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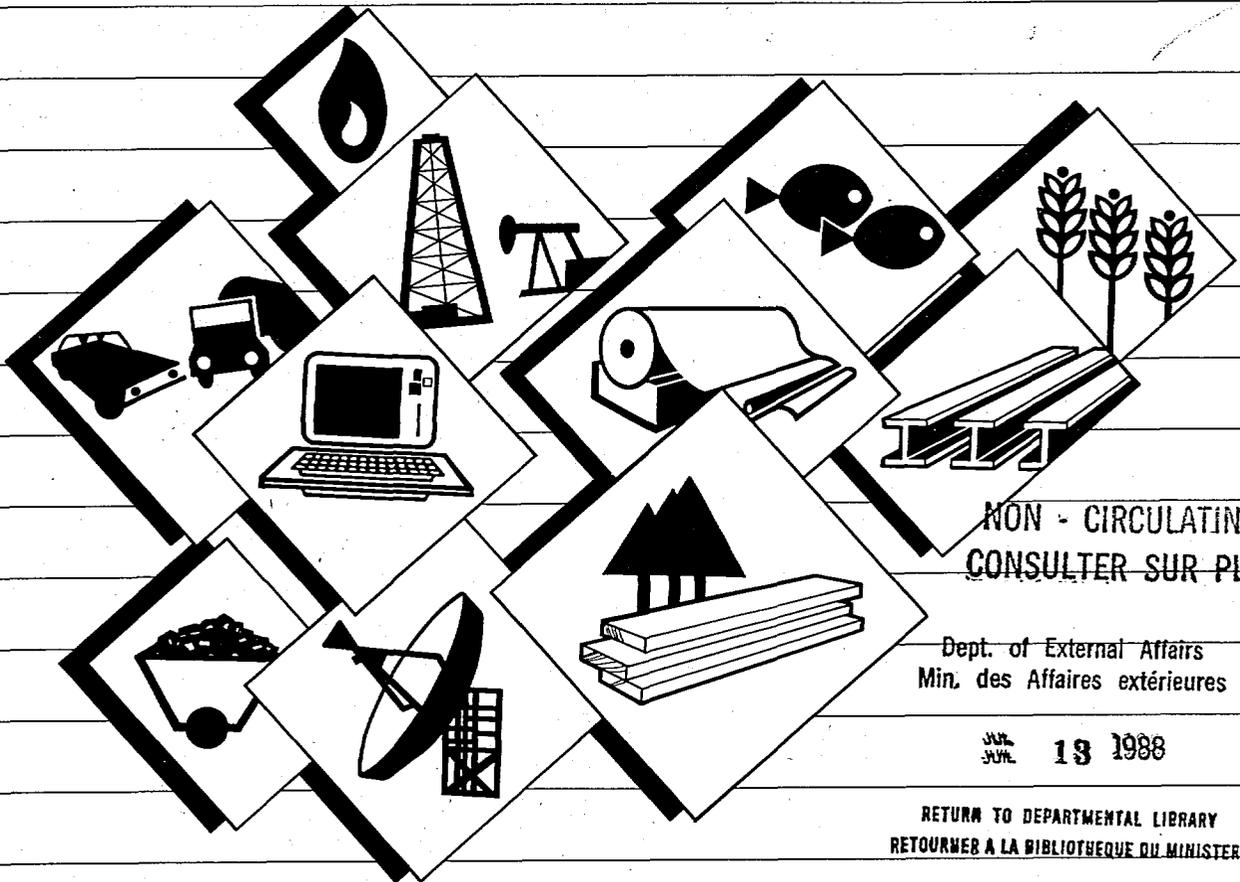
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DOCS

DRAFT
GEOGRAPHICAL SYNOPSIS
FOR CONSULTATION PURPOSES ONLY

EASTERN EUROPE

**1988-89 EXPORT AND INVESTMENT PROMOTION
OPERATIONAL PLAN**



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CONSULTER SUR PLACE

Dept. of External Affairs
Min. des Affaires extérieures

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DEPARTMENT OF EXTERNAL AFFAIRS
Export and Investment Promotion Planning System
1988/89 Geographic Synopsis

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Export and Investment Promotion Planning System

REPT: SYN-GEQ 88/89 List of missions/market covered in the following report

MISSIONS

WARSAW

PRAGUE

BUDAPEST

BELGRADE

MOSCOW

BUCHAREST

MARKETS

POLAND

EAST GERMANY

CZECHOSLOVAKIA

HUNGARY

BULGARIA

YUGOSLAVIA

UNION OF SOVIET SOC REP

ROMANIA

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 471 WARSAW

Country: 099 POLAND

THE POLISH ECONOMY CONTINUES TO PRESENT A PICTURE OF MODERATE GROWTH & RELATIVE STABILITY AGAINST A BACKGROUND OF PERSISTENT UNDERLYING PROBLEMS. NATIONAL INCOME HAS INCREASED BY BETWEEN 3% & 6% ANNUALLY SINCE 83 BUT STILL HAS NOT REACHED ITS 78 PEAK. INDUSTRIAL PRODUCTION GROWTH HAS BEEN CONSISTENTLY POSITIVE INCREASING 4.4% IN 86 & 3.1% DURING THE 1ST 6 MONTHS OF 87. AGRICULTURAL PRODUCTION HAS ALSO CONTINUED TO SHOW POSITIVE RESULTS IN RECENT YRS. INCLUDING THE OUTCOME OF THIS YR'S HARVEST. INFLATION WHILE REDUCED FROM THE 82 PEAK OF 101.5% IS STILL HOVERING AT AN OFFICIALLY ESTIMATED LEVEL CLOSE TO 20%. SHORTAGES OF SOME GOODS PERSIST. THE GOV'T HAS NOT BEEN ABLE TO MAINTAIN DISCIPLINE IN WAGES. THE HOUSING SITUATION APPEARS TO BE WORSENING. THE GOV'T IS TRYING TO REINVIGORATE THE ECONOMIC REFORM PROGRAM ORIG. INTRODUCED IN 82 WITH A SO-CALLED "SECOND-STAGE" OF REFORM. THE GOV'T HAS NOW PUBLISHED A DETAILED & CONCRETE TIMETABLE FOR REFORM MEASURES INCLUDING A REORGANIZATION & REDUCTION IN THE NO. OF MINISTRIES. POLAND IS ACTIVELY SEEKING TO ATTRACT FOREIGN INVESTMENT IN BOTH SERVICES & PRODUCTION. THE POLISH GOV'T ALSO PERMITS SMALL SCALE 100% FOREIGN OWNED INVESTMENTS COMMONLY KNOWN AS "POLONIA" FIRMS. POLAND'S HARD CURRENCY TRADE SURPLUS IS INSUFFICIENT TO SERVICE POLAND'S US\$35.7 BIL. HARD CURRENCY DEBT (AS OF JUNE 30/87). BOTH COMMERCIAL BANKS & OFFICIAL CREDITORS HAVE CONCLUDED NEW RESCHEDULING AGREEMENTS WITH POLAND. POLAND'S DEBT SERVICING BURDEN PLACES A SEVERE CONSTRAINT ON POLAND'S ABILITY TO INCREASE HARD CURRENCY IMPORTS. CDA IS POLAND'S 4TH LARGEST CREDITOR HOLDING DEBTS OF APPROX. \$2.4 BIL. AS A CONSEQUENCE POLAND REMAINS OFF-COVER FOR EDC FINANCING & EXPORT INSURANCE. THE POLISH GOV'T HAS DRAFTED A 5-YR PLAN IN THE 86-90 PERIOD. DURING THIS PERIOD NAT'L INCOME IS EXPECTED TO GROW BETWEEN 3.0 & 3.5% PER YR. INFLATION IS TO BE BROUGHT BELOW 10% BY 90 AT THE SAME TIME THAT PRICES ARE ALLOWED TO MOVE CLOSER TO MKT-CLEARING LEVELS. THE GOV'T IS ANTICIPATING 3-4% ANNUAL GROWTH IN EXPORTS TO & IMPORTS FROM HARD CURRENCY TRADE PARTNERS. ANY HOPE OF REACHING PLAN GOALS REQUIRES VIGOROUS IMPLEMENTATION OF ECONOMIC REFORM. ALTHOUGH CDN EXPORTS TO POLAND CONTINUE TO DECLINE POSS. EXIST FOR FURTHER SALES. EUROPEAN & JAP. FIRMS ARE ACTIVE IN THE MKT. WITH THE LIFTING OF THE LAST REMAINING SANCTIONS IN FEB. 87 USA FIRMS ARE RETURNING TO THE MKT. BUSINESS IS STILL CONT. ON A CASH BASIS (SOME EST. PLACE THIS A HIGH AS \$US4 BIL/YR) IN CERTAIN PRIORITY SECTORS ENJOYING HARD CURRENCY CENTRAL ALLOCATIONS OR FROM ROD ACCOUNTS (BANK DEP. OF HARD CURRENCY EARNED FROM EXPORTS TO BE USED BY THE ENTERPRISE FOR DIRECT PURCHASE FROM WEST. SUPPLIERS). BEST PROSPECTS ARE TO BE FOUND IN THE AREAS OF ESSEN. RAW & SOME PROCESSED MATERIALS HEALTH & MEDICAL PRODUCTS FORESTRY PULP & PAPER EQUIP. CONSTRUCTION & AGRICULTURAL EQUIP & PRODUCTS.

Export and Investment Promotion Planning System

REPT: SYN-GEO 88/89 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. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: MAJOR PROGRAM OF PULP & PAPER INDUSTRY MODERNIZATION & EXPANSION PRESENTS OPPOR. IT SHOULD BE OF SPECIAL INTEREST TO COS FAMILIARY WITH THIS MKT IN LAT 70S/EARLY 80S ESP. IF THEY ARE PREPARED TO ACCEPT

2. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: THERE IS CONTINUING LIMITED REQUIREMENT FOR HIGH QUALITY SEED & GRAIN ON CASH BASIS. EXPORT ORIENTED FOOD SECTOR PRESENT OPPORTUNITIES FOR CDN SLAUGHTERING PROCESSING & LABELLING & PACKAGING EQUIPMENT.

3. 016 INDUSTRIAL MACHIN, PLANTS, SERV.

REASONS: POLAND'S GREATEST NEED FOR MODERN PLAN EQUIPMENT & TECH. PRESENTS OPPORTUNITIES EITHER UNDER FUTURE WORLD BANK LOANS OR THROUGH VARIOUS INNOVATIVE FINANCIAL ARRANGEMENTS OR ON CASH BASIS FOR PRIORITY SECTOR

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

1. 016 INDUSTRIAL MACHIN, PLANTS, SERV.
2. 002 FISHERIES, SEA PRODUCTS & SERV.
3. 014 EDUCATION, MEDICAL, HEALTH PROD
4. 010 MINE, METAL, MINERAL PROD & SRV

Export and Investment Promotion Planning System

88/89 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: 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) \$	0.20M	\$ 0.04M	\$ 0.00M	\$ 0.00M
Canadian Exports \$	0.20M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	100.00%	100.00%	0.00%	0.00%

Major Competing Countries

Market Share

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

0-1 \$M

Current status of Canadian exports: Well established and growing

Products/services for which there are good market prospects

Current Total Imports

i) TURKEY POULTS

In Canadian \$

ii) BREEDING TECHNOLOGY PACKAGE

\$ 0.20 M

\$ 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: GENETIC MATERIAL TO SUPPORT & INCREASE PRODUCTION OF TURKEY MEAT FROM 5000/T/

Approximate Value: \$.5 M

Financing Source: 024 BC 025 OTHER

For further info. please contact:

E. MECZYNSKA, CDN. EMB. WSAW. TEL. 298051. TLX. 813424 CA/

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

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

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:

POLAND HAS BEEN DEVELOPING ITS OWN NATIONAL TURKEY LINE AND MAIN AIM IS TO SWITCH POLAND TO SOURCE GENETIC STOCK ABROAD.

Y

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

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

Activity: IDENTIFICATION AND CULTIVATION OF KEY DECISION MAKERS.

Results Expected: TO INCREASE HYBRID SALES.

Activity: ASSIST HYBRID IN MOUNTING TECHNICAL SEMINAR.

Results Expected: TO OBTAIN END USER CONTACTS.

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 COMBINE HYBRID TURKEYS INTO CANADIAN INFORMATION STANDS DURING POZNAN FAIR.

Results Expected: TO PROMOTE THE COMPANY; TO ALERT POLISH PRIVATE SECTOR ABOUT CANADIAN CAPABILITIES.

Activity: IDENTIFY END USERS BASED ON POZNAN FAIR RESULTS.

Results Expected: INCREASED CANADIAN EXPORTS.

Export and Investment Promotion Planning System

88/89 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: 013 SEEDS & SPECIAL CROPS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	7.00M	\$ 5.00M	\$ 6.00M	\$ 10.00M
Canadian Exports \$	0.30M	\$ 0.20M	\$ 0.00M	\$ 2.50M
Canadian Share of Import Market	4.00%	4.00%	0.00%	25.00%

Major Competing Countries

Market Share

i) 354 NETHERLANDS	050 %
ii) 553 UNION OF SOVIET SOC REP	010 %
iii) 093 DENMARK	010 %

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

Current status of Canadian exports: Market share declining

Products/services for which there are good market prospects

Current Total Imports	
In Canadian \$	
i) WHEAT SEEDS	\$ 0.20 M
ii) CLOVER SEEDS	\$ 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: POSSIBLE PURCHASE OF UP TO 300,000 TONS
BECAUSE OF POOR QUALITY OF LOCAL SOWING/
Approximate Value: \$ 7 M
Financing Source: 012 DOM
For further info. please contact:
E. MECZYNSKA, CDN. EMB. WSAW. TL. 298051. TLX. 813424CAAPL

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).

- 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 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
- competitive export pricing for this market

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

Activity: TO CONTINUE VISITS TO ROLIMPEX AND MINISTRY OF AGRICULTURE.

Results Expected: TO STIMULATE ROLIMPEX' CONTACTS WITH CANADIAN COMPANIES.

Export and Investment Promotion Planning System

88/89 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) \$	60.00M	\$ 50.00M	\$ 40.00M	\$ 40.00M
Canadian Exports \$	2.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	5.00%	0.00%	0.00%	0.00%

Major Competing Countries	Market Share
i) 128 GERMANY WEST	025 %
ii) 237 ITALY	020 %
iii) 504 FINLAND	005 %

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) BABY FOOD PROCESSING LINE	\$ 5.00 M
ii) DAIRY PRODUCTS PROCESSING LINES	\$ 5.00 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: PRODUCTION LINE OF BABY FOOD "LACTOVIT"
Approximate Value: \$ 2 M
Financing Source: 012 DOM 024 BC
For further info. please contact:
F. PARZYCH. CDN. EMNB. TEL. 298051. TLX: 813424CAA PL
- ii) Project Name: PRODUCTION LINE OF BABY FOOD BASED ON MEAT AND VEGETABLES
Approximate Value: \$ 2 M
Financing Source: 012 DOM 024 BC
For further info. please contact:
F. PARZYCH. CDN. EMB. TEL: 298051. TLX: 813424CAA PL

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

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

iii) Project Name: POLIVINYLACETATE COATING LINE

Approximate Value: \$ 2 M

Financing Source: 012 DOM 024 BC

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW. TEL: 298051 TLX: 813424CAA PL

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 in obtaining credit facilities in Canada
- 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: VISIT TO FOOD PROCESSING PLANTS, PERSONAL CONTACTS WITH MACHINERY IMPORTS DECISION MAKERS TO PROMOTE CANADIAN TECHNOLOGY.

Results Expected: OBTAIN SPECIFICATIONS OF PROJECTS AND PARTICULAR EQUIPMENT REQUIREMENTS.

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: IDENTIFY END USERS AND DECISION MAKERS IN SECTORS OF INTEREST TO CANADIAN FIRMS.

Results Expected: ENCOURAGING CANADIAN COMPANIES TO BID ON PROJECTS AND OBTAIN ONE SUCCESSFUL BID FROM CANADA.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 002 FISHERIES, SEA PRODUCTS & SERV.

Subsector: 022 PROCESSED FISH & SHELLFISH

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	5.30M	\$ 3.50M	\$ 8.00M	\$ 6.40M
Canadian Exports \$	0.80M	\$ 0.60M	\$ 1.50M	\$ 1.50M
Canadian Share of Import Market	15.00%	17.00%	19.00%	25.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	039 %
ii) 354 NETHERLANDS	013 %
iii) 051 UNITED KINGDOM	010 %

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

Current status of Canadian exports: Market share declining

Products/services for which there are good market prospects

Current Total Imports
In Canadian \$
\$ 0.80 M

i) PROCESSED HERRING

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:

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

THIS SECTOR IS SUBJECT TO BILATERAL FANDO NEGOTIATIONS.

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

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

Activity: TO ASSIST IN CONTACTS BETWEEN FANDO, RYBEX AND OTHER POLISH AUTHORITIES.

Results Expected: 1) TO SUPPORT SUCCESSFUL BILATERAL FISHERIES NEGOTIATIONS AND CANADIAN POSITION IN NAFO;
2) TO ALERT CANADIAN COMPANIES TO SALES PROSPECTS.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 002 FISHERIES, SEA PRODUCTS & SERV.

