL/GAS MINISTRY MISSION	EDMONTON	0288
Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.		
010 FAIRS ELECTROTECHNICAL EQUIP. & POWERTRANSMISSION FAIR &	MOSCOW	0587
020 MISSION OUTGOING OIL AND GAS WORKING GROUP,	MOSCOW	0987
024 MISSION INCOMING BUYERS FM MOSCOW TO PROSPECTORAND DEVELOPERS ASSOC	TORONTO	0487

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 476 BUCHAREST

Country: 035 ROMANIA

SEVERAL FACTORS HAVE INCREASED ECONOMIC DIFFICULTIES FOR ROMANIA: HARVESTS OF 1984 & 1985, THE CHERNOBYL INCIDENT WHICH CUT OFF AGRICULTURE EXPORTS FOR SEVERAL MONTHS & PAYMENTS OWED BY MIDDLE EAST CLIENTS. THEREFORE ROMANIA RENEGOTIATED \$250 MILLION IN 1986 DEBT PAYMENTS & \$530 MILLION FOR 1987. DESPITE THESE SETBACKS, REPAYMENT OF FOREIGN DEBT REMAINS THE TOP PRIORITY WITH A PARALLEL EMPHASIS ON EXPORTS. SOME SUCCESS HAS BEEN ACHIEVED IN THE PAST FOUR YEARS WITH A REDUCTION FROM US\$10.4 BILLION TO US\$6.5 BILLION IN THE AMOUNT OUTSTANDING. INCREASED RESTRICTIONS HAVE BEEN PLACED ON IMPORTS. NOW EVEN PRIORITY IMPORTS AND RAW MATERIALS ARE SUBJECT TO COUNTERTRADE AT THE SAME TIME, FEW IF ANY NEW LOANS ARE BEING UNDERTAKEN. THERE ARE VIRTUALLY NO RELIABLE GOVERNMENT ECONOMIC STATISTICS. FIGURES DEVELOPED BY OTHER SOURCES DEMONSTRATE THAT ROMANIA ENJOYS A BOP SURPLUS WITH ALMOST ALL ITS MAJOR WESTERN TRADING PARTNERS. THIS, TOGETHER WITH COUNTERTRADE & INCREASING EMPHASIS ON THE EXPORT OF FURTHER PROCESSED & HIGH TECH GOODS, IS BEING DIRECTED TOWARD DEBT REPAYMENT. AGRICULTURE, WHICH HAS TRADITIONALLY BEEN AN IMPORTANT HARD CURRENCY EARNER, HAS ENCOURAGED DIFFICULTIES. WHILE SOME IMPROVEMENT MAY BE EXPECTED IT IS NOT LIKELY TO REGAIN ITS FORMER IMPORTANCE. IN OTHER CASES ROMANIA IS EXPORTING PRODUCTS WHICH ARE IN DECLINING & SENSITIVE INDUSTRIES IN OTHER COUNTRIES, LEADING TO NTB SITUATIONS WHILE THERE IS CONTINUING EMPHASIS ON TRADE WITH COMECON THERE IS AN EVEN GREATER EXPORT PUSH TO THE WEST. ROMANIA'S CURRENT FIVE-YEAR PLAN (1986-90) EMPHASIZES ENERGY, IRRIGATION & FURTHER PROCESSING OF RAW MATERIALS. APART FROM NUCLEARPOWER, THE PLAN IS NOT TO INVEST IN NEW FACILITIES BUT TO MODERNIZE, AND IMPROVE PRODUCTIVITY THE USE OF INCENTIVES & PENALTIES FOR EXCEEDING OR NOT MEETING OBJECTIVES IS RAPIDLY EXPANDING. BELT TIGHTENING IS LIKELY TO CONTINUE BETWEEN NOW AND 1988, WHEN THE HEAVIEST PAYMENTS ON THE DEBT ARE DUE. LEVELS OF IMPORTS & ECONOMIC ACTIVITY WILL CONTINUE TO BE REDUCED. IN ADDITION TO THE ENERGY SECTOR, RAW MATERIALS AND GRAINS, OPPORTUNITIES FOR CDA ARE LIKELY TO BE RELATED TO IMPROVING PRODUCTIVITY, JOINT MANUFACTURING, AND THIRD COUNTRY TRADE (EG: NUCLEAR EQPT FOR YUGOSLAVIA). COUNTERTRADE AND BARTER WILL CONTINUE TO BE IMPORTANT.