Subsector: 023 MARINE HARV. PROC MACH & EQUIP

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	3.00M	\$ 1.00M	\$ 1.00M	\$ 0.50M
Canadian Exports \$	0.50M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	16.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 507 SWEDEN	010 %
ii) 607 COMECON	030 %
iii) 051 UNITED KINGDOM	005 %

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

Current status of Canadian exports:

Products/services for which there are
good market prospects

Current Total Imports

	In Canadian \$
i) FISH PROCESSING TECHNOLOGY	\$ 0.10 M
ii) PROCESSING EQUIPMENT	\$ 0.20 M
iii) FISH COLD STORE FACILITIES	\$ 0.20 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: CONSTRUCTION OF SHARP FREEZER IN KWIDSYN
COLD STORE (13 THOUSAND TONS)

Approximate Value: \$ 1 M

Financing Source: 012 DOM 025 OTHER

For further info. please contact:

E. MECZYNSKA, CDN. EM. TEL298051. TLX813424 CAA PL

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).

- 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 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

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

Activity: CONTINUATION OF SUPPORT GIVEN TO EVENTUAL JOINT VENTURE IN FISHERIES SECTOR.

Results Expected: SIGNING OF FIRST POLISH-CANADIAN JOINT VENTURE IN FISHERIES 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: CALL ON DECISION MAKERS CONCERNING PLANNED COLD STORE FACILITY NEAR BALTIC SEA

Results Expected: OBTAIN INITIAL PROJECT STUDY TO IDENTIFY CANADIAN SUPPLIERS.

Activity: COLLECT TECHNICAL SPECIFICATIONS ON NEW PROJECT AND DISTRIBUTE TO CANADIAN COMPANIES.

Results Expected: OBTAIN GENERAL OFFERS FROM CANADIAN COMPANIES

Activity: OFFER POLIMEX-CEKOP A LIST OF CAPABLE CANADIAN COMPANIES INTERESTED IN THE PROJECT.

Results Expected: OBTAIN ORDER FOR DELIVERY OF EQUIPMENT AND TECHNICAL SERVICES.

Export and Investment Promotion Planning System

88/89 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) \$	250.00M	\$ 200.00M	\$ 210.00M	\$ 250.00M
Canadian Exports \$	2.00M	\$ 0.00M	\$ 6.40M	\$ 10.00M
Canadian Share of Import Market	1.00%	0.00%	3.00%	4.00%

Major Competing Countries

Market Share

i) 512 SWITZERLAND	020 %
ii) 093 DENMARK	019 %
iii) 026 AUSTRIA	010 %
iv) 112 FRANCE	008 %

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

Current status of Canadian exports: Market share declining

Products/services for which there are
good market prospects

Current Total Imports
In Canadian \$
\$ 2.00 M

i) DURUM

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

i) Project Name: PURCHASE OF GRAIN

Approximate Value: \$ 2.0 M

Financing Source: 012 DOM 024 BC

For further info. please contact:

E. MECZYNSKA, CD. EMB. TEL: 298051-TLX: 813424 CAA PL

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

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

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 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
- competitive export pricing for this market

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

Activity: TO CONTINUE CALLS AND CULTIVATION OF ROLIMPEX AND MINISTRY OF AGRICULTURE OFFICIALS.

Results Expected: TO KEEP CWB AND OTHER SUPPLIERS AWARE OF POLISH MARKET REQUIREMENTS AND COMPETITION.

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: IDENTIFY AND ESTABLISH KEY CONTACTS FOR GRAIN IMPORTS UNDER ECONOMIC REFORM PROGRAM.

Results Expected: OBTAIN MORE INFORMATION ON POLISH GRAIN POLICY AND IMPORT REQUIREMENTS.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

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

Subsector: 053 TELECOMMUNICATIONS (INC SPACE)

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	210.00M	\$ 200.00M	\$ 180.00M	\$ 180.00M
Canadian Exports \$	0.50M	\$ 0.00M	\$ 0.35M	\$ 0.00M
Canadian Share of Import Market	0.24%	0.00%	0.19%	0.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	030 %
ii) 112 FRANCE	010 %
iii) 434 TAIWAN	030 %
iv) 128 GERMANY WEST	030 %

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) LSI	\$ 35.00 M
ii) VHF SEMI-CONDUCTORS	\$ 15.00 M
iii) VARIOUS SUBCOMPONENTS FOR ELECTRONICS NES	\$ 100.00 M
iv) HIGH TECHNOLOGY IN APPLICATION TO ELECTRONICS	\$ 25.00 M
v) PATENTS IN HT ELECTRONICS	\$ 25.00 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: TELECOMMUNICATIONS MODERNIZATION UP TO
THE YEAR 2010

Approximate Value: \$ 300 M

Financing Source: 012 DDM

For further info. please contact:

F. PARZYCH, CDN. EMB. TEL: 298051-TLX: 813424 CAA PL

ii) Project Name: MODERNIZATION OF WARSAW AIRPORT

Approximate Value: \$ 30 M

Financing Source: 012 DDM 024 BC

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW. TL: 298051-TLX: 813424 CAA PL

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).

- 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
- difficulties in obtaining credit facilities in Canada
- 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: CONTACTING PRODUCERS OF ELECTRONIC COMMODITIES TO GET INFORMATION ABOUT THEIR NEEDS REGARDING IMPORTED SUBCOMPONENTS AND TECHNOLOGY

Results Expected: INCREASED INTEREST IN MARKET BY CANADIAN FIRMS.

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 OF CANADIAN COMPANIES' CAPABILITIES TO POLISH IMPORTERS.

Results Expected: INCREASE NUMBER OF CANADIAN FIRMS ON POLISH MARKET.

Activity: IDENTIFY KEY DECISION MAKERS IN CONNECTION WITH POSSIBLE IBRD FINANCED TELECOMMUNICATION PROJECT.

Results Expected: OBTAIN CANADIAN BIDDER FOR PROJECT.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 007 POWER & ENERGY EQUIP. & SERV.

Subsector: 075 CONTROL SYSTEMS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	1.50M	\$ 1.50M	\$ 1.00M	\$ 0.50M
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) 128 GERMANY WEST 005 %
- ii) 577 UNITED STATES OF AMERICA 002 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 0-1 \$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) SYSTEMS FOR COLLECTING & PROCESSING DATA FROM/	\$ 0.50 M
ii) METEO RADARS WITH DATA PROCESSING SYSTEMS	\$ 0.50 M
iii) ATMOSPHERE & WATER POLLUTION CONTROL SYSTEMS W/L	\$ 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: SYSTEMS FOR COLLECTING AND PROCESSING
DATA FROM METEO SATELLITE

Approximate Value: \$.5 M

Financing Source: 012 DOM 025 OTHER

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW. TEL. 298051. TLX. 813424CAA PL

- ii) Project Name: METEO RADARS WITH DATA PROCESSING
SYSTEMS

Approximate Value: \$.5 M

Financing Source: 001 IBRD 012 DOM

025 OTHER

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW. TEL. 298051. TLX. 813424CAA PL

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

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

iii) Project Name: ATMOSPHERE & WATER POLLUTION CONTROL SYSTEMS WITH AUTOMATIC DATA PROCESSING

Approximate Value: \$.5 M

Financing Source: 001 IBRD 012 DOM
025 OTHER

For further info. please contact:

F. PARZYCH, CDN. EMB. TEL. 298051. TLX. 813424CAA PL

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 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:

- 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: MEETING WITH IMPORTERS OF EQUIPMENT LISTED IN 7-5, PRESENTATION OF CANADIAN CAPABILITIES.

Results Expected: 1) INTRODUCTION OF CANADIAN CAPABILITIES ON THE POLISH MARKET. 2) ALERT CANADIAN COMPANIES ABOUT POTENTIAL OPPORTUNITIES ON THE 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: IDENTIFY KEY DECISION MAKERS AND END USERS FOR PROJECTS OF INTEREST TO CANADIAN FIRMS.

Results Expected: INTRODUCE THREE CANADIAN COMPANIES TO THE POLISH MARKET.

Export and Investment Promotion Planning System

88/89 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) \$	10.00M	\$ 10.00M	\$ 10.00M	\$ 10.00M
Canadian Exports \$	0.30M	\$ 0.20M	\$ 0.20M	\$ 0.30M
Canadian Share of Import Market	3.00%	2.00%	3.00%	3.00%

Major Competing Countries

Market Share

i) 504 FINLAND	040 %
ii) 026 AUSTRIA	010 %
iii) 112 FRANCE	005 %
iv) 128 GERMANY WEST	005 %

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

Current status of Canadian exports: Small but expanding

Products/services for which there are
good market prospects

Current Total Imports
In Canadian \$

i) MODERNIZATION OF PULP LINES	\$ 8.00 M
ii) MACHINES FOR WOODYARD	\$ 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: MODERNIZATION OF SULPHUR EVAPORATORS BY
INTRODUCTION OF "COLD BLOWS" SYSTEMS AT/

Approximate Value: \$ 1.5 M

Financing Source: 012 DOM

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW TEL: 298051 TLX: 813424CAA PL

ii) Project Name: MODERNIZATION & EXPANSION OF BEECH PULP
MILL & WOODYARD AT SWIECIE MILL

Approximate Value: \$ 3.0 M

Financing Source: 012 DOM 024 BC

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW. TEL; 298051 TLX: 813424CAA PL

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

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

iii) Project Name: COMPLEX MODERNIZATION OF THE DSTROLEKA
PULP MILL

Approximate Value: \$ 4.0 M

Financing Source: 012 DOM 024 BC

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW. TEL: 298051 TLX: 813424CAA PL

iv) Project Name: PARTIAL MODERNIZATION AND INSTRUMENTAT-
ION OF KOSTRZYN MILL

Approximate Value: \$ 2.0 M

Financing Source: 012 DOM 024 BC

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW TEL: 298051 TLX: 813424CAA PL

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
- non competitive financing from Canada
- difficulties in obtaining credit facilities in Canada
- other factor(s) described by the Trade Office as follows:

CANADA WAS A WELL KNOWN SUPPLIER OF PULP AND PAPER MACHINERY IN THE SEVENTIES AND THE EIGHTIES BUT WITH LACK OF FINANCING FROM EDC THE EXPORTS CAME TO AN END AND NOW ARE VERY SLOW IN RETURNING

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: CONTACTING PULP & PAPER MILLS AND FTO'S TO: 1) GET INFORMATION ABOUT MODERNIZATION PLANS AND PARTICULAR MACHINERY SOUGHT BY MILLS; 2) PRESENT CANADIAN CAPABILITIES.

Results Expected: TO INTEREST CANADIAN COMPANIES IN POLISH MARKET.

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 099 POLAND

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: USING CONTACTS TO OBTAIN DETAILED SPECIFICATIONS OF PROJECTS AND EQUIPMENT.

Results Expected: 1) ALERT CANADIAN COMPANIES ABOUT OPPORTUNITIES TO DELIVER MACHINERY TO POLAND; 2) OBTAIN ONE SUCCESSFUL BID FROM CANADA.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 015 CONSTRUCTION INDUSTRY

Subsector: 153 ARCHITECT, CONSTRUCT SERVICES

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	120.00M	\$ 50.00M	\$ 1.00M	\$ 1.00M
Canadian Exports \$	10.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	8.30%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

- i) 026 AUSTRIA 080 %
- ii) 577 UNITED STATES OF AMERICA 010 %

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 \$
\$ 100.00 M

- i) CONSULTING AND CONSTRUCTING

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

- i) Project Name: UNFINISHED PROJECT OF OFFICE BLDG
IN WARSAW
Approximate Value: \$ 40 M
Financing Source: 012 DDM 024 BC
For further info. please contact:
F. PARZYCH, CDN. EMB. TEL: 298051 TLX: 813424 CAA PL

- ii) Project Name: PROJECT OF 10 HOTELS IN POLAND
Approximate Value: \$ 80 M
Financing Source: 012 DDM 024 BC
For further info. please contact:
F. PARZYCH, CDN. EMB. TEL: 298051 TLX: 813424 CAA PL

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).

- 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
- non competitive financing from Canada
- difficulties in obtaining credit facilities in Canada
- 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:

PROJECT EMPLOYING OVERSEAS FIRMS ARE DEPENDENT ON OUTSIDE HARD CURRENCY FINANCING. SUCH PROJECTS ARE DIFFICULT AND TIME CONSUMING TO PUT TOGETHER.

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

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

Activity: CONTACTING POLISH PROJECT OWNERS, COLLECTING INFORMATION ABOUT OPPORTUNITIES FOR CDN CONSULTANTS AND CONTRACTORS.
PRESENTING CANADIAN FIRMS' CAPACITIES IN THAT FIELD.

Results Expected: IDENTIFY INTERESTED CANADIAN COMPANIES.

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: OBTAIN SPECIFICATIONS OF PROJECTS FOR CANADIAN COMPANIES IN MARKET.

Results Expected: INCREASE NUMBER OF CANADIAN FIRMS ACTIVE IN MARKET.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 099 POLAND

Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.

Subsector: 161 MANUFACT & MATERIAL PLANT, EQP.

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	6.00M	\$ 3.00M	\$ 1.00M	\$ 1.00M
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) 128 GERMANY WEST	020 %
ii) 577 UNITED STATES OF AMERICA	010 %
iii) 577 UNITED STATES OF AMERICA	005 %
iv) 093 DENMARK	005 %
v) 265 JAPAN	001 %

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) OILSEEDS PROCESSING PLANTS MACHINERY	\$ 2.00 M
ii) PROTEINS RECUPERATION IN DAIRY INDUSTRY	\$ 1.50 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: 2 OIL SEEDS PROCESSING PLANTS OF 150,000
T/YEAR CAPACITY OF SEED & OUTPUT 25,000/

Approximate Value: \$.5 M

Financing Source: 012 DDM 024 BC

For further info. please contact:

F. PARZYCH, CDN. EMB. WSAW. TEL: 298051 TLX: 813424CAA PL

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).

- 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
- 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:

- 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: CONTACTING OIL SEED PROCESSING PLANT AND PRESENTING CANADIAN COMPANIES AND THEIR CAPABILITIES.

Results Expected: IDENTIFICATION OF MAJOR PROJECTS AND END USERS

Activity: CONTACTING DAIRY PROCESSING PLANTS FOR PROMOTION OF CANADIAN COMPANIES.

Results Expected: IDENTIFICATION OF MAJOR PROJECTS AND END USERS.

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: OBTAIN SPECIFICATIONS OF PROJECT AND EQUIPMENT SOUGHT BY POLISH PLANTS.

Results Expected: INTEREST ONE CANADIAN COMPANY IN BIDDING ON POLISH REQUIREMENTS.

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 471 WARSAW

Country: 123 EAST GERMANY

DURING 86 THE GDR ONCE AGAIN REGISTERED THE BEST ECONOMIC RESULTS AMONG ALL CMEA COUNTRIES WITH NET MATERIAL PRODUCT (NMP) INCREASING BY 4.3%. THIS STRONG PERFORMANCE WAS DUE TO A DYNAMIC INDUSTRIAL SECTOR & EXCEPTIONALLY GOOD AGRICULTURAL PERFORMANCE & STRONG FOREIGN TRADE PERFORMANCE. DESPITE SOME SETBACKS IN EARLY 87 THE GDR ECONOMY STILL CONTINUES TO PERFORM BETTER THAN THOSE OF OTHER CMEA COUNTRIES. WITHOUT INITIATING ANY MAJOR REFORMS OF STRUCTURE OR POLICY THE PARTY LEADERSHIP HAS MANAGED TO MODERNIZE & TO IMPROVE PRODUCTIVITY. DEVELOPMENT IN INDUSTRIAL SECTORS SHOW THAT THE PRINCIPAL TARGETS IN 85 WERE ORIENTED IN TWO MAIN DIRECTIONS: THE EXPANSION OF THE HIGH TECHNOLOGY SECTOR & THE INCREASE OF DOMESTIC ENERGY SOURCES. THE 86-90 PLAN WHICH ENVISAGES AN ANNUAL GROWTH OF NMP OF 4.5% SHOWS LITTLE MAJOR CHANGE IN PRIORITIES ALTHOUGH THE ATTEMPT TO SATISFY CONSUMER DEMAND WHICH HAD BEEN EVIDENT IN THE 80'S IS REINFORCED NOTABLY BY A PLANNED ANNUAL INCREASE IN THE PRODUCTION OF CONSUMER GOODS BY 5.6% PER ANNUM ABOVE THE 4.3% FOR INDUSTRY AS A WHOLE. HOWEVER THE LEADING SECTOR WILL BE "KEY" INDUSTRIES IN THE ELECTRONICS & ELECTRICAL ENGINEERING SECTOR WHOSE PRODUCTION IS PLANNED TO INCREASE BY 8.5% PER ANNUM. EMPHASIS IS BEING PLACED ON "ROBOTS" (ADVANCED MACHINE TOOLS) AND CAD/CAM SYSTEMS. THE PLAN STRESSES "MODERNIZATION" & "RATIONALIZATION" OF EXISTING PLANTS RATHER THAN "EXTENSIVE" NEW PROJECTS. DURING THE CDA/GDR MIXED ECONOMIC COMMISSION HELD IN BERLIN IN OCT. 87 THE GDR CITED PROSPECT FOR CDN EXPORTERS PRODUCING EQUIPMENT FOR SLAUGHTER HOUSES COLD STORAGE PLANTS THE DAIRY INDUSTRY THE PACKAGING INDUSTRY THE PULP & PAPER INDUSTRY AS WELL AS ENERGY SAVING & POLLUTION CONTROL EQUIPMENT FOR LIGNITE POWER PLANTS. EDC RECENTLY INCREASED ITS LINE OF CREDIT TO THE GDR TO \$25M. ADDITIONALLY CDN FIRMS SHOULD BENEFIT FROM THE FAVOURABLE CLIMATE CREATED BY OUR PARTICIPATION IN THE LEIPZIG FAIR BY THE RENEWAL OF OUR LONG TERM AGREEMENT THE ESTABLISHMENT OF A MIXED COMMISSION & PROGRESS TOWARDS AN EXCHANGE OF EMBASSIES.