Export and Investment Promotion Planning System

REPT: SYN-GEO 87/88 A. Post export program priorities

Region: EASTERN EUROPE

Mission: 476 BUCHAREST

Market: 035 ROMANIA

The Mission selected the following sectors as priority areas for export promotion activities for the coming fiscal year:

1. 007 POWER & ENERGY EQUIP. & SERV.

REASONS: THE CONSTRUCTION OF NUCLEAR POWER STATIONS IS A TOP PRIORITY FOR THE ROMANIAN GOVERNMENT DUE TO ITS ENERGY SUPPLY SHORTFALL. THERE IS ALSO INTEREST IN UPRATING EXISTING THERMAL PLANTS.

2. 010 MINE, METAL, MINERAL PROD & SRV

REASONS: ROMANIA IS VERY SHORT OF MANY RAW MATERIALS REQUIRED FOR THE MANUFACTURING & PROCESSING OF PRODUCTS FOR LOCAL & EXPORT MARKETS, E. G. IRON ORE, COKING COAL, ASBESTOS, NON-FERROUS TECHNOLOGY, REFRACTORY MATERIALS.

3. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: DESPITE THE WORLD-WIDE SLOWDOWN IN OIL&GAS ACTIVITY, ROMANIA REMAINS ACTIVE IN THIRD COUNTRY PROJECTS. THERE ARE OPPORTUNITIES FOR CDN SUPPLIERS TO PROVIDE EQUIP. &SERV. TO COMPLEMENT ROMANIAN CAPABILITY.

4. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: WHILE ROMANIA PRODUCES & EXPORTS PAPER, IT LACKS SUFFICIENT TIMBER RESOURCES TO MEET REQUIREMENTS AND THUS PRESENTS CONTINUING OPPORTUNITIES FOR SALES OF CDN PULP. ALSO OPPORT. FOR SPECIALTY PAPERS.

5. 003 GRAINS AND OILSEEDS

REASONS: WITH DROUGHT & POOR WEATHER SHORTFALLS IN CEREAL GRAINS & OILSEEDS PRODUCTION WILL LIKELY CONTINUE FOR SEVERAL YEARS. THIS SITUATION PRESENTS OPPORTUNITIES FOR CDA PARTICULARLY FOR BARLEY, RYE&CANOLA.

The most important current Canadian export sectors to this market are (based on actual export sales):

1. 007 POWER & ENERGY EQUIP. & SERV.
2. 010 MINE, METAL, MINERAL PROD & SRV
3. 003 GRAINS AND OILSEEDS
4. 009 FOREST PRODUCTS, EQUIP, SERVICES

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 476 BUCHAREST

Market: 035 ROMANIA

Sector: 003 GRAINS AND OILSEEDS

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	27.50M	\$ 27.00M	\$ 28.00M	\$ 28.00M
Canadian Exports \$	5.50M	\$ 5.20M	\$ 5.50M	\$ 0.00M
Canadian Share of Import Market	20.00%	19.00%	19.50%	0.00%

Major Competing Countries

Market Share

- | | |
|---------------------------------|-------|
| i) 577 UNITED STATES OF AMERICA | 060 % |
| ii) 047 BRAZIL | 020 % |

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: Well established and growing

Products/services for which there are good market prospects

Current Total Imports

- | | In Canadian \$ |
|----------------------|----------------|
| i) BARLEY | \$ 10.00 M |
| ii) RYE | \$ 4.00 M |
| iii) RAPESEED/CANOLA | \$ 1.00 M |

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

- i) Project Name: FODDER GRAIN IMPORTS
Approximate Value: \$ 14 M
Financing Source: 012 DOM
For further info. please contact:
D. BONEA TLX(651)10690 G. JONES(613)996-7701

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- the degree of import duty protection of local industry tends to be low

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- non-tariff protectionist measures which are difficult to overcome

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- participation in trade missions
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country

The Trade Office suggests that sourcing tools currently available to them have some limitations in particular:

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: ONGOING SUPPORT AS /WHEN REQUIRED.

Results Expected: SOME CONTINUING SPOT SALES OF BARLEY.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ENCOURAGE CLOSE COMMUNICATION BETWEEN CANADIAN WHEAT BOARD AND FOREIGN TRADE ORGANIZATION AGROEXPORT.

Results Expected: ENHANCED PROMOTION OF CANADIAN BARLEY, RYE, CANOLA.

Activity: INVESTIGATION TO LEARN WHICH CWB AGENTS ARE SELLING IN ROMANIA; WORK WITH THEM AND OTHERS TO INCREASE CANADIAN EXPORTS OF BARLEY, RYE, CANOLA.