Export and Investment Promotion Planning System

REPT: SYN-GEO 88/89 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. 016 INDUSTRIAL MACHIN, PLANTS, SERV.

REASONS: CURRENT FIVE YEAR PLAN EMPHASIZES INDUSTRIALIZATION & RATIONALIZATION. RECENT MIXED COMMISSION CITED WILLINGNESS TO EXAMINE CDN CAPABILITIES & ASSIST IN CONTACTS. EDC HAS AVAILABLE \$25M LOC WITH GDR FOR. TR. BANK

2. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: GDR 5-YR PROGRAM PRESENTS OPPORTUNITIES FOR AGRICULTURAL PROCESSING & PACKAGING EQUIP. BIOTECH. & OTHER ADVANCED TECH. TO ASSIST PROGRAM OF SELF-SUFFICIENCY. THERE MAY BE OPPOR. FOR ADD. SALES OF GRAIN & CORN

3. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: MODERNIZATION OF PULP & PAPER SECTOR WILL PRESENT OPPORTUNITIES FOR CDN SUPPLIERS. CDN CONSULTING FIRMS ARE PURSUING 2 MAJOR PROJECTS. EDC HAS EXPRESSED WILLINGNESS TO PROVIDE FINANCING.

4. 007 POWER & ENERGY EQUIP. & SERV.

REASONS: FIVE YEAR PLAN GIVES SPECIAL ATTENTION TO ENERGY CONSERVATION & POLLUTION CONTROL. CERTAIN SPECIALIZED EQUIPMENT & TECHNOLOGY WILL HAVE TO BE IMPORTED.

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

1. 001 AGRI & FOOD PRODUCTS & SERVICE

2. 016 INDUSTRIAL MACHIN, PLANTS, SERV.

3. 002 FISHERIES, SEA PRODUCTS & SERV.

Export and Investment Promotion Planning System

88/89 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: 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) \$	1.20M	\$ 1.00M	\$ 0.60M	\$ 0.50M
Canadian Exports \$	0.70M	\$ 0.50M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	60.00%	50.00%	0.00%	0.00%

Major Competing Countries

Market Share

- i) 354 NETHERLANDS
- ii) 051 UNITED KINGDOM

020 %
020 %

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

1-3 \$M

Current status of Canadian exports: Well established and growing

Products/services for which there are
good market prospects

Current Total Imports

- i) TURKEY POULTS
- ii) BROILERS GENETIC MATERIAL

In Canadian \$
\$ 0.60 M
\$ 0.10 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:

- 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:

- strong sectoral capability in Canada

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

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

Activity: TO ASSIST HYBRID TURKEYS IN IDENTIFYING KEY CONTACTS IN MINISTRY OF AGRICULTURE AND NAHRUNG.

Results Expected: INCREASE OF 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: TO COMBINE HYBRID TURKEYS INTO CANADIAN INFORMATION STAND DURING LEIPZIG FAIR.

Results Expected: PROMOTION OF COMPANY AND INCREASE IN MARKET PENETRATION.

Export and Investment Promotion Planning System

88/89 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: 013 SEEDS & SPECIAL CROPS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	10.00M	\$ 10.00M	\$ 9.00M	\$ 10.00M
Canadian Exports \$	5.00M	\$ 5.00M	\$ 4.00M	\$ 7.00M
Canadian Share of Import Market	50.00%	50.00%	45.00%	70.00%

Major Competing Countries

Market Share

- | | |
|----------------------------------|-------|
| i) 047 BRAZIL | 030 % |
| ii) 577 UNITED STATES OF AMERICA | 020 % |

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

Current status of Canadian exports: Mature with little growth

Products/services for which there are
good market prospects

Current Total Imports

- | | |
|-------------------|----------------|
| i) FLAXSEEDS | In Canadian \$ |
| ii) MUSTARD SEEDS | \$ 4.00 M |
| | \$ 1.00 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:

- 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
- competitive export pricing for this market
- the existence of a bilateral economic/trade arrangement between Canada and this country

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

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

Activity: DISTRIBUTION OF INFORMATION ON CANADIAN SEED AND SPECIAL CROPS TO THE GDR AUTHORITIES.

Results Expected: MAINTAIN GDR INTEREST IN CANADIAN 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: CALLS ON GDR DECISION MAKERS

Results Expected: IDENTIFY SALES OPPORTUNITIES TO ALERT CANADIAN SUPPLIERS.

Export and Investment Promotion Planning System

BB/89 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: 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) \$	1.00M	\$ 0.00M	\$ 0.00M	\$ 0.20M
Canadian Exports \$	0.20M	\$ 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) 128 GERMANY WEST
- ii) 354 NETHERLANDS

080 %
020 %

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

0-1 \$M

Current status of Canadian exports:

No Export results to date

Products/services for which there are
good market prospectsCurrent Total Imports
In Canadian \$

- i) SLAUGHTER HOUSE EQUIPMENT
- ii) DAIRY EQUIPMENT
- iii) FOOD PACKAGING EQUIPMENT

\$ 0.10 M
\$ 0.05 M
\$ 0.05 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: 5 YEAR PLAN: INCREASE OF MEAT PRODUCTION
TO 263.5 THOU TONS LEVEL; NEW SLAUGHTER/

Approximate Value: \$.1 M

Financing Source: 023 EDC 012 DDM

For further info. please contact:

E. MECZYNSKA, CDN. EMB. TEL; 298051 TLX: 813424 CAA PL

- ii) Project Name: 5 YEAR PLAN: IMPROVED QUALITY OF CONSUM-
ER GOODS & PACKAGING SYSTEMS

Approximate Value: \$.1 M

Financing Source: 023 EDC 012 DDM

For further info. please contact:

E. MECZYNSKA, CDN. EMB. TEL; 298051 TLX: 813424 CAA PL

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

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:

- 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

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 OF CANADIAN CAPABILITIES TO THE MINISTRY OF AGRICULTURE.

Results Expected: INVITATION TO TENDER FOR CANADIAN COMPANIES.

Activity: FOLLOWING CANADA/GDR MIXED COMMISSION (DURING WHICH GDR INDICATED PROSPECTS FOR SUCH PROJECTS) CALL ON VARIOUS DECISION MAKERS: FTOS'S, TRANSINTER, MINISTRIES.

Results Expected: TO INDICATE CANADIAN INTEREST TO GDR AND TO ENCOURAGE CANADIAN COMPANIES TO SUBMIT CATALOGUES AND TO VISIT MARKET.

Export and Investment Promotion Planning System

88/89 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: 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) \$	1.00M	\$ 0.50M	\$ 0.00M	\$ 0.00M
Canadian Exports \$	0.20M	\$ 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) 128 GERMANY WEST	030 %
ii) 607 COMECON	050 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 0-1 \$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) BIOTECHNOLOGIES	\$ 0.20 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: FIVE YEAR PLAN: BIOTECHNOLOGY
Approximate Value: \$.2 M
Financing Source: 012 DOM
For further info. please contact:
E. MECZYNSKA, CDN. EMB. WSAW. TEL: 298051. TLX: 813424CAA/

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

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:

- 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

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 INCLUDE BIOTECHNOLOGY INTO PROGRAM OF PROPOSED FOOD PROCESSING MISSION.

Results Expected: DEFINITION OF GDR INTEREST.

Activity: TO CONTACT EAST GERMAN INSTITUTES RESPONSIBLE FOR BIOTECHNOLOGY PROGRAM.

Results Expected: TO OBTAIN INFORMATION ON SPECIFIC GDR INTERESTS FOR COOPERATION WITH CANADIAN PRODUCERS

Activity: TO PREPARE A LIST OF EAST GERMAN NEEDS AND SUBMIT IT TO CANADIAN COMPANIES AND INSTITUTES.

Results Expected: TO ESTABLISH DIRECT CONTACTS BETWEEN GDR END USERS AND CDN PARTNERS AND TO ENCOURAGE ONE CDN COMPANY TO EXPRESS SERIOUS INTEREST.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

Sector: 002 FISHERIES, SEA PRODUCTS & SERV.

Subsector: 021 FISH & SHELLFISH & OTHER PROD

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	2.50M	\$ 2.80M	\$ 3.00M	\$ 3.40M
Canadian Exports \$	0.70M	\$ 0.80M	\$ 1.00M	\$ 1.40M
Canadian Share of Import Market	28.00%	30.00%	30.00%	40.00%

Major Competing Countries

Market Share

- | | |
|----------------------------------|-------|
| i) 607 COMECON | 040 % |
| ii) 577 UNITED STATES OF AMERICA | 010 % |

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

Current status of Canadian exports: Mature with little growth

Products/services for which there are
good market prospects

Current Total Imports

- | | |
|-----------------------------------|-----------|
| i) HERRING | \$ 0.30 M |
| ii) DIFFERENT TYPES OF OCEAN FISH | \$ 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: FIVE YEAR PLAN: INCREASE AVAILABILITY
OF FISH PRODUCTS.

Approximate Value: \$.7 M

Financing Source: 023 EDC 012 DDM

For further info. please contact:

D. H. LEAVITT/E. MECZYNSKA. CDN. EMB. TEL. 298051

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

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:

THIS SECTOR IS SUBJECT TO ANNUAL BILATERAL FISHERIES NEGOTIATIONS

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:

- competitive export pricing for this market
- 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: POST ACTS AS BRIDGE BETWEEN FANDO AND FISCHIMPEX.

Results Expected: TO SUPPORT SUCCESSFUL BILATERAL FISHERIES NEGOTIATIONS AND CANADIAN POSITION IN NAFO.

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: USING CONTACTS ESTABLISHED IN 7.7 TO OBTAIN INFORMATION ABOUT PROPOSED NEW FISH REQUIREMENTS TO ALERT CANADIAN INDUSTRY.

Results Expected: TO MAINTAIN AND POSSIBLY INCREASE CANADIAN FISH EXPORTS.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

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) \$	100.00M	\$ 100.00M	\$ 110.00M	\$ 100.00M
Canadian Exports \$	90.00M	\$ 80.00M	\$ 103.00M	\$ 93.00M
Canadian Share of Import Market	90.00%	80.00%	94.00%	93.00%

Major Competing Countries

Market Share

- | | |
|---------------------------------|-------|
| i) 577 UNITED STATES OF AMERICA | 010 % |
| ii) 001 ARGENTINA | 005 % |

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

Current status of Canadian exports: Mature with little growth

Products/services for which there are
good market prospects

Current Total Imports

	In Canadian \$
i) DURUM WHEAT	\$ 15.00 M
ii) BARLEY	\$ 15.00 M
iii) CORN	\$ 10.00 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:

- 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
- strong sectoral capability in Canada
- the existence of a bilateral economic/trade arrangement between Canada and this country
- the availability of competitive Canadian financing

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

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

Activity: TO CONTINUE SENDING CROP AND WEATHER CONDITIONS SITUATION REPORTS ON REGULAR BASIS TO CWB

Results Expected: TO ENABLE CWB TO DEVELOP MARKET STRATEGY.

Activity: TO IDENTIFY OPPORTUNITIES FOR ONTARIO GRAIN MARKETING BOARD.

Results Expected: TO ENCOURAGE ONTARIO PRODUCERS TO ESTABLISHED MARKET CONTACTS.

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 FOLLOW-UP ON 1988 CROP OFFERS BY ONTARIO GRAIN MARKETING BOARD

Results Expected: SALE OF ONTARIO WHEAT.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

Sector: 007 POWER & ENERGY EQUIP. & SERV.

Subsector: 077 ELECTRICAL MACHINES & SYSTEMS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	1.50M	\$ 0.50M	\$ 0.30M	\$ 0.00M
Canadian Exports \$	0.20M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	10.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

- i) 128 GERMANY WEST
- ii) 112 FRANCE

080 %
010 %

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 0-1 \$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 \$
\$ 0.20 M

- i) ENVIRONMENT CONTROLLING SYSTEMS.

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

- i) Project Name: SULFUR DIOXIDE EMISSION REDUCTION
EQUIPMENT AND TECHNOLOGY.

Approximate Value: \$.2 M

Financing Source: 023 EDC 012 DDM

For further info. please contact:

D. H. LEAVITT/E. CDN. EMB. TEL: 298051 TLX: 813424 CAA PL

- ii) Project Name: LIGNITE POWER STATION WITH CONTROL
SYSTEM AND FILTER FACILITIES

Approximate Value: \$.05 M

Financing Source: 023 EDC 012 DDM

For further info. please contact:

D. H. LEAVITT/E. CDN. EMB. TEL: 298051 TLX: 813424 CAA PL

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

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

iii) Project Name: DOMESTIC FILTER PRODUCTION FACILITY

Approximate Value: \$.05 M

Financing Source: 023 EDC 012 DDM

For further info. please contact:

D. H. LEAVITT/E. CDN. EMB. TEL: 298051 TLX: 298051 CAA PL

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
- 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:

BECAUSE OF INTER GERMAN TRADE AGREEMENT FRG FIRMS ARE WELL ESTABLISHED.

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

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 LIAISE WITH GDR AND MISSION ORGANIZERS TO ENSURE THAT THE GDR ENVIRONMENT MISSION TO QUEBEC AND TORONTO INCORPORATES CONTACTS FRO CANADIAN LIGNITE POLLUTION CONTROL SYSTEMS PRODUCERS.

Results Expected: TO ESTABLISH DIALOGUE WITH CANADIAN COMPANIES

Activity: FOLLOW-UP WITH MISSION PARTICIPANTS

Results Expected: TO STIMULATE GDR'S INTEREST IN CANADIAN PRODUCTS AND CONTROLLING SERVICES.

Activity: PREPARATION OF DETAILED LIST OF CANADIAN COMPANIES AND PRODUCTS BASED ON BOSS AND PREVIOUS CONTACTS.

Results Expected: TO INTRODUCE ONCE CANADIAN FIRM INTO THE MARKET.

Export and Investment Promotion Planning System

88/89 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) \$	0.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
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) 507 SWEDEN | 015 % |
| ii) 128 GERMANY WEST | 010 % |
| iii) 504 FINLAND | 005 % |

Cumulative 3 year export potential for CDN products
in this Sector/Subsector: 60-100 \$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) EQUIPMENT FOR PULP AND PAPER PLANT.	\$ 100.00 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: WITTENBERGE PULP AND PAPER PLANT
Approximate Value: \$ 70 M
Financing Source: 023 EDC
For further info. please contact:
D. H. LEAVITT/E. MECZYNSKA. CDN. EMB. TEL: 298051/

- ii) Project Name: SCHWEDT PULP AND PAPER PLANT
Approximate Value: \$ 30 M
Financing Source: 023 EDC
For further info. please contact:
D. H. LEAVITT/E. MECZYNSKA. CDN. EMB. TEL: 298051

Export and Investment Promotion Planning System

MISSION: 471 WARSAW

COUNTRY: 123 EAST GERMANY

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:

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

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: TO MAINTAIN CONTACTS WITH THE GDR DECISION MAKERS IN THIS SECTOR.

Results Expected: TO ALERT CANADIAN COMPANIES TO OBTAIN INFORMATION ON PROJECT DEFINITION AND TIME TABLE OF MODERNIZATION PROGRAM.

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 ASSIST KLOCKNER STADLER HUNTER AND H. A. SIMONS DURING COURSE OF LEIPZIG FAIR.

Results Expected: TO ASSIST COMPANIES TO OBTAIN SPECIFICATIONS AND MAINTAIN GDR'S INTEREST IN CANADIAN COMPANIES AS POTENTIAL SUPPLIERS.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 471 WARSAW

Market: 123 EAST GERMANY

Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.

Subsector: 161 MANUFACT & MATERIAL PLANT, EQP.

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	10.00M	\$ 9.00M	\$ 8.00M	\$ 7.00M
Canadian Exports \$	1.00M	\$ 0.20M	\$ 4.00M	\$ 0.00M
Canadian Share of Import Market	10.00%	2.00%	50.00%	0.00%

Major Competing Countries

Market Share

i) 128 GERMANY WEST	060 %
ii) 026 AUSTRIA	030 %
iii) 038 BELGIUM	010 %

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

Current status of Canadian exports: Small but expanding

Products/services for which there are good market prospects

Current Total Imports

	In Canadian \$
i) TEXTILE MACHINERY	\$ 0.50 M
ii) MATERIALS HANDLING EQUIPMENT	\$ 0.20 M
iii) CONVEYOR BELTING	\$ 0.30 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:

- 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
- 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
- participation in trade fairs
- 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: MAINTAIN KEY CONTACTS IN TRANSINTER, IAI IN CONNECTION WITH BID BY GOODYEAR FOR BELTING.

Results Expected: SALES BY GOODYEAR.

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: ON BASIS OF INTEREST EXPRESSED BY GDR DURING CANADA/GDR MIXED COMMISSION CALL ON TRANSINTER AND FTO'S AND END USERS.

Results Expected: DETAILS OF PRODUCT REQUIREMENTS; TO ENCOURAGE AT LEAST ONE CANADIAN COMPANY TO PURSUE THE MARKET.

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: 001 AGRI & FOOD PRODUCTS & SERVICE		
024 MISSION INCOMING BIOTECHNOLOGY MISSION	WARSAW	0688
Sector: 007 POWER & ENERGY EQUIP. & SERV.		
020 MISSION OUTGOING ENERGY CONSERVATION MISSION & SEMINAR	WARSAW	1088
Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.		
024 MISSION INCOMING ENVIRONMENTAL MISSION TO QUEBEC & ONTARIO	MTL/TORONTO	0888
Sector: 999 MULTIPLE SECTORS		
010 FAIRS LEIPZIG SPRING FAIR POZNAN INTERNATIONAL FAIR	LEIPZIG POZNAN	0389 0688
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 FAIR	POZNAN	1089
020 MISSION OUTGOING FOOD PROCESSING MISSION	WARSAW	0689
Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.		
020 MISSION OUTGOING ELECTRICAL EQUIPMENT MISSION	WARSAW	0489
Sector: 999 MULTIPLE SECTORS		
010 FAIRS LEIPZIG SPRING FAIR POZNAN INTERNATIONAL FAIR	LEIPZIG POZNAN	0390 0689

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 472 PRAGUE

Country: 088 CZECHOSLOVAKIA

CDN EXPORTS TO CZECH. DECLINED IN 86 TO A TOTAL OF \$13.3 MN FROM \$21.6 MN IN 85 DUE IN PART TO SIGNIFICANT DECREASES IN EXPORTS OF LIVE ANIMALS, PULSES, CATTLE HIDES, ASBESTOS AND INDUSTRIAL VALVES. THE PICTURE HAS BRIGHTENED SOMEWHAT IN 87, WITH EXPORT FIGURES FOR THE FIRST 6 MTHS SHOWING A 15% INCREASE OVER THE SAME PERIOD IN 86. REVERSAL OF THIS DOWNWARD TREND WILL DEPEND ON THE SUCCESSFUL OUTCOME OF NEGOTIATIONS ON ONE OR MORE OF THE 3 MAJOR PROJS CURRENTLY BEING PURSUED BY CDN FIRMS. THESE CONSIST OF: THE RUZOMBEROK PAPER MILL - H. A. SIMONS (OVERSEAS) LTD; THE ZDIREC SAWMILL - KOCKUMS CANCAR; AND THE KORAMO KOLIN USED OIL REFINERY - MOHAWK OIL. ALL OF THESE MAJOR PROJS, WITH POTEN'L CDN CONTENT LEVELS OF APPROX \$100 MN, \$10 MN & \$20 MN, RESPECTIVELY HAVE BEEN THE SUBJECT OF INTENSE MKTG EFFORTS BY THE CDN COS & THE POST FOR SOME TIME. THE POST HAS PROVIDED INTENSIVE SUPPORT & ASSISTANCE FOR SIMONS, KOCKUMS & MOHAWK IN THE AREAS OF BID PREPARATION, LOBBYING AT THE HIGHEST POSSIBLE LEVELS OF THE CZECH. GOVT & ORGANIZATION OF THE B. C. MISSION AT THE 87 BRNO FAIR. DURING 87-88 THE TRADE SECTION ALSO PROVIDED EXTENSIVE ASSISTANCE TO CDN COS AND PROV'L GOVTS IN PROMOTING A WIDE RANGE OF PRODS INCLUDING STEEL-MAKING TECH., OIL/GAS EQPT & SRVCS, LIVESTOCK & GENETIC MATERIALS. LOOKING FORWARD, IT IS POSSIBLE THAT NEGOTIA'NS ON THE RUZOMBEROK, ZDIREC & KORAMO KOLIN PROJS WILL EXTEND INTO 88-89 & IF SO, THE POST WILL CONTINUE TO BE HEAVILY OCCUPIED IN SUPPORT OF THE CDN COS INVOLVED. A MAJOR ACTIVITY WILL BE LOBBYING OF HIGH LEVEL OFFICIALS IN THE MIN. OF FOREIGN TRADE IN ORDER TO COUNTERACT THE STRONG TENDENCY OF THE END-USER ORGANIZA'NS TO FAVOUR TRADI'L WEST. EUROPEAN SUPPLIERS. LOOKING AT LONGER TERM AREAS OF MKT DEV., WE HAVE IDENTIFIED ENVIRONMENTAL PROTECTION EQPT & SRVCS AS A PRIORITY AREA BASED ON FREQUENT REFERENCES BY CSSR OFFICIALS COMBINED WITH THE OBVIOUS NEED FOR CZECH. IND. TO COMBAT THE EXTREMELY SERIOUS POLLUTION PROBLEMS THAT ARE EVIDENT THROUGHOUT THE COUNTRY. WE PLAN TO PREPARE AN INDEPTH ANALYSIS OF THE KEY AREAS OF MKT OPPORTUNITY INCLUDING SPECIFIC PROJS, IDENTIFICATION OF RESPONSIBLE ORGANIZATIONS & CONTACTS WITHIN THEM. THIS STUDY WILL SERVE AS BASIS FOR PROMO'L ACTIVITIES PROPOSED BY THE POST FOR 88-89 (IN LAST YEAR'S PLAN) & CONTINUING IN 88-90 & 90-91. WE ALSO PLAN TO MONITOR & REPORT ON CZECH'S TOURIST HOTEL DEV. PROG. WHICH FORESEES THE ADD'N OF 10,000 HOTEL BEDS OVER THE NEXT 7 YRS. WHILE THE ORGANIZATION RESPONSIBLE FOR THIS PROGRAM HAS LARGELY IGNORED EFFORTS BY CDN COS IN THIS AREA IN FAVOUR OF WEST. EUROPEAN COS, WE FEEL THAT AN ACCELERATED LOBBYING EFFORT MAY PRODUCE OPPORTUNITIES TO BID ON SOME OF THESE TURN-KEY PROJECTS. THE SECOND MEETING OF THE CDA-CZECH MIXED ECONOMIC COMMISSION WILL TAKE PLACE IN CZECH IN MAY OR JUNE OF 88. WE EXPECT TO BE FULLY INVOLVED IN THE PLANNING & EXECUTION OF THIS ACTIVITY IN COOP'N WITH THE HOST, CSSR MIN. OF FOREIGN TRADE. OUR OUTLOOK FOR

Export and Investment Promotion Planning System

REPT: SYN-GEO 88/89 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: IN PULP AND PAPER EQPT & SRVCS CDA ENJOYS EXCELLENT REPUTATION. CDN SAWMILLING TECHNOLOGY SUPERIOR TO WESTERN EUROPEAN & WELL SUITED TO CSSR CONDITIONS.

2. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: RECOGNITION OF CDA OIL/GAS EQPT/SRVCE COS AS WORLD LEADERS ESPECIALLY IN GAS PIPELINE/GAS PROCESSING. ECONOMIC & ENVIRONMENTAL BENEFITS TO BE REALIZED IN USED OIL REFINERY (KORAMO KOLIN PROJECT).

3. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: CDN. SUPPLIERS WELL ESTABLISHED IN CSSR MARKET FOR LIVESTOCK, SEMEN & EMBRYOS. CSSR INTEREST IN ESTABLISHING COOPERATIVE PROJECTS IN AGRI-CULTURAL PRODUCING.

4. 010 MINE, METAL, MINERAL PROD & SRV

REASONS:

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

88/89 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	\$ 11.20M	\$ 17.60M
Canadian Exports \$	0.00M NA	\$ 0.00M NA	\$ 1.50M	\$ 3.20M
Canadian Share of Import Market	0.00% NA	0.00% NA	13.40%	18.20%

Major Competing Countries

Market Share

i) 032 HUNGARY	000 %
ii) 128 GERMANY WEST	000 %
iii) 026 AUSTRIA	000 %

Cumulative 3 year export potential for CDN products in this Sector/Subsector: 1-3 \$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	\$ 0.00 M
iii) BOVINE EMBRYOS	\$ 0.00 M
iv) BREEDING PIGS	\$ 0.00 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: CONCLUSION OF NEGOTIATIONS BETWEEN ALBERTA SWINE BREEDERS ASSOC. AND KOOSPOL F. T. O. ON COOPERATION IN SWINE BREEDING IN CSSR.

Results Expected: SALE OF CDN. SWINE TO CSSR AND SALE OF PROGENY ON PROFIT-SHARING BASIS IN THIRD COUNTRY MARKETS.

Activity: PERFORMANCE RESULTS OF EMBRYO TRANSPLANTS DONE BY WESTERN BREEDERS INTERNATIONAL (WBI)

Results Expected: ESTABLISHMENT OF WBI AS PREFERRED SUPPLIER RESULTING IN ONGOING SALES.

Activity: CONCLUSION OF NEGOTIATIONS BETWEEN KOOSPOL F. T. O. AND STATE BREEDING TRUST, BRATISLAVA AND A CANADIAN COMPANY ON COOPERATION IN EMBRYO TRANSFER PROGRAM IN CSSR.

Results Expected: SALE OF CDN HOLSTEIN-FRIESIAN DONOR COWS TO CSSR AND SALE OF EMBRYOS ON PROFIT-SHARING BASIS TO THIRD COUNTRY 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: ESTABLISHMENT OF CANADA-CSSR WORKING GROUP ON AGRICULTURE AS PER TOMAN-WISE MOU.

Results Expected: GREATER CONTACT BETWEEN CDN & CZECHOSLOVAK AGRIC. SECTOR WITH RESULTING IDENTIFICATION OF COMMERCIAL OPPORTUNITIES.

Activity: VISIT TO CSSR OF CANADIAN MINISTER OF AGRICULTURE IN 1988.

Results Expected: GENERAL INCREASE IN LEVEL OF CDA-CSSR RELATIONS IN AGRICULTURAL SECTOR.

Export and Investment Promotion Planning System

88/89 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) \$	80.00M	\$ 50.00M	\$ 72.90M	\$ 50.00M
Canadian Exports \$	30.00M	\$ 10.00M	\$ 0.00M	\$ 1.00M
Canadian Share of Import Market	38.00%	20.00%	0.00%	2.00%

Major Competing Countries

Market Share

i) 237 ITALY	034 %
ii) 026 AUSTRIA	016 %
iii) 128 GERMANY WEST	016 %
iv) 504 FINLAND	007 %
v) 507 SWEDEN	006 %
vi) 354 NETHERLANDS	005 %

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	\$ 100.00 M
ii) SAWMILLING EQUIPMENT	\$ 20.00 M
iii) PULP & PAPER MACHINE COMPONENTS	\$ 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: 150,000 TPY LIGHTWEIGHT COATED PAPER
FACILITY (BUKOVER OR PASKOV)
Approximate Value: \$ 150 M
Financing Source: 023 EDC
For further info. please contact:
CDN EMB PRGUE

ii) Project Name: POLOMKA AND VRBNO SAWMILLS
Approximate Value: \$ 40 M
Financing Source: 023 EDC
For further info. please contact:
CDN EMB PRGUE

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: RECOVERY BOILER STETI PULP MILL

Approximate Value: \$ 40 M

Financing Source: 023 EDC

For further info. please contact:

CDN EMB PRGUE

iv) Project Name: EVAPORATORS VETRNI PULP MILL

Approximate Value: \$ 20 M

Financing Source: 023 EDC

For further info. please contact:

CDN EMB PRGUE

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

CSSR END-USER PREFERENCE FOR TRADITIONAL SUPPLIER FROM WESTERN EUROPE.

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
- 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

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: CONTINUED INTENSIVE LOBBYING OF CSSR OFFICIALS IN SUPPORT OF H. A. SIMONS (OVERSEAS) LTD'S PROPOSAL FOR RUZOMBEROK PAPER MILL PROJECT.

Results Expected: H. A. SIMONS HAS EXCELLENT CHANCE TO WIN THIS CONTRACT IN 1988.

Activity: CONTINUED POST EFFORTS TO CONVINCING CZECH WOODWORKING TRUST OF ADVANTAGES INHERENT IN KOCKHUMS CANBAR BID FOR ZDIREC SAWMILL.

Results Expected: KOCKHUMS TO SIGN ZDIREC CONTRACT IN 1988.

Export and Investment Promotion Planning System

88/89 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) \$	400.00M	\$ 400.00M	\$ 450.00M	\$ 430.00M
Canadian Exports \$	4.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	1.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 265 JAPAN	035 %
ii) 128 GERMANY WEST	030 %
iii) 237 ITALY	020 %
iv) 112 FRANCE	012 %
v) 051 UNITED KINGDOM	002 %
vi) 026 AUSTRIA	001 %

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) PIPE BENDING EQUIPMENT	\$ 0.00 M
ii) PIPE INSPECTION EQUIP.	\$ 0.00 M
iii) PIPE INSPECTION SERVICES	\$ 0.00 M
iv) DRILLING EQUIPMENT	\$ 0.00 M
v) CONTROLS AND INSTRUMENTS	\$ 0.00 M
vi) GAS CLEANING EQUIPMENT	\$ 0.00 M
vii) UNDERGROUND GAS STORAGE EQUIPMENT	\$ 0.00 M
viii) ANTICORROSION SERVICES	\$ 0.00 M
ix) PIPE TRANSPORTATION EQUIP.	\$ 0.00 M
x) TURBO COMPRESSORS	\$ 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: CZECHOSLOVAK TRANSIT GAS PIPELINES-
AUTOMATION AND CONTROLS

Approximate Value: \$ 10 M

Financing Source: 023 EDC

For further info. please contact:

EMBASSY, PRAGUE

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: JOINT VENTURE WITH CSSR IN USSR

Approximate Value: \$ 100 M

Financing Source: 023 EDC

For further info. please contact:

EMBASSY, PRAGUE

iii) Project Name: JOINT VENTURES IN THIRD COUNTRIES

Approximate Value: \$ 50 M

Financing Source: 023 EDC

For further info. please contact:

EMBASSY, PRAGUE

iv) Project Name: EXPLORATORY DRILLING IN CSSR

Approximate Value: \$ 10 M

Financing Source: 023 EDC

For further info. please contact:

EMBASSY, PRAGUE

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:

- 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: REFERENCE TRIP BY CSSR SPECIALISTS TO MOHAWK OIL LTD'S NORTH VANCOUVER USED OIL REFINING FACILITY.

Results Expected: INFLUENCE KEY DECISION MAKERS; SATISFY CSSR SIDE RE. ENVIRONMENTAL GUARANTEES.

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 LIAISON AND SUPPORT FOR ALBERTA GOVERNMENT PROMOTIONAL ACTIVITIES IN ENERGY SECTOR.

Results Expected: GREATER EXPOSURE OF ALBERTA COMPANIES TO CSSR MARKET.