Results Expected: ENHANCED PROMOTION OF CANADIAN BARLEY, RYE, CANOLA.

Activity: WORKING WITH CWB AND ITS AGENTS, DEVELOP PROGRAM OF CALLS ON KEY OFFICIALS AND INVESTIGATE THE UTILITY OF SEMINAR MISSION(S).

Results Expected: INCREASED SALES OF BARLEY, RYE, CANOLA.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 476 BUCHAREST

Market: 035 ROMANIA

Sector: 007 POWER & ENERGY EQUIP. & SERV.

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	100.00M	\$ 75.00M	\$ 36.00M	\$ 19.00M
Canadian Exports \$	60.00M	\$ 45.00M	\$ 21.50M	\$ 11.50M
Canadian Share of Import Market	60.00%	60.00%	60.00%	60.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	020 %
ii) 237 ITALY	020 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 100 \$M AND UP

Current status of Canadian exports: Well established and growing

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) CANDU EQUIPMENT	\$ 75.00 M
ii) CANDU TRAINING SIMULATOR	\$ 19.00 M
iii) CANDU OPERATIONS TRAINING	\$ 0.00 M
iv) BROWN COAL POWER BOILER UPGRADING	\$ 0.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: CERNAVODA UNITS 3, 4, 5
Approximate Value: \$ 300 M
Financing Source: 023 EDC 026 CN'TRADE
For further info. please contact:
J. GRANTHAM TLX(651)10690 G. JONES(613)996-7701

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be moderate

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- No factors reported by mission

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- aggressive marketing on the part of Canadian Exporters
- participation in trade fairs
- participation in trade missions
- use of Canadian Government export promotion activities
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country
- the availability of competitive Canadian financing

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: DCI EXPORT PROMOTION FOR CERNAVODA UNITS 3/4/5.

Results Expected: SALE COMPONENTS FOR ADDITIONAL NUCLEAR EQUIPMENT.

Activity: BROWN COAL POWER BOILER UPGRADING

Results Expected: EQUIPMENT/SERVICE SALE FOR ONE UNIT WITH PROJECTS FOR SUBSEQUENT 8 UNITS.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: HEAVY WATER LEASING/SALE FOR UNIT 1.

Results Expected: DEPENDS ON HOW SUCCESSFUL ROMANIANS WILL BE IN PRODUCING D 20 ON THEIR OWN FOR UNIT 1.

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DEPARTMENT OF EXTERNAL AFFAIRS

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Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: URANIUM CONCENTRATE FOR NUCLEAR FUEL FABRICATION.

Results Expected: TO BE EXPLORED.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 476 BUCHAREST

Market: 035 ROMANIA

Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES

Subsector: 094 PULP AND PAPER PRODUCTS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	7.00M	\$ 6.20M	\$ 6.80M	\$ 7.10M
Canadian Exports \$	3.00M	\$ 2.70M	\$ 1.40M	\$ 0.70M
Canadian Share of Import Market	48.00%	44.00%	21.00%	10.00%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	030 %
ii) 504 FINLAND	016 %
iii) 507 SWEDEN	010 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: Well established and growing

Products/services for which there are good market prospects

Current Total Imports In Canadian \$
i) PULP (WOOD) \$ 10.00 M
ii) SPECIAL PAPERS \$ 0.50 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: TRANSFER OF TECHNOLOGY FOR SPECIAL PAPERS

Approximate Value: \$ 80 M

Financing Source: 026 CN'TRADE

For further info. please contact:

O. BONEA TLX(651)10690 G. JONES(613)996-7701

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- non-tariff protectionist measures which are difficult to overcome

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- participation in trade missions
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country
- the availability of competitive Canadian financing

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: ONGOING SUPPORT AS APPROPRIATE FOR CANADIAN SUPPLIERS OF WOOD PULP.

Results Expected: SPOT SALES.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: DEVELOP A CLOSER RELATIONSHIP BETWEEN CANADIAN SUPPLIER, THE CANADIAN PULP & PAPER ASSOCIATION AND THE BUCHAREST POST.

Results Expected: ENHANCED CANADIAN COORDINATION.

Activity: WORKING TOGETHER TO DEVELOP PROGRAM OF CALLS ON KEY ROMANIAN OFFICIALS AND INVESTIGATE THE UTILITY OF SEMINAR MISSION(S).