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional projects proposed for the two following fiscal years.		
Mission: 472 PRAGUE		
Sector: 001 AGRI & FOOD PRODUCTS & SERVICE		
020 MISSION OUTGOING BIOTECHNOLOGY MISSION AND SEMINAR	PRAGUE	0689
Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES		
024 MISSION INCOMING PULP AND PAPER PROJECTS SAWMILL EQUIPMENT MISSION	BC/DNT/GUE B. C.	0589 0590
Sector: 010 MINE, METAL, MINERAL PROD & SRV		
024 MISSION INCOMING METALLURGICAL EQUIPMENT MISSION	ONT.	0690
Sector: 011 OIL & GAS EQUIPMENT, SERVICES		
024 MISSION INCOMING OIL AND GAS MISSION	ALBERTA	0689
Sector: 999 MULTIPLE SECTORS		
010 FAIRS BRNO INTERNATIONAL ENGINEERING FAIR BRNO INTERNATIONAL ENGINEERING FAIR	BRNO BRNO	0989 0990
020 MISSION OUTGOING ENVIRONMENTAL EQPT SRVCS MISSION & SEMINAR	PRAGUE	0489

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 473 BUDAPEST

Country: 032 HUNGARY

1987/88 PROVED TO BE AN EXTREMELY ACTIVE YEAR FOR CDN COMPANIES FORCING THE EMBASSY'S RESOURCES TO THE LIMITS ON NUMEROUS OCCASIONS. THE HIGH LEVEL OF COMMERCIAL ACTIVITY WAS LINKED TO THE GROWING AWARENESS BY CDN COMPANIES OF THE UNIQUE OPPORTUNITIES PROVIDED BY HUNGARY BOTH IN TERMS OF DIRECT SALES & JOINT VENTURES. IN ADDITION CDA WAS ABLE TO BROADEN ITS BILATERAL TIES WITH HUNGARY BY SIGNING A JOINT AGRICULTURAL AGREEMENT & A NUCLEAR COOPERATION AGREEMENT WHILE ON THE MULTILATERAL SIDE OF THE TWO COUNTRIES WERE ACTIVE IN MANY AREAS INCLUDING MTN & THE RELATED CAIRNS GROUP. AS EXPECTED DUE TO THE TIME REQUIRED TO BECOME ESTABLISHED IN THIS MARKET CDA STILL LAGS FAR BEHIND HUNGARY IN TERMS OF EXPORTS TO EACH OTHERS' MARKET; BUT SEVERAL FIRMS SUCH AS ONTARIO HYDRO DID WIN INITIAL CONTRACTS DURING 87/88 & MANY MORE MOVED SEVERAL STEPS CLOSER TO THIS GOAL. 1987/88 WAS A PERIOD OF CONSIDERABLE CHANGE IN HUNGARY WITH THE ADAPTION OF MAJOR NEW LAWS AFFECTING BANKRUPTCY PERSONAL & CORPORATE TAXATION & THE INTRODUCTION OF VAT. THESE CHANGES ALONG WITH MANY OTHERS MADE SINCE 68 ARE INTENDED TO ESTABLISH A MORE MARKET ORIENTAL ECONOMY WHICH WILL EVENTUALLY ENABLE HUNGARY TO BOTH COMPETE MORE EFFECTIVELY IN GLOBAL MARKETS & TO ENJOY A BETTER STANDARD OF LIVING DOMESTICALLY. ALTHOUGH THERE IS WIDESPREAD RECOGNITION IT WILL BE SEVERAL YEARS BEFORE THE CURRENT FISCAL CHANGES PRODUCE POSITIVE RESULTS CDN COMPANIES ARE MAKING COMMENDABLE EFFORTS TO POSITION THEMSELVES FOR THE EXPECTED RECOVERY. THE POST WILL FOCUS THE GREATER PART OF ITS LIMITED RESOURCES DURING 88/89 ON THE REQUIREMENTS OF THE CDN COMPANIES WHICH ARE CURRENTLY TRYING TO ENTER THIS MARKET. AS IN THE PAST THIS WORK WILL BE PRIMARILY DIRECTED TOWARDS CDA'S EFFORTS IN THE ENERGY & AGRICULTURAL SECTORS WITH MORE RECENT INITIATIVES ALSO TAKING PLACE IN THE CONSTRUCTION COMMUNICATIONS & INFORMATICS & TRANSPORTATION SECTORS. AFTER YEARS OF OBSCURITY CDA IS FINALLY BEING RECOGNIZED AS A POTENTIAL SOURCE OF GOODS & SERVICES. IT WILL TAKE A CONCERTED EFFORT TO CONSOLIDATE THIS IMPRESSION DURING THE COMING YEAR. THE POST PLANS TO TAKE A LEADING ROLE IN WORKING TOWARD THIS OBJECTIVE BUILDING ON THE VERY BROAD BASE OF INITIAL CONTRACTS ALREADY MADE & OPPORTUNITIES ALREADY IDENTIFIED.

Export and Investment Promotion Planning System

REPT: SYN-GEO 88/89 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: HUNGARY HAS TO FIND CHEAPER FORMS OF ENERGY PRODUCTION & ENERGY IMPORTS SHOULD BE REDUCED WHERE POSSIBLE. CDA HAS A GOOD CHANGE TO SUPPLY WASTE HEAT ENERGY EQUIPMENT MINI NUCLEAR REACTORS & ENERGY MGT SYS
2. 001 AGRI & FOOD PRODUCTS & SERVICE
REASONS: CDN COS. ARE BECOMING INCREASINGLY ACTIVE IN MEETING HUNGARY'S REQUIREMENT FOR HIGH QUALITY PLANT & ANIMAL BREEDING STOCKS. GOOD OPPOR. ALSO EXIST FOR EQUIPMENT (IF CO-PRODUCED) & MANAGEMENT SERVICES.
3. 011 OIL & GAS EQUIPMENT, SERVICES
REASONS: ENHANCED OIL & GAS RECOVERY CONTINUE TO BE A PRIORITY FOR HUNGARY. CDN COMPANIES SHOULD BUILD ON THEIR INITIAL SUCCESSES IN ORDER TO WIN MORE OF THIS BUSINESS.
4. 005 COMM. & INFORM. EQP. & SERV
REASONS: HUNGARY NEEDS TO IMPROVE SIGNIFICANTLY THE LEVEL OF BOTH EQPT & SERVICES IN THE COMM. & INFORMATICS SECTORS. CDN COS. ARE BEGINNING TO POSITION THEMSELVES IN ORDER TO TAKE ADV. OF HUNGARY'S MODERN. PGRM.
5. 015 CONSTRUCTION INDUSTRY
REASONS: DESPITE SIGNIFICANT IMPROVEMENTS RELATED TO THE TOURISM SECTOR HUNGARY HAS A TREMENDOUS SHORTAGE OF OFFICE SPACE HOUSING & EVEN HOTELS. CDN COS. ARE BECOMING INCREASINGLY ACTIVE IN MEETING DEMAND FOR DESIGN

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
3. 007 POWER & ENERGY EQUIP. & SERV.

Export and Investment Promotion Planning System

88/89 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: 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) \$	1130.00M	\$ 1080.00M	\$ 923.00M	\$ 713.00M
Canadian Exports \$	3.40M	\$ 3.20M	\$ 2.30M	\$ 1.50M
Canadian Share of Import Market	0.30%	0.30%	0.20%	0.20%

Major Competing Countries

Market Share

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) BREEDING STOCK (ANIMAL)	\$ 1.00 M
ii) BREEDING STOCK (PLANT)	\$ 300.00 M
iii) MANAGEMENT SERVICES	\$ 0.00 M
iv) MACHINERY	\$ 150.00 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: \$ 80 M
Financing Source: 002 IDA
For further info. please contact:
M. VLAD(613)993-4884 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).

- 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 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
- 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
- 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: CONTINUE SUPPORTING MCGILL UNIVERSITY'S EFFORTS TO SELL ITS DAIRY HERD ANALYSIS SYSTEM IN HUNGARY

Results Expected: ONCE A PILOT PROJECT IS COMPLETED EXPECT HUNGARY WILL BE EAGER TO MODIFY SYSTEM FOR USE HERE.

Activity: CONTINUE EFFORTS TO ATTRACT A CANADIAN FOOD PROCESSOR TO HUNGARY

Results Expected: CANADIAN-HUNGARIAN FOOD PROCESSING J.V.

Activity: CONTINUE EFFORTS TO ATTRACT CANADIAN FARM EQUIPMENT MANUFACTURERS TO HUNGARY

Results Expected: CO-PRODUCTION OF CANADIAN EQUIP IN HUNGARY

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

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) \$	210.00M	\$ 180.00M	\$ 162.00M	\$ 127.00M
Canadian Exports \$	0.20M	\$ 0.09M	\$ 0.01M	\$ 0.30M
Canadian Share of Import Market	0.10%	0.05%	0.01%	0.20%

Major Competing Countries

Market Share

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

Current status of Canadian exports: Market share declining

Products/services for which there are
good market prospects

Current Total Imports

In Canadian \$

- i) MANUFACTURING EQUIPMENT
- ii) COMPUTER SOFTWARE
- iii) TELECOMMUNICATIONS EQUIPMENT

\$ 2.00 M

\$ 0.00 M

\$ 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: SECOND TELECOMMUNICATIONS PROJECTS

Approximate Value: \$ 26 M

Financing Source: 002 IDA

For further info. please contact:

ELEKTROIMPEX, HUNG FOREIGN TRADE CO FOR TELECOM

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

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
- the unsuitability of Canadian products for this market
- 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:

- 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: ENTICE CDN TELECOMMUNICATIONS MANUF'S TO SPEND TIME AND MONEY REQUIRED TO ADDRESS THIS MARKET

Results Expected: SMALL BUT EXPANDING SALES.

Activity: ENCOURAGE NEW CDN- HUNG. J.V. TO SELL CDN SOFTWARE IN HUNGARY

Results Expected: SMALL BUT EXPANDING 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: ASSIST NORTHERN TELECOM EFFORTS TO SELL DIGITAL SWITCHING EQUIPMENT WHEN RELEASED FROM COCOM LIST (EXPECTED FALL '88).

Results Expected: POTENTIAL MAJOR SALES.

Export and Investment Promotion Planning System

88/89 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) \$	70.00M	\$ 60.00M	\$ 44.00M	\$ 82.60M
Canadian Exports \$	1.40M	\$ 0.60M	\$ 0.25M	\$ 1.40M
Canadian Share of Import Market	2.00%	1.00%	0.60%	1.70%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	000 %
ii) 123 EAST GERMANY	000 %
iii) 088 CZECHOSLOVAKIA	000 %
iv) 128 GERMANY WEST	000 %
v) 026 AUSTRIA	000 %
vi) 237 ITALY	000 %

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) WASTE HEAT(GEOTHERMAL)ELEC. GENERATION EQUIPMENT	\$ 50000.00 M
ii) NUCLEAR INDUSTRY EQUIPMENT & SERVICES	\$ 0.00 M
iii) POWER SYSTEM MANAGEMENT SERVICES	\$ 700.00 M
iv) AECL "SLOW POKE" REACTOR	\$ 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: \$ 62 M
Financing Source: 002 IDA
For further info. please contact:
M. VLAD(613)993-4884 G. WRIGHT, TLX: 22-4588 CDA H

ii) Project Name: INDUSTRIAL ENERGY CONSERVATION
Approximate Value: \$ 74 M
Financing Source: 002 IDA
For further info. please contact:
M. VLAD(613)993-4884 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:

- 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
- 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: REACT LTD (CALGARY) IS STILL TO RUN TWO PILOT PROJECTS PLANNED ORIG. FOR 1987-88

Results Expected: FULLY EXPECT PROJECTS WILL LEAD TO MAJOR SALES

Activity: MAJOR MARKETING INITIATIVES BY ONTARIO HYDRO

Results Expected: POTENTIAL SALES OF NUCLEAR SIMULATORS AND POSSIBLE J.V. WITH MVMT TO PROVIDE MANAGEMENT SYSTEMS.

Export and Investment Promotion Planning System

88/89 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: 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) \$	56.00M	\$ 53.00M	\$ 48.50M	\$ 37.80M
Canadian Exports \$	0.90M	\$ 0.80M	\$ 0.60M	\$ 0.60M
Canadian Share of Import Market	1.70%	1.50%	1.20%	1.60%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	000 %
ii) 265 JAPAN	000 %
iii) 128 GERMANY WEST	000 %

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 \$
\$ 4.50 M

i) OIL EXTRACTION 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: \$ 300 M

Financing Source: 002 IDA

For further info. please contact:

M. VLAD(613)993-4884 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).

- 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
- 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
- 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: 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 CDN 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 COS 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 MKTG CONNECTIONS HERE WILL ENABLE THEM TO COMPETE MORE EFFECTIVELY AGAINST THEIR WEST EUROPEAN BASED COMPETITORS.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 473 BUDAPEST

Market: 032 HUNGARY

Sector: 015 CONSTRUCTION INDUSTRY

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	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Exports \$	0.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Share of Import Market	200.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 026 AUSTRIA	000 %
ii) 504 FINLAND	000 %
iii) 599 YUGOSLAVIA	000 %
iv) 507 SWEDEN	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) DESIGN, CONSTRUCTION MANAGEMENT	\$ 100.00 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:

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

Export and Investment Promotion Planning System

MISSION: 473 BUDAPEST

COUNTRY: 032 HUNGARY

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

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: WORK WITH CANADIAN FIRMS ENTERING MARKET FOR FIRST TIME.

Results Expected: SMALL BUT EXPANDING SALES OF CANADIAN SERVICES. (MOSTLY THROUGH J. V. 'S).

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 474 BELGRADE

Country: 029 BULGARIA

AFTER 85'S RATHER POOR ECONOMIC PERFORMANCE THE BULGARIAN ECON. REBOUNDED SOMEWHAT IN 86. EXACT ECONOMIC GROWTH FIGURES ARE NOT AVAILABLE BUT EST. PUT FIGURE AT CLOSE TO 5% WHICH IS ABOVE THE PLANNED 4%. DESPITE THIS INDUSTRIAL GROWTH BULGARIA FELT THE SIMULTANEOUS IMPACT OF SEVERAL IMPORTANT FACTORS LIMITING TRADE INCLUDING LOW PRICES FOR OIL-RELATED EXPORTS (SIZEABLE CHUNK OF COUNTRY'S HARD CURRENCY EARNINGS COMES FROM RE-EXPORT OF SOVIET OIL/GAS) DIMINISHED EXPORTS TO THE MIDDLE EAST; ONEROUS TERMS OF TRADE WITH THE USSR DECLINE IN TOURISM REVENUES & AGRICULTURAL EXPORTS FOLLOWING THE CHERNOBYL DISASTER & A DECLINE IN TRANSPORT EARNINGS BETWEEN EUROPE & MIDDLE EAST. MANY OF THESE FACTORS CONTINUE TO AFFECT BULGARIA'S ABILITY TO IMPORT FROM THE WEST. BULGARIA WILL LIKELY CONTINUE TO BORROW FROM WESTERN BANKS TO ENABLE IT TO MAINTAIN TO SOME DEGREE THEIR VOLUME OF IMPORTS OF 86. BULGARIA'S GROSS DEBT AMOUNTS TO ONLY ABOUT \$4.3 BIL THE COUNTRY'S CREDIT STANDING WITH WESTERN BANKS REMAINS GOOD AND BORROWING UP TO \$500M SHOULD BE EXPECTED IN 87. BULGARIA CONDUCTS 75-80% OF ITS TRADE WITH SOCIALIST COUNTRIES PRIMARILY THE USSR. GERMANY ACCOUNTS FOR ABOUT HALF OF BULGARIA'S WESTERN TRADE. REFORMS HAVE BEEN ANNOUNCED ON A NO. OF FRONTS. THE NEW "REGS ON ECONOMIC ACTIVITY" ESTABLISH THE FORM IN WHICH WORKERS' ORGANIZATIONS ARE TO TAKE A MORE ACTIVE PART IN THE MANAGEMENT OF ENTERPRISES. MANAGERS ARE HENCEFORTH TO BE ELECTED-THESE "SELF-MANAGED" ENTERPRISES ARE NOW EXPECTED TO BE SELF-FINANCING (MUCH LIKE THE YUGOSLAV MODEL). COMPANIES ARE NOW TO ESTABLISH THEIR OWN PRODUCTION PLANS SEEK INVESTMENT AND FORM THEIR OWN RELATIONSHIPS WITH FOREIGN PARTNERS (INCLUDING THE DISPOSITION OF HARD CURRENCY). THOUGH IT IS TOO EARLY TO TELL JUST HOW EFFECTIVE A MEASURE THIS WILL BE THE DIMINISHING POWER OF THE FTOS (FOREIGN TRADE ORGANIZATIONS) CAN ALREADY BE SEEN. WE (& CDN COYS) HAVE HAD MUCH MORE DIRECT ACCESS TO END-USERS AND INDUSTRIAL CORPORATIONS THAN WAS POSSIBLE IN THE PAST. CHANGES OF SOME SUBSTANCE HAVE ALSO BEEN ANNOUNCED TO THE BANKING SYSTEM. BULGARIA'S BANKING REFORM IS DESIGNED TO PUT THE ECONOMY ON A MORE EFFICIENT FOOTING BY REDUCING CENTRAL DECISION-MAKING OVER INVESTMENT. INSTEAD OF A SINGLE MAJOR BANK PROVIDING FUNDS ON BEHALF OF THE CENTRAL PLANNING AUTHORITIES 8 SMALLER "COMMERCIAL" BANKS ARE BEING ESTABLISHED. THESE BANKS ARE TO OPERATE ON A PROFIT-AND-LOSS BASIS BORROWING & LENDING ACCORDING TO CRITERIA OF COMPETITIVENESS & PROFITABILITY. THOUGH THE BULGARIAN FOREIGN TRADE BANK IS EXPECTED TO MAINTAIN ITS KEY ROLE IN TRADE FINANCE THESE SMALLER BANKS WILL BE PERMITTED TO DRAW CREDITS ON THE INTERNATIONAL MARKETING GRANT FOREIGN-EXCHANGE CREDITS AND ACT AS GUARANTEEING INSTITUTIONS FOR FOREIGN BANKS AND SUPPLIERS. THE FULL IMPLEMENTATION OF THIS REFORM (WHICH WAS LEGALLY ESTABLISHED ON JAN. 1/87) IS LIKELY QUITE A WAY OFF. WE MAY BEGIN TO SEE ITS IMPACT TOWARD

Export and Investment Promotion Planning System

REPT: SYN-GEO 88/89 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. 003 GRAINS AND OILSEEDS

REASONS: BULGARIA HAS SUFFERED 2 CONSECUTIVE BAD GRAIN HARVESTS DUE TO ADVERSE CLIMATIC CONDITIONS. BULGARIANS HAVE HAD TO GO TO INT'L MARKET TO MAKE UP SHORTFALLS. CDN SALES OF \$43.7M (86) & \$23.3M (87) MAY BE FOLLOWED

2. 016 INDUSTRIAL MACHIN, PLANTS, SERV.

REASONS: BULGARIANS CONTRACT 5-6 MAJOR RECYCLING PROJECTS ANN. USUALLY WON BY EUROPEANS OR JAPANESE. STRENGTH OF THOSE CURRENCIES VS US \$ HAS TEMPTED THEM TO LOOK AT NA TECHNOLOGY. CDN CO. HAS PRESENTED 2 BIDS

3. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: TWO CDN COYS HAVE RECENTLY BEEN SUCCESSFUL (MEAT PROCESSING, TOBACCO) IN THIS SECTOR PAVING WAY FOR ACCEPTANCE OF OTHERS IN MKT. FOOD PROCESSING ACCOUNTS FOR 24.4% BULG INDUSTRIAL OUTPUT (+SIGNIFICANT EXPORT

4. 005 COMM. & INFORM. EGP. & SERV

REASONS: BULGARIANS HAVE TARGETTED CDA AS SUPPLIER OF HIGH TECH GOODS & ARE ACTIVELY SOLICITING PURCHASES. BULG ELEC. ASSOC. MIN VISITED CDA IN 87 OF MOST IMMEDIATE INTEREST IS CONTRACT FOR MAJOR TELECOM SYSTEM,

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. 010 MINE, METAL, MINERAL PROD & SRV

Export and Investment Promotion Planning System

88/89 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	\$ 60.00M	\$ 50.00M	\$ 60.00M
Canadian Exports \$	14.00M	\$ 2.00M	\$ 2.60M	\$ 0.00M
Canadian Share of Import Market	20.00%	3.00%	5.00%	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: 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) MEAT PROCESSING	\$ 14.00 M
ii) TOBACCO PROCESSING	\$ 3.00 M
iii) FOOD STERILIZATION	\$ 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: IRRADIATION EQUIPMENT
Approximate Value: \$ 2 M
Financing Source: 023 EDC 025 OTHER
For further info. please contact:
MISS SARA S HRADECKY TLX: 11137 DOMCA YU

ii) Project Name: MEAT PROCESSING EQUIPMENT
Approximate Value: \$ M
Financing Source: 023 EDC
For further info. please contact:
MISS SARA S HRADECKY TLX: 11137 DOMCA YU

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:

- 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
- participation in trade fairs
- use of Canadian Government export promotion activities
- competitive export pricing for this market
- strong sectoral capability in Canada
- the availability of competitive Canadian financing

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: ASSISTANCE TO RODOPA MEAT INDUSTRY DELEGATION VISITING CANADA.

Results Expected: NEGOTIATION OF CONTRACT BY KNUD SIMONSEN INDUSTRIES FOR MEAT PROCESSING EQUIPMENT.

Activity: CONTINUATION OF OUR CONTACTS WITH THE BULGARIAN FOOD PROCESSING INDUSTRY. ENCOURAGE CANADIAN COMPANIES TO PARTICIPATE IN PLOVDIV FAIR.

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 (WE HAD SOME INFORMATION AVAILABLE AT PLOVDIV FAIR, BUT PROPOSE PRESENTATION BE DONE TO TARGET AUDIENCE BY AECL RADIOCHEMICAL REPS).

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

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

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) \$	200.00M	\$ 200.00M	\$ 300.00M	\$ 200.00M
Canadian Exports \$	100.00M	\$ 100.00M	\$ 43.00M	\$ 22.00M
Canadian Share of Import Market	50.00%	50.00%	14.00%	15.00%

Major Competing Countries

Market Share

- | | |
|---------------------------------|-------|
| i) 609 EUROPEAN COMMON MARKET C | 050 % |
| ii) 011 AUSTRALIA | 000 % |

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

Current status of Canadian exports: Well established and growing

Products/services for which there are
good market prospects

Current Total Imports In Canadian \$
\$ 70.00 M
\$ 20.00 M

- i) WHEAT
- ii) BARLEY

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:

- non-tariff protectionist measures which are difficult to overcome

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
- 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: NEGOTIATION OF BILATERAL PLANT QUARANTINE AGREEMENT.

Results Expected: WOULD PERMIT SALES OF GRAINS "SUBSTANTIALLY FREE FROM "WEEDS ON BUG LIST OF BANNED IMPORT -S.

Activity: VISIT OF SENIOR LEVEL BULGARIAN PLANT QUARANTINE EXPERTS TO CANADA.

Results Expected: PAVE WAY FOR SUCCESSFUL NEGOTIATION OF BILATERAL AGREEMENT.

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 EXPERTS CONTINUE TO ATTEND CIGI COUSE ON WHEAT/CANOLA. (THIS SHOULD BE CONFIRMED WITH THE CANADIAN GRAINS COMMISSION ASAP).

Results Expected: WOULD INCREASE PROFILE OF CANADIAN WHEAT AND INTRODUCE CANOLA AS ALTERNATE OILSEED.

Activity: TO INVITE WHEAT BOARD POFFICIALS TO PARTICIPATE FOR AT LEAST PART OF PLOVDIV FAIR.

Results Expected: INCREASED VISIBILITY IN MARKET TO INDICATE OUR SERIOUSNESS AS SPOT SUPPLIER.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

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

Subsector: 053 TELECOMMUNICATIONS (INC SPACE)

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M	\$ 0.00M	\$ 400.00M	\$ 400.00M
Canadian Exports \$	1.30M	\$ 0.50M	\$ 0.06M	\$ 0.05M
Canadian Share of Import Market	0.00%	1.20%	1.00%	1.00%

Major Competing Countries

Market Share

i) 123 EAST GERMANY	000 %
ii) 128 GERMANY WEST	000 %
iii) 265 JAPAN	000 %
iv) 553 UNION OF SOVIET SOC REP	000 %
v) 237 ITALY	000 %
vi) 026 AUSTRIA	000 %

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) MODERNIZATION OF CENTRAL SWITCHES	\$ 10.00 M
ii) LOCAL AREA TELEPHONE NETWORKS	\$ 2.00 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

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

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:

- competitive export pricing for this market
- 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.

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

Activity: AS MARKETING HAS BEEN DONE BY NORTH TELECOM'S AUSTRIAN PARTNER, WE HAVE NOT BEEN VERY INVOLVED. OUR PRINCIPAL ROLE VIS-A-VIS THIS PROJECT AT THIS STAGE IS MARKET INTELLIGENCE.

Results Expected:

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 029 BULGARIA

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) \$	0.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Exports \$	2.50M	\$ 0.30M	\$ 4.40M	\$ 0.70M
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

085 %

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

i) ASBESTOS

In Canadian \$

\$ 1.00 M

ii) ZINC

\$ 1.00 M

iii) ANTHRACITE

\$ 1.00 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:

- 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:
BULGARIANS TEND TO PURCHASE FROM WESTERN SUPPLIERS ONLY WHEN SUPPLIES ARE LIMITED FROM TRADITIONAL EAST-BLOC PRODUCERS.

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:

- 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: MARKET RESEARCH INTO OPPORTUNITIES FOR CANADIAN ANTHRACITE COAL.

Results Expected: IF POSSITIVE, COULD LEAD TO PRESENTATION BY CANADIANS IN 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: MARKET STUDY ON ASBESTOS IE. PURCHASING PATTERNS, QUANTITY, QUALITIES.

Results Expected: BETTER KNOWLEDGE OF MARKET WHICH COUOLD ASIST US IN PREPARING FOR SPOT SALES IN FUTURE.

Export and Investment Promotion Planning System

88/89 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: 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) \$	30.00M	\$ 0.00M	\$ 0.00M	\$ 50.00M
Canadian Exports \$	2.00M	\$ 0.00M 0	\$ 0.00M 0	\$ 0.00M
Canadian Share of Import Market	7.00%	0.00% 0	0.00% 0	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) COLLBOX TECHNOLOGY	\$ 0.00 M
iii) STEEL MILL AUTOMATION	\$ 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: KREMIKOVSTI STEEL MILL RENOVATION

Approximate Value: \$ 70 M

Financing Source: 023 EDC

For further info. please contact:

MISS SARA S HRADECKY 2ND SEC. TLX: 11137 DOMCA YU

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:

- 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:
BULGARIAN DECISION TO GO AHEAD WITH STEEL MILL MODERNISATION HAS BEEN REPEATEDLY POSTPONED DUE TO REORGANIZATION OF KEY METALLURGY OFFICIALS AND A LACK OF HARD CURRENCY.

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
- 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: ENCOURAGE THE FORMATION OF A CANADIAN CONSORTIUM FOR A COMPREHENSIVE APPROACH TO STEEL MILL MODERNIZATION. (OF KEY DECISION MAKERS.

Results Expected: A GLOBAL OFFER COVERING TOTALITY OF PROJECT. (ALTHOUGH CONTRACT AWARD INDETERMINATELY STALLED DUE TO LACK OF FINANCING AND CHANGES.

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 474 BELGRADE

Country: 599 YUGOSLAVIA

YUGOSLAVIA'S ECONOMIC PERFORMANCE IN THE 1ST HALF OF 87 CONTINUED TO BE MIXED. INDUSTRIAL PRODUCTION CONTINUED ITS UPWARD TREND BUT AT A MARKEDLY SLOWER PACE. TOTAL EXPORTS FOR THE 1ST HALF OF THE YEAR WERE UP COMPARED TO THE SAME PERIOD LAST YEAR & IMPORTS WERE DOWN SHARPLY. IMPORTS FROM CONVERTIBLE CURRENCY COUNTRIES WERE UP ONLY SLIGHTLY FROM LAST YEAR WHILE EXPORTS WERE UP SIGNIFICANTLY. INFLATION MOVED UPWARD TO NEW RECORD LEVELS (130% IN SEPT). THE COUNTRY'S FOREIGN DEBT STILL STAND AT \$19 BIL. EARLIER THIS YEAR YUGOSLAVIA SIGNED DEBT RESCHEDULING AGREEMENTS WITH ITS MAJOR COMMERCIAL & OFFICIAL CREDITORS. IN PAST 12 MONTHS THE MIKULIC GOV'T HAS INTRODUCED A SERIES OF MEASURES AIMED AT SLOWING DOWN THE RATE OF INFLATION INCREASING PRODUCTIVITY EXPANDING EXPORTS ENCOURAGING FOREIGN INVESTMENT LIBERALIZING THE ECONOMY & STRENGTHENING DISCIPLINE IN THE FINANCIAL SYSTEM. IT IS TOO EARLY TO PREDICT WHETHER THESE MEASURES WILL PRODUCE THE DESIRED RESULTS AS MOST OF THEM ARE AT THE EARLY STAGES OF THEIR IMPLEMENTATION. YUGOSLAVIA IS FACING AN ACUTE SHORTAGE OF HARD CURRENCY. BECAUSE OF THE FOREIGN EXCHANGE LAW INTRODUCED IN EARLY 86, REQUIRING EXPORTERS TO REMIT EARNED HARD CURRENCY TO THE NATIONAL BANK EVEN THE MOST SUCCESSFUL EXPORTERS HAVE DIFFICULTIES OBTAINING NECESSARY FOREIGN CURRENCY FOR IMPORTED INPUT. UNLESS THE PROJECTS/PRODUCTS ARE OF A PRIORITY NATURE ANY SALE IS NOW PREDICATED ON SOME FORM OF COUNTERTRADE JOINT VENTURE INDUSTRIAL COOPERATION AND/OR TECHNOLOGY TRANSFER. DESPITE THE FOREGOING HOWEVER WE SAW SOME NOTABLE SUCCESSES FOR CDN FIRMS IN THE PAST 2 YEARS IN THE FIELDS OF POWER GENERATING EQUIPMENT (THE \$100M COMBUSTION ENGINEERING CONTRACT) THE SALE OF ONE CL-215 AIRCRAFT TELECOMMUNICATION (THE SR TELECOM \$30M COOPERATION AGREEMENT WITH MAKPETROL) & OIL & GAS EQUIPMENT. DOING BUSINESS IN YUGOSLAVIA WILL NOT BE EASY IN THE SHORT TO MEDIUM TERM, BUT SEVERAL OPPORTUNITIES EXIST IN A NUMBER OF AREAS INCLUDING OIL & GAS POWER GENERATING EQUIPMENT FORESTRY TRANSPORTATION (WATER BOMBERS & COMMUTER AIRCRAFT) TELECOMMUNICATION AND SPACE COMMUNICATIONS & RESOURCES. YUGOSLAVIA WILL ALSO CONTINUE TO IMPORT SUBSTANTIAL QUANTITIES OF SUCH COMMODITIES AS IRON ORE COKING COAL ASBESTOS WOOD PULP WHEAT AND OILSEEDS. 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-GED 88/89 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. 011 OIL & GAS EQUIPMENT, SERVICES
REASONS: THE OIL & GAS SECTOR IS A PRIORITY SECTOR FOR YUGOSLAVIA. CDN FIRMS HAVE ALREADY BEEN SUCCESSFUL IN THE 1ST PHASE OF THE FIRST YUGOSLAV PETROLEUM PROJECT FINANCED BY THE WB. THE 2ND PHASE OF THE PROJECT
2. 008 TRANSPORT SYS, EQUIP, COMP, SERV.
REASONS: FDSP HAS A REQUIREMENT FOR 4 CL-215 & POSSIBLY 5. NEGOTIATIONS ARE UNDERWAY WITH CANADAIR. JAT & ADRIA AIRWAYS HAVE REQUIREMENTS FOR & SHOWED INTEREST IN THE DASH-8/300.
3. 009 FOREST PRODUCTS, EQUIP, SERVICES
REASONS: FORESTRY ACCOUNTS FOR 4.7% OF YUGOSLAVIA'S GNP & 9% OF THE VOLUME OF ITS EXPORTS. ONGOING REQUIREMENT FOR FORESTRY EQUIPMENT. NEGOTIATIONS ARE IN THEIR FINAL PHASE WITH WB FOR MAJOR FORESTRY IMPROVE. PROGRAM.
4. 007 POWER & ENERGY EQUIP. & SERV.
REASONS: POWER (NUCLEAR HYDRO & THERMAL) DEVELOPMENT & ENERGY CONSERVATION IS A PRIORITY IN YUGOSLAVIA. THE WB IS FUNDING A \$90M ENERGY CONSERVATION PROGRAM. NUCLEAR POWER TENDERS ARE BEING CONSIDERED.
5. 001 AGRI & FOOD PRODUCTS & SERVICE
REASONS: THE REPORTING REQUIREMENTS FOR THE AGRICULTURE SECTOR MAKE MAJOR DEMANDS ON PY RESOURCES. THERE ARE OPPORTUNITIES FOR AGRICULTURAL EXPORTS TO YUGOSLAVIA WHEAT OILSEEDS POULTRY & CATTLE BREEDING STOCK
6. 010 MINE, METAL, MINERAL PROD & SRV
REASONS: YUGOSLAVIA IS AN IMPORTER OF COKING COAL IRON ORE & ASBESTOS. OPPORTUNITIES FOR COKING COAL ARE INCREASING COMPETITION IS STRONG IN IRON ORE MARKET & ASBESTOS MARKETING IS DECREASING. TRADITIONALLY THESE

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. 009 FOREST PRODUCTS, EQUIP, SERVICES
4. 007 POWER & ENERGY EQUIP. & SERV.
5. 015 CONSTRUCTION INDUSTRY
6. 016 INDUSTRIAL MACHIN, PLANTS, SERV.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

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) \$	3.70M	\$ 3.50M	\$ 3.20M	\$ 3.50M
Canadian Exports \$	0.22M	\$ 0.14M	\$ 0.08M	\$ 0.09M
Canadian Share of Import Market	6.00%	4.00%	2.50%	2.60%

Major Competing Countries

Market Share

i) 128 GERMANY WEST	048 %
ii) 354 NETHERLANDS	030 %
iii) 112 FRANCE	010 %
iv) 237 ITALY	008 %

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) CATTLE BREEDING STOCK (EMBRYO AND SEMEN)	\$ 0.00 M
ii) TURKEY BREEDING STOCK.	\$ 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:

- 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
- other factor(s) described by the Trade Office as follows:
LACK OF HARD CURRENCY MAKES COUNTERTRADE A PRE-REQUISITE TO ANY SALE.

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
- 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.

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

Activity: THE VISIT OF THE DEPUTY MINISTER OF AGRICULTURE CANADA IN YUGOSLAVIA IN APRIL ' 87 HAS OPENED THE DOOR TO POSSIBLE SALES OF CATTLE BREEDING STOCK.

Results Expected:

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 TO VISIT THE MAJOR AGRICULTURAL COMBINATS AND ACQUAINT THEM WITH CANADIAN CAPABILITY IN THIS SECTOR.

Results Expected: PURCHASE OF CATTLE BREEDING STOCK IN CANADA.

Export and Investment Promotion Planning System

88/89 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) \$	20.00M	\$ 31.00M	\$ 65.00M	\$ 10.00M
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) 577 UNITED STATES OF AMERICA	068 %
ii) 029 BULGARIA	009 %
iii) 032 HUNGARY	026 %

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 \$
\$ 31.00 M

i) WHEAT

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
- 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
- difficulties of adaptation of marketing techniques to the market by
some Canadian companies
- other factor(s) described by the Trade Office as follows:

YUGOSLAVIA DOES NOT IMPORT WHEAT REGULARLY, BUT ONLY EVERY SEC-
OND OT THIRD YEAR, WHEN THE WEATHER CONDITIONS ARE UNFAVOURABLE
(DROUGHT, HEAVY RAIN). YUGOSLAVIA BUYS WHEAT THROUGH TENDERS USUA-
LLY 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:

- 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: THE CANADIAN WHEAT BOARD HAS BEEN ADVISED OF TENDERS SEVERAL TIMES AND THEIR REPRESENTATIVES HAVE VISITED THIS MARKET. HOWEVER, TO OUR KNOWLEDGE, THEY NEVER RESPONDED TO THE TENDERS.