Results Expected: ENHANCED CANADIAN PROFILE WITH CLIENTS AND FUTURE SALES.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 476 BUCHAREST

Market: 035 ROMANIA

Sector: 010 MINE, METAL, MINERAL PROD & SRV

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	1000.00M	\$ 1200.00M	\$ 1380.00M	\$ 1.07M
Canadian Exports \$	10.00M	\$ 4.00M	\$ 8.50M	\$ 8.50M
Canadian Share of Import Market	1.00%	0.30%	0.70%	2.80%

Major Competing Countries

Market Share

i) 607 COMECON	040 %
ii) 206 INDIA	015 %
iii) 047 BRAZIL	025 %
iv) 577 UNITED STATES OF AMERICA	005 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 15-30 \$M

Current status of Canadian exports: Small but expanding

Products/services for which there are
good market prospects

Current Total Imports

	In Canadian \$
i) IRON ORE	\$ 3.00 M
ii) COOKING COAL	\$ 3.00 M
iii) ASBESTOS FIBRE	\$ 2.00 M
iv) NON-FERROUS TECH.	\$ 3.00 M
v) REFRACTORY MARKET	\$ 1.00 M
vi) NICKEL METAL	\$ 2.00 M

Projects or portion of projects which are still in the planning
stage and for which Canadian companies might have reasonable prospects.

i) Project Name: SUPPLY THE GALATZI IRON & STEEL COMPLEX
WITH CDN IRON ORE & COOKING COAL.

Approximate Value: \$ 3.0 M

Financing Source: 012 .DOM 026 CN TRADE

For further info. please contact:

BONEA/GRANTHAM TLX(651)10690 G. JONES(613)996-7701

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

ii) Project Name: IRRIGATION(TOP PRIORITY) WILL INCREASE
DEMAND FOR ASBESTOS PIPES & LONF-FIBRE
Approximate Value: \$ 2.0 M
Financing Source: 012 DOM 026 CN'TRADE
For further info. please contact:
BONEA/GRANTHAM TLX(651)10690 G. JONES(613)996-7701

iii) Project Name: MODERNIZATION OF BAIA NON-FERROUS
PROCESSING COMPLEX
Approximate Value: \$ 5.0 M
Financing Source: 012 DOM 026 CN'TRADE
For further info. please contact:
BONEA/GRANTHAM TLX(651)10690 G. JONES(613)996-7701

iv) Project Name: INCREASING NEED FOR REFRACTORY
MATERIAL IN ROMANIA
Approximate Value: \$ 1.0 M
Financing Source: 012 DOM 026 CN'TRADE
For further info. please contact:
BONEA/GRANTHAM TLX(651)10690 G. JONES(613)996-7701

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- there are import restrictions which can present significant problems
- the degree of import duty protection of local industry tends to be low

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- a lack of interest in the market on the part of Canadian exporters
- non competitive pricing
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- non-tariff protectionist measures which are difficult to overcome

Some Canadian exporters to this market in this sector(sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- participation in trade missions
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- Canada's position as one of the few major sources of international supply
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: ONGOING SUPPORT FOR CANADIAN EXPORTERS OF IRON ORE, COKING COAL, ASBESTOS.

Results Expected: INCREASED EXPORT MARKET.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: SOLICIT INFORMATION (NEW/UPDATED) FROM CANADIAN SUPPLIER OF IRON ORE, COKING COAL, ASBESTOS NON-FERROUS TECHNOLOGY & REFRACTORY MATERIALS.

Results Expected: TO CLEARLY FAMILIARIZE ROMANIAN DECISION-MAKERS WITH CANADIAN PRODUCTS/STANDARDS AND THEIR APPROPRIATENESS FOR MEETING ROMANIAN REQUIREMENTS.

Activity: DEVELOP PROGRAM OF CALLS ON CLIENTS (PRESENT/PROSPECTIVE) LEADING TO SEMINAR MISSION(S)

Results Expected: ENHANCED CANADIAN PROFILE WITH CLIENTS AND FUTURE SALES.

Export and Investment Promotion Planning System

87/88 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 476 BUCHAREST

Market: 035 ROMANIA

Sector: 011 OIL & GAS EQUIPMENT, SERVICES

Subsector: 999 ALL SUB-SECTORS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	15.00M	\$ 10.00M	\$ 15.00M	\$ 20.00M
Canadian Exports \$	1.50M	\$ 0.02M	\$ 0.00M	\$ 0.06M
Canadian Share of Import Market	10.00%	0.20%	0.00%	0.30%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	020 %
ii) 609 EUROPEAN COMMON MARKET C	015 %
iii) 607 COMECON	010 %
iv) 265 JAPAN	010 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 5-15 \$M