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: MAINTAIN CONTACT WITH YUGOSLAV WHEAT IMPORTERS, AND CONTINUE TO ADVISE CANADIAN WHEAT BOARD OF OPPORTUNITIES. CONVINCING CWB TO SEND A MARKETING MISSION TO YUGOSLAVIA.

Results Expected: MORE ACTIVE MARKETING EFFORTS BY THE CANADIAN WHEAT BOARD AND EVENTUAL SALE OF CANADIAN WHEAT.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

Sector: 003 GRAINS AND OILSEEDS

Subsector: 032 OILSEEDS

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	75.00M	\$ 80.00M	\$ 95.00M	\$ 57.00M
Canadian Exports \$	0.00M 0	\$ 0.00M 0	\$ 0.00M 0	\$ 0.00M
Canadian Share of Import Market	0.00% 0	0.00% 0	0.00% 0	0.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	070 %
ii) 577 UNITED STATES OF AMERICA	051 %
iii) 001 ARGENTINA	025 %
iv) 237 ITALY	048 %
v) 128 GERMANY WEST	005 %

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) SOYBEAN	\$ 200.00 M
ii) MEAL & CAKE	\$ 150.00 M
iii) OIL	\$ 35.00 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: SOYBEAN SEEDS, MEAL AND CAKE AND OIL
Approximate Value: \$ M
Financing Source: 025 OTHER
For further info. please contact:

MRS DJURDJA CERAMILAC, COMM. OFF. TEL: 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).

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

- 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:

INSUFFICIENT SUPPLY CAPACITY IN CANADA HAS PREVENTED TAKING ADVANTAGE OF THE OPPORTUNITIES OFFERED IN YUGOSLAVIA. UNDERSTAND THAT SUPPLY SITUATION HAS AND CANADIAN PRODUCERS ARE LOOKING FOR EXPORT MARKETS.

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: IN THE PAST 5-6 YEARS, THIS POST HAS ACTIVELY PROMOTED CANADIAN CANOLA RAPESEED THROUGH SEMINARS, MISSIONS AND INDIVIDUAL CALLS. UNFORTUNATELY, WHEN YUGOSLAV IMPORTERS SOLLOCITED OFFERS FROM CANADA, CANADIAN EXPORTERS FAILED TO RESPOND BECAUSE OF LACK OF IN/

Results Expected:

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: GIVEN RENEWED CANADIAN INTEREST IN THIS MARKET, WE PROPOSE TO INITIATE A SERIES OF CALS ON THE MAJOR YUGOSLAV IMPORTERS TO MAINTAIN THEIR AWARENESS OF CANADA AS ASOURCE OF SUPPLY & ENSURE WE ARE INFORMED OF THEIR TENDERS IN A TIMELY FASHION. TRANS. OF TENDERS/

Results Expected: RESPONSE TO TENDERS BY CANADIAN PRODUCERS.

Activity: MISSION OF YUGOSLAVI CANOLA/OILSEAD/SOYBEAN EXPERTS TO CANADA IN 1988.

Results Expected: VISIT OF MARKETING MISSION.

26/01/88

DEPARTMENT OF EXTERNAL AFFAIRS

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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: ENCOURAGE VISIT OF CANADIAN MARKETING MISSION TO YUGOSLAVIA.

Results Expected: INITIAL SALE.

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights
Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 474 BELGRADE

Market: 599 YUGOSLAVIA

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

Subsector: 053 TELECOMMUNICATIONS (INC SPACE)

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	0.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
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) 112 FRANCE	000 %
ii) 577 UNITED STATES OF AMERICA	000 %
iii) 128 GERMANY WEST	000 %
iv) 051 UNITED KINGDOM	000 %

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

Current status of Canadian exports: No Export results to date

Products/services for which there are good market prospects

Current Total Imports

i) SATELLITE	In Canadian \$
ii) EARTH STATIONS.	\$ 0.00 M
	\$ 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:

- other factor(s) described by the Trade Office as follows:
NEW OPPORTUNITIES AT THE EARLY PLANNING STAGES WHICH WILL INVOLVE COUNTERTRADE, OFFSET, INDUSTRIAL COOPERATION AND TECHNOLOGY TRANSFERS.

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:

- 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.

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 AND PROMOTION OF CANADIAN CAPABILITY WITH YUGOSLAV TV AUTHORITIES.

Results Expected: SALE OF CANADIAN SATELLITE TECHNOLOGY.

Activity: ASSISTANCE TO SPAR IN PREPARATION OF A SEMINAR ON SATELLITE COMMUNICATION IN THE SPRING OF 1988.

Results Expected:

Export and Investment Promotion Planning System

88/89 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) \$	0.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
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) 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: Well established and growing

Products/services for which there are good market prospects

Current Total Imports

In Canadian \$

i) BOILERS AND TURBINES	\$ 0.00 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: 20,000 MGW TO BE INSTALLED BY YEAR 2000:

THERMAL (12000), HYDRO(6000) & NUCLEAR/

Approximate Value: \$ M

Financing Source: 025 OTHER

For further info. please contact:

MR KRSTA DJORDJEVIC COMM. OFF. TEL: 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).

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

TESTATION PERIOD OF PROJECTS IN THAT SECTOR SPANS OVER 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

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: ACTIVE PROGRAM OF VISIT TO YUGOSLAV UTILITIES TO MONITOR THEIR ENERGY DEVELOPMENT PLANS AND TO INCREASE THEIR AWARENESS OF CANADIAN EXPERTISE AND CAPABILITY.

Results Expected: IN THE LONG RUN, AWARD OF BOILERS, TURBINES AND INSTRUMENTATION CONTRACTS TO CANADIAN COMPANIES.

Activity: ONGOING SUPPORT OF AECL CANDU PROPOSAL.

Results Expected: AWARD OF NUCLEAR POWER STATION CONTRACT TO AECL.

Export and Investment Promotion Planning System

88/89 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) \$	120.00M	\$ 0.00M	\$ 8.00M	\$ 0.00M
Canadian Exports \$	0.00M	\$ 0.00M	\$ 8.00M	\$ 0.00M
Canadian Share of Import Market	0.00%	0.00%	100.00%	0.00%

Major Competing Countries

Market Share

i) 112 FRANCE	000 %
ii) 051 UNITED KINGDOM	000 %
iii) 354 NETHERLANDS	000 %
iv) 499 SPAIN	000 %
v) 237 ITALY	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) CL-215	\$ 0.00 M
ii) DASHB-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: FDSP (5 WATER BOMBERS)

Approximate Value: \$ 50 M

Financing Source:

For further info. please contact:

K. DJORDJEVIC TEL:11137 DOMCA YU CDN EMBASSY

ii) Project Name: JAT'S SECOND TIER AIRCRAFT (5)

Approximate Value: \$ 50 M

Financing Source: 025 OTHER

For further info. please contact:

K. DJORDJEVIC. TEL:11137 DOMCA YU CDN EMBASSY

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.

iii) Project Name: ADRAI AIRWAYS (2 AIRCRAFT)

Approximate Value: \$ 20 M

Financing Source: 025 OTHER

For further info. please contact:

K. DJORDJEVIC TEL: 11137 DOMCA YU CDN EMBASSY

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:
CND MANUFACTURERS FACE VERY STIFF COMPETITION & LENGTHY & COMPLICATED DECISION-MAKING PROCESS, IN ADDITION TO COUNTERTRADE, INDUSTRIAL COOPERATION AND OFFSET REQUIREMENTS.

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: CONTINUOUS ACTIVE SUPPORT FOR CANADAIR'S ACTIVITIES TO SELL CL-215 TO FDSP.

Results Expected: SALES OF 4 AND POSSIBLY 5 AIRCRAFT IN THE NEXT YEAR.

Activity: ACTIVE SUPPORT OF DE HAVILLAND'S EFFORTS TO WIN THE SALES OF 5 DASH 8-300 TO JAT AND 2 DASH 8-300 TO ADRIA AIRWAYS.

Results Expected: JAT AND ADRIA SHOULD MAKE DECISIONS IN THE NEXT 2-3 YEARS.

Export and Investment Promotion Planning System

88/89 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) \$	180.00M	\$ 188.00M	\$ 167.00M	\$ 201.00M
Canadian Exports \$	5.00M	\$ 3.50M	\$ 3.90M	\$ 1.00M
Canadian Share of Import Market	2.00%	1.00%	2.00%	0.50%

Major Competing Countries

Market Share

i) 026 AUSTRIA	041 %
ii) 553 UNION OF SOVIET SOC REP	028 %
iii) 507 SWEDEN	008 %
iv) 099 POLAND	004 %
v) 032 HUNGARY	003 %

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

Current status of Canadian exports: Mature with little growth

Products/services for which there are good market prospects

Current Total Imports

i) WOODPULP	In Canadian \$
ii) PULPWOOD	\$ 0.00 M
	\$ 0.00 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:

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

THE THREE MAIN REASONS FOR THE SMALL CANADIAN SHARE OF THE MARKET ARE: A) LACK OF HARD CURRENCY, WHICH YUGOSLAVIA OVERCOMES BY IMPORTING FROM EAST EUROPEAN COUNTRIES ON A CLEARING ACCOUNT BASIS, B) HIGH COSTS OF TRANSP. & 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

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 CANADIAN EXPORTERS TO ENCOURAGE AND ASSIST IN SERIOUS CONSIDERATION OF THIS MARKET.

Results Expected: FACILITATE DIRECT CONTACTS BETWEEN SEVERAL CANADIAN EXPORTERS AND YUGOSLAV IMPORTERS TO INCREASE CDN MARKET SHARE AND THE NUMBER OF CDN COMPANIES ACTIVE IN THE MARKET.

Export and Investment Promotion Planning System

88/89 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) \$	36.00M	\$ 4.50M	\$ 4.00M	\$ 4.20M
Canadian Exports \$	5.40M	\$ 0.50M	\$ 0.40M	\$ 0.50M
Canadian Share of Import Market	15.00%	11.00%	10.00%	10.50%

Major Competing Countries

Market Share

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

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) LOG SKIDDERS	\$ 0.00 M
ii) DEBARKERS	\$ 0.00 M
iii) CHAIN SAWS	\$ 0.00 M
iv) HARVESTING EQUIPMENT	\$ 0.00 M
v) SAWMILL EQUIPMENT	\$ 0.00 M
vi) PUPL AND PAPER 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: MODERNIZATION & EXPANSION OF FORESTRY
MANAGEMENT/EXPL. IN BIIIDSNIA/HERCEGOVINA

Approximate Value: \$ 30 M

Financing Source: 001 IBRD

For further info. please contact:

MR. KRSTA DGORDJEVIC COMM. OFF. 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 & HERCEGOVINA.

Approximate Value: \$ M

Financing Source: 025 OTHER

For further info. please contact:

MR. KRSTA DJORDJEVIC, COMM. OFF. TLX: 11137 DOMCA YU

iii) Project Name: REFURBISHING OF PULP & PAPER INDUSTRY IN BOSNIA AND HERCEGOVINA

Approximate Value: \$ M

Financing Source: 025 OTHER

For further info. please contact:

MR. KRSTA DJORDJEVIC, COMM. OFF. 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 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:

THIS IS A MAJOR SECTOR FOR YUGOSLAVIA. RECENT SHORTAGE OF HARD CURRENCY HAS CURTAILED/SLOWED IMPLEMENTATION FOR SOME PROJECTS AIMED AT REFURBISHING AND MODERNIZING FORESTRY EXPLOITATION, PULP AND PAPER MILLS AND SAWMILLS.

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

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: 474 BELGRADE

COUNTRY: 599 YUGOSLAVIA

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

Activity: DUE TO THE UNCERTAIN WECONOMIC SITUATION IN THE COUNTRY, AN IBRD LOAN FOR THE BOSNIA AND HERCEGOVIA FORESTRY PROJECT WAS CANCELLED AND A PLANNED FORESTRY SEMINAR DID NOT TAKE PLACE. THE IBRD PROJ-ECT IS BEING REVISED.

Results Expected: INCREASED AWARENESS OF A RANGE OF CANADAIAN FORESTRY CAPABILITY.

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: SYSTEMATIC VISITS TO YUGOSLAV PULP AND PAPER COMPANIES AS WELL AS MAJOR SAWMILLS TO IDENTIFY THEIR NEEDS AND PROMOTE CANADIAN CAPA-BILITIES.

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

Export and Investment Promotion Planning System

88/89 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) \$	330.00M	\$ 325.00M	\$ 327.00M	\$ 355.00M
Canadian Exports \$	12.00M	\$ 10.00M	\$ 14.00M	\$ 23.00M
Canadian Share of Import Market	4.00%	2.70%	4.00%	6.00%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	068 %
ii) 648 ZIMBABWE	014 %
iii) 426 PERU	026 %
iv) 473 BOTSWANA	007 %
v) 047 BRAZIL	020 %
vi) 206 INDIA	016 %

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

Current status of Canadian exports: Market share declining

Products/services for which there are
good market prospects

Current Total Imports

	In Canadian \$
i) IRON ORE	\$ 0.00 M
ii) COKING COAL	\$ 0.00 M
iii) ABESTOS	\$ 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:
YUGOSLAVIA'S SHORTAGE OF HARD CURRENCY CURTAILS MARKET OPPORTUNI-
TIES AND COUNTERTRADE IS A PRE-REQUISITE.

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
- 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.

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 INTERGRATED STEEL COMPANIES IN YUGOSLAVIA TO PROMOTE INCREASED SOURCING OF CANADIAN IRON ORE AND COKING COAL. THROUGH DIRECT CONTACT WITH CANADIAN COMPANIES ENCOURAGE INCOMING VISITS TO THE MARKETPLACE.

Results Expected: INCREASED PURCHASES OF CANADIAN COAL AND IRON ORE.

Activity: INCREASED CONTACTS WITH ASBESTOS IMPORTERS TO TRY TO RECAPTURE OUR TRADITIONAL MARKET SHARE. ENCOURAGE CANADIAN EXPORTERS TO VISIT THE MARKET.

Results Expected: MORE AGRESSIVE MARKETING EFFORTS ON THE PART OF THE CANADIAN PRODUCERS AND INCREASED SALES OF CANADIAN ASBESTOS.

Export and Investment Promotion Planning System

88/89 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) \$	17.00M	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Exports \$	0.00M	\$ 1.00M	\$ 7.00M	\$ 2.30M
Canadian Share of Import Market	0.00%	0.00%	0.00%	0.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	000 %
ii) 553 UNION OF SOVIET SOC REP	000 %
iii) 128 GERMANY WEST	000 %

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

Current status of Canadian exports: Mature with little growth

Products/services for which there are good market prospects	Current Total Imports In Canadian \$
i) MINING TRUCKS (DUMPERS)	\$ 0.00 M
ii) ROAD GRADERS	\$ 0.00 M
iii) (NOT NECESSARY IN ORDER OF PRIORITY)	\$ 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. ANY FUTURE/IS CONTINGENT UPON 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:

- 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 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 SUPLIERS - CURRENT AND POTENTIAL.

Results Expected:

Export and Investment Promotion Planning System

88/89 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	\$ 0.00M	\$ 0.00M	\$ 0.00M
Canadian Exports \$	10.00M	\$ 3.00M	\$ 0.00M 0	\$ 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) 128 GERMANY WEST	000 %
iv) 112 FRANCE	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) LOGGING AND CEMENTING UNITS.	\$ 0.00 M
ii) OIL AND GAS SEPARATORS	\$ 0.00 M
iii) FRACTURING UNITS.	\$ 0.00 M
iv) DRILLING EQUIPMENT	\$ 0.00 M
v) 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: GAS TREATMENT PLANT
Approximate Value: \$ 30 M
Financing Source: 001 IBRD
For further info. please contact:
M. MAJEED TEL: (613) 996-0034 CDN COMM. CORP.

ii) Project Name: UNSPECIFIED EQUIPMENT
Approximate Value: \$ 20 M
Financing Source: 025 OTHER
For further info. please contact:
K. DJORDJEVIC TLX: 11137 DOMCA YU CDN EMBA/

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.

iii) Project Name: INA & NAFTAGAS ONGOING REQUIREMENTS OF OIL & GAS EQPT & SPARE PARTS.

Approximate Value: \$ 30 M

Financing Source: 025 OTHER

For further info. please contact:

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
- 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 AND THIS IS DIFFICULT TO OVERCOME. THE IBRD PROJECT WITH INTERNATIONAL BIDDING REQUIREMENTS HAS PROVIDED THE INCENTIVE AND VEHICLE FOR CDN MARKET INTRODUCTION & PENETRATION & HAS INCREASED CDN AWARENESS IF THIS MARKET/

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
- use of provincial governments 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 CONTACT WITH THE TWO YUGOSLAV CUSTOMERS FOR OIL AND GAS EQUIPMENT - INA AND NAFTAGAS, 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 AND NAFTA-GAS TO THE NATIONAL PETROLEUM SHOW IN CALGARY.