Current status of Canadian exports: No Export results to date

Products/services for which there are good market prospects

Current Total Imports

i) GAS PIPELINE CONSTR. EQUIPMENT	In Canadian \$
ii) EXPLORATION/DLVPMT PRODUCTION EQUIP/SERVICES	\$ 100.00 M
	\$ 15.00 M

Projects or portion of projects which are still in the planning stage and for which Canadian companies might have reasonable prospects.

i) Project Name: YAMBURG PIPELINE

Approximate Value: \$ 100 M

Financing Source: 023 EDC

For further info. please contact:

COSTEA/GRANTHAM TLX(651)10690 G. JONES(613)996-7701

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

The Trade Office reports that the following factors influence Canadian export performance in this market for this sector (sub-sector).

- exports of certain products or services to this country are subject to Canadian export controls
- the degree of import duty protection of local industry tends to be moderate

In the Trade Office's opinion, Canadian export performance in this sector (sub-sector) in this market is lower than optimum mainly because of:

- non competitive pricing
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- market prospect which are relatively new and have not yet been explored adequately by Canadian exporters

Some Canadian exporters to this market in this sector (sub-sector) have enjoyed success previously as a result of a variety of factors which the trade office reports to include:

- No factors reported by mission

The Trade Office has recommended that a comprehensive market study of this sector (sub-sector) would enhance the knowledge of Canadian exporters to this market.

In support of Canadian exports in this sector (sub-sector) the Trade Office is currently engaged in activities which include:

Activity: MONITORING ROMANIAN PARTICIPATION IN USSR/GAS PIPELINE CONSTRUCTION PROJECT.

Results Expected: OBTAIN CLEAR PICTURE OF CANADIAN EXPORT POTENTIAL CAPABILITIES.

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: DEVELOP A SECTOR PROFILE & CIRCULATE TO POTENTIAL CANADIAN SUPPLIERS.

Results Expected: ESTABLISH COMMUNICATION BETWEEN CDN SUPPLIERS AND PROSPECTIVE ROM CLIENTS, POSSIBLY LEADING TO AN ALBERTA MISSION IN OCT. 1987.

Activity: TECHNICAL SEMINARS ON SOUR GAS, OILFIELD BLOWOUTS/FIREFIGHTING, THIRD COUNTRY COOPERATION & OTHER APPROPRIATE TOPICS (INCLUDING JOINT MANUFACTURING).

Results Expected: INCREASE ROM OIL & GAS SECTOR'S INTEREST IN CANADIAN CO'S CAPABILITIES.

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

For the next fiscal year, the Trade Office is planning to undertake the following new export support initiative(s) in this sector (sub-sector):

Activity: ALBERTA GOVERNMENT TRADE MISSION

Results Expected: INTRODUCE ALBERTA COMPANIES TO PROSPECTIVE CLIENTS.

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional Projects approved and planned for the coming fiscal year.		
Mission: 476 BUCHAREST		
Sector: 001 AGRI & FOOD PRODUCTS & SERVICE		
024 MISSION INCOMING CATTLE BREEDING MISSION FROM ROMANIA		0587
Sector: 006 ELECTRONICS EQUIP. & SERV		
020 MISSION OUTGOING THIRD COUNTRY COOPERATION	MISSION TO ROMANIA	0000
024 MISSION INCOMING TELECOMMUNICATIONS BUYERS	MISSION FROM ROMANIA	0188
Sector: 999 MULTIPLE SECTORS		
010 FAIRS BUCHAREST INTERNATIONAL FAIR	BUCHAREST	1087
BUCHAREST INT'L FAIR, (TIB),	BUCHAREST, ROMANIA	1087
Type of Event		
Location		
Date		
Promotional projects proposed for the two following fiscal years.		
Mission: 476 BUCHAREST		
Sector: 003 GRAINS AND OILSEEDS		
020 MISSION OUTGOING BARLEY, RYE, CANOLA SEMINAR MISSION	BUCHAREST	0688
Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES		
020 MISSION OUTGOING PULP AND FINE PAPERS SEMINAR/MISSION	BUCHAREST	1088
Sector: 010 MINE, METAL, MINERAL PROD & SRV		
020 MISSION OUTGOING ASBESTOS FIBRE SEMINAR/MISSION	BUCHAREST	1188
IRON ORE & COKING COAL & REFRACTORY MAT. SEM. /MISS.	BUCHAREST	0588
Sector: 011 OIL & GAS EQUIPMENT, SERVICES		
020 MISSION OUTGOING OIL AND GAS SEMINAR MISSION	BUCHAREST	0488