Results Expected: HEIGHTENED AWARENESS OF CANADIAN CAPABILITIES

Activity: ENCOURAGE THROUGH DIRECT CONTACT ACTIVE PARTICIPATION OF OIL AND GAS EQUIPMENT AND SERVICE SUPPLIERS IN THE 1988 ZAGREB AUTUMM FAIR, WITH THE ALBERTA GOVERNMENT, AS PART OF THE CANADIAN STAND.

Results Expected:

Report: B4 88/89 INVESTMENT ACTIVITIES IN MISSIONS ABROAD

Region: EAST-EUROPE

Mission: 474 BELGRADE

Country: 599 YUGOSLAVIA

Highlights of Investment Environment

Estimated Value Of Equity Investment
In Canada From This Post Territory:

\$ 0.00 M

Estimated Value Of Annual Direct Equity
Investments To All Destinations From
This Post Territory:

\$ 0.00 M

Country Destinations Of Direct
Equity Investment From Post
TerritoryEstm. Value
\$ CDN% Of Annual Direct Equity
Investment Outflows By
Category Of Investors

1. 123 EAST GERMANY	\$ 0.00 M	1. Corporations : 0.00 %
2. 577 UNITED STATES OF AMERICA	\$ 0.00 M	2. Institutional : 0.00 %
3. 051 UNITED KINGDOM	\$ 0.00 M	3. Entrepreneurs : 0.00 %
4.	\$ M	4. Immigrant Entr.: 0.00 %

The Mission Has Reported Factors That Tend To Change
Outward Flows Of Investment From The Post Territory Including:

- Capital Flight Associated With Economic Uncertainty
- Local Tax And Investment Climate Tends To Discourage Domestic Investment
- Corporate Expansion To Seek New Markets
- Corporate Expansion To Serve Better Existing Markets

The Mission Reports That Investors From The Post Territory Who Invest Abroad
In Manufacturing Tend To Invest In The Following Sector(s) Subsector(s)

-SECTOR(S)-

-SUBSECTOR(S)-

1. 013 CONSUMER PRODUCTS

Equity Propensity Of Key Sources Of Investment From This Territory

Corporations : Start-up Investment To Create New Enterprise (100% Ownership)
 Institutional :
 Entrepreneurs :
 Immigrant Entr.:

DATE: 88/01/28

DEPARTMENT OF EXTERNAL AFFAIRS

PAGE: 104b

Report: B4 88/89 INVESTMENT ACTIVITIES IN MISSIONS ABROAD

Region: EAST-EUROPE

Mission: 474 BELGRADE

Country: 599 YUGOSLAVIA

Sector Preferences By Type Of Key Investors

Corporations : Manufacturing Industries
Institutional :
Entrepreneurs :
Immigrant Entr. :

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		
024 MISSION INCOMING PARTICIPATION OF BULGARIAN EXPERTS IN CIGI COURSE	WINNIPEG/MANITOBA	0688
Sector: 003 GRAINS AND OILSEEDS		
024 MISSION INCOMING PART. OF YUGOSLAV EXPERTS IN CIGI COURSE ON OILSEED CANOLA/SOYBEAN MISSION FROM YUGOSLAVIA	WINNIPEG/MANITOBA	0688 0088
Sector: 007 POWER & ENERGY EQUIP. & SERV.		
020 MISSION OUTGOING ENERGY CONSERVATION MISSION/SEMINAR	LJUBLJANA	0588
Sector: 009 FOREST PRODUCTS, EQUIP, SERVICES		
020 MISSION OUTGOING FORESTRY EQUIPMENT MISSION/SEMINAR	SARAJEVO	0588
Sector: 011 OIL & GAS EQUIPMENT, SERVICES		
024 MISSION INCOMING NATIONAL PETROLEUM SHOW	CALGARY/ALBERTA	0688
Sector: 016 INDUSTRIAL MACHIN, PLANTS, SERV.		
010 FAIRS SOFIA INDUSTRIAL DAYS	SOFIA	0089
Sector: 999 MULTIPLE SECTORS		
010 FAIRS INTERNATIONAL ZAGREB AUTUMN FAIR INTERNATIONAL TECHNICAL FAIR	ZAGREB PLOVDIV	0988 1088
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 PARTICIPATION OF BULGARIAN EXPERTS IN CIGI COURSE	WINNIPEG/MANITOBA	0689

Export and Investment Promotion Planning System

Type of Event	Location	Date
Promotional projects proposed for the two following fiscal years.		
Mission: 474 BELGRADE		
Sector: 003 GRAINS AND OILSEEDS		
024 MISSION INCOMING		
PART. OF YUGOSLAV EXPERTS IN CIGI COURSE ON OILSEED WINNIPEG/MANITOBA		0689
Sector: 999 MULTIPLE SECTORS		
010 FAIRS		
INTERNATIONAL ZAGREB AUTUMN FAIR	ZAGREB	0990
INTERNATIONAL ZAGREB AUTUMN FAIR	ZAGREB	0989
INTERNATIONAL TECHNICAL FAIR	PLOVDIV	1089
INTERNATIONAL TECHNICAL FAIR	PLOVDIV	1090

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 475 MOSCOW

Country: 553 UNION OF SOVIET SOC REP

THE USSR FOREIGN APPARATUS IS IN PROCESS OF A COMPLETE OVERHAUL. THIS HAS RESULTED IN GREATER CONFUSION, AND DELAYED DECISION MAKING, OFTEN CREATING A MORE DIFFICULT CLIMATE IN WHICH TO DO BUSINESS. GENERALLY THE SOVIET UNION'S INT'L TRADE WAS DOWN (IN THE FIRST 6 MONTHS OF 1987 BY 4% OVERALL) AS REDUCED LEVELS OF HARD CURRENCY EARNINGS HAVE FORCED THE USSR TO ATTEMPT TO GET INVOLVED IN NEW BUSINESS ORGANIZATIONS SUCH AS JOINT VENTURES. IN VIEW OF THE LARGE CDA/USSR BILATERAL TRADE IMBALANCE IT IS NOW GOVT OF CDA POLICY TO ASSIST THE USSR IN PROMOTING EXPORTS TO CDA. THE POST CO-ORDINATED & ORGANIZED A 34 MEMBER IMPORTERS TRADE MISSION. THIS WAS THE LARGEST TRADE MISSION EVER TO VISIT THE USSR. OVER 100 MEETINGS WERE ARRANGED & IMPORT OPPORTUNITIES IN EXCESS OF \$150 MILLION WERE IDENTIFIED. EXPORT SALES OF HIGH TECHNOLOGY AGRICULTURAL PRODUCTS SUCH AS FROZEN EMBRYOS & BOVINE SEMEN WERE ACHIEVED. IN THE CROP YEAR ENDING JULY 31, 1987, CDA SOLD 9.7 MILLION TONS OF GRAIN TO THE USSR. THIS EXCEEDED THE SOVIET YEARLY COMMITMENT UNDER THE GRAINS AGREEMENT BY 4.7 MILLION TONS. THE POST ASSISTED CDN COMPANIES INTERESTED IN JOINT VENTURE & CO-PRODUCTION ARRANGEMENTS WITH SOVIET ORGANIZATIONS. SUCCESS WAS ACHIEVED IN PROMOTING SALES OF CDN OIL & GAS TECHNOLOGY & EQUIP., EG. \$150 MILLION CONTRACT FOR ASTRAKHAN II SOUR GAS PROJECT; OIL & GAS EXTRACTION ENHANCEMENT CONTRACT PLUS MANY OTHERS.

THE POST'S OBJECTIVE IN GENERAL BUSINESS RELATIONS IS TO KEEP CDN GOVERNMENT & BUSINESS LEADERS AWARE OF THE CHANGES. IN THE AGRICULTURE & FOOD SECTOR PRODUCT, EQUIP. & TECHNOLOGY, THE POST WILL A) CONTINUE PROMOTING EXPORT SALES OF LIVESTOCK & GENETIC MATERIALS; B) ASSIST IN THE DEVELOPMENT OF THE MEDIUM TO LONG TERM PROGRAMME FOR THE INTRODUCTION OF CANOLA SEED & TECHNOLOGY; C) ASSIST CDN BUSINESS IN ESTABLISHING NEW BUSINESS VENTURES (IE. JV'S ETC) WITH SOVIET ORGANIZATIONS IN AREAS SUCH AS AGRICULTURAL MACHINERY, EQUIPMENT, AND TECHNOLOGY. IN THE GRAINS SECTOR THE POST WILL GIVE FULL SUPPORT TO THE CDN WHEAT BOARD & THE CDN GRAINS COMMISSION IN ENSURING CANADA'S REPUTATION IN THE USSR AS A SUPPLIER OF HIGH QUALITY GRAIN PRODUCTS & ENSURING THE SMOOTH IMPLEMENTATION OF THE LONG TERM AGREEMENT (LTA) FOR GRAINS. IN THE OIL & GAS EQUIP. & SERVICES SECTOR THE POST WILL (A) PROMOTE EXPORT SALES & CO-OPERATIVE CONTRACTS FOR OIL & GAS EQUIP. FOR THE TENGHUIZ & ASTRAKHAN AREAS, INCLUDING SULPHUR HANDLING & DRILLING PLANTS; (B) ASSIST WITH CONTRACTS FOR YAMAL 70 TON TRACKED VEHICLE FOR CDN FOREMOST, REGARDING ORGANIZATION OF POTENTIAL JOINT VENTURE/CO PRODUCTION FACILITY; (C) ASSIST CDN COMPANIES SUCH AS DRECO & CDN FOREMOST IN SELLING THEIR EQUIP. IN THE USSR.

Export and Investment Promotion Planning System

REPT: SYN-GEO 88/89 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. 003 GRAINS AND OILSEEDS

REASONS: THE SOVIET UNION IS CANADA'S LARGEST MARKET FOR GRAINS. CLIMATIC CONDITIONS AS WELL AS POOR DISTRIBUTION & HANDLIND CREATE SHORTFALLS IN DOMESTIC PRODUCTION.

2. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: AGRICULTURAL REFORM IS AT TOP OF THE POLITICAL AGENDA FOR REORGANIZATION. CONTINUED INPUT OF HIGH QUALITY IMPORTS WILL BE REQUIRED FOR FORESEEABLE FUTURE AS REFORMS ARE NOT EXPECTED TO SHOW ADEQUATE RESULTS.

3. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: WITH OIL & GAS EXPORTS STILL AMOUNTING TO A LARGE PORTION OF HARD CURRENCY EARNINGS, THE USSR CONTINUES TO REQUIRE EXTENSIVE DEVELOP. OF ITS HYDROCARBON RESOURCES IN ARCTIC CONDITIONS, BITUMEN & OFF SHORE.

4. 005 COMM. & INFORM. EQP. & SERV

REASONS: AT PRESENT THE TELECOMMUNICATIONS SYSTEM IN THE USSR IS OUT OF DATE & IN NEED OF IMPROVEMENT. THIS NEED HAS BEEN IDENTIFIED & THE BUREAUCRACY IS STARTING TO FOCUS RESOURCES ON THIS SECTOR.

5. 002 FISHERIES, SEA PRODUCTS & SERV.

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

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

88/89 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	\$ 5.00M	\$ 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	020 %
ii) 128 GERMANY WEST	030 %
iii) 051 UNITED KINGDOM	020 %
iv) 093 DENMARK	015 %
v) 370 NEW ZEALAND	010 %

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	\$ 0.00 M
iii) DRYLAND AG. EQUIPMENT	\$ 2.00 M
iv) GRAIN HANDLING TECHNOLOGY	\$ 5.00 M
v) BOVINE EMBRYOS	\$ 1.00 M
vi) PULSES	\$ 5.00 M
vii) CATTLE HIDES	\$ 5.00 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: SOVIET HOLSTEINIZATION PROGRAM

Approximate Value: \$ 50 M

Financing Source: 023 EDC 012 DOM

For further info. please contact:

ANDRE BENOIT, MOSCOW TLX: 413401 DMCAN SU

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: DRYLAND FARMING AND MACHINERY LICENSING

Approximate Value: \$ 3 M

Financing Source: 023 EDC 012 DOM

For further info. please contact:

ANDRE BENOIT, MOSCOW TLX: 413401 DMCAN SU

iii) Project Name: BAKERY AND REFRIGERATION EQUIPMENT

Approximate Value: \$ 2 M

Financing Source: 023 EDC 012 DOM

For further info. please contact:

ANDRE BENOIT, MOSCOW TLX: 413401 DMCAN SU

iv) Project Name: MEAT PROCESSING EQUIPMENT

Approximate Value: \$ 4 M

Financing Source: 023 EDC 012 DOM

For further info. please contact:

ANDRE BENOIT, MOSCOW TLX: 413401 DMCAN SU

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 (SKOTOIMPORT) AND END-USER (GOSAGROPROM). (3) REORGANIZATION OF AGRICULTURAL 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: EMBRYO TRANSFER CONTRACTS AND ESTABLISHMENT OF JOINT VENTURES FOR CANADIAN FIRMS (IE WESTERN BREEDERS)

Results Expected: \$1 MILLION

Activity: RESOLUTION OF VETERINARY OBSTACLES; SEMEN (SHEEP, BOAR, CATTLE)

Results Expected: \$1 MILLION

Activity: VEGETABLE STORAGE, HANDLING AND TRANSPORT EQUIPMENT AND TECHNOLOGY TRANSFERS

Results Expected: \$1.5 MILLION

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: SWINE, CATTLE AND DAIRY SEMINARS SPONSORED BY AG CANADA

Results Expected: LONG TERM BUSINESS

Activity: FOLLOW UP TO CHAIRMAN OF SOVIET GOSAGROPROM VISIT TO CANADA (JUNE 1987)

Results Expected: \$5 MILLION

Activity: ASSISTING PROVINCE OF ALBERTA AGRICULTURE IN IMPLEMENTING JOINT AGREEMENT WITH RUSSIAN REPUBLIC

Results Expected: \$2 MILLION

Export and Investment Promotion Planning System

88/89 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: 022 PROCESSED FISH & SHELLFISH

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	047 %
ii) 051 UNITED KINGDOM	029 %
iii) 405 ICELAND	010 %
iv) 219 IRAN	016 %

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 MACKEREL	\$ 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
Approximate Value: \$ 5 M
Financing Source: 012 DOM
For further info. please contact:
DRIE, ST. JOHNS, RBT

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: REPAIR OF SOVIET PACIFIC FISHING FLEET

Approximate Value: \$ 5 M

Financing Source: 012 DOM

For further info. please contact:

DRIE VANCOUVER, RBT

iii) Project Name: FISH REFRIGERATION EQUIPMENT

Approximate Value: \$ 4 M

Financing Source: 023 EDC

For further info. please contact:

DRIE OTTAWA/GMEE, RBT

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 (SOVRYBFLOT). (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

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: NEW FISH PURCHASES COMMITMENT

Results Expected: \$12 MILLION

Activity: INTELLIGENCE GATHERING FOR CANADIAN FISH INDUSTRY AND SUPPORT ON BILATERAL FISH RELATIONS.

Results Expected:

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: CANSOV JOINT VENTURE FISHING COMPANY (EVENTUAL MOSCOW OFFICE)

Results Expected: \$1 MILLION

Export and Investment Promotion Planning System

88/89 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	\$ 9000.00M	\$10000.00M	\$12000.00M
Canadian Exports \$	1000.00M	\$ 950.00M	\$ 1500.00M	\$ 1500.00M
Canadian Share of Import Market	12.50%	10.50%	15.00%	12.50%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	030 %
ii) 001 ARGENTINA	010 %
iii) 112 FRANCE	015 %
iv) 011 AUSTRALIA	010 %
v) 499 SPAIN	001 %

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 & 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	\$ 10.00 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: FIVE YEAR PLAN LIVESTOCK FEEDS TARGET
Approximate Value: \$ 30 M
Financing Source: 012 DOM
For further info. please contact:
ANDRE BENOIT, MOSCOW TLX: 413401 DMCAN SU

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: FIVE YEAR PLAN OILSEEDS TARGETS
Approximate Value: \$ 25 M
Financing Source: 012 DOM
For further info. please contact:
ANDRE BENOIT, MOSCOW TLX: 413401 DMCAN SU

iii) Project Name: FIVE YEAR PLAN DRYLAND AGRICULTURE TARGETS
Approximate Value: \$ 20 M
Financing Source: 012 DOM
For further info. please contact:
ANDRE BENOIT, MOSCOW TLX: 413401 DMCAN SU

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) CANADIAN EXPORTERS HAVE NOT YET MADE JAPANESE AND AMERICAN TRADING HOUSES WITH 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: \$10 BILLION OVER 5 YEARS.

Activity: ALBERTA WHEAT POOL/RSFSR SEED EXCHANGE TESTS.

Results Expected: \$ 2 MILLION

Activity: FOLLOW UP ON VISIT TO CANADA BY CHAIRMAN OF GOSAGROPROM; IN GRAIN HANDLING AND STORAGE TECHNOLOGY.

Results Expected: \$ 5 MILLION.

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-RSFSR CANOLA/DURUM WHEAT PRODUCTION.

Results Expected: \$ 2 MILLION

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

Results Expected: \$ 1 MILLION.

Activity: CANADIAN GRAIN COMMISSION SEMINAR ON BREAD ADDITIVES FOR BAKERY PRODUCTS.

Results Expected: \$ 1 MILLION.

Export and Investment Promotion Planning System

88/89 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 \$	100.00M	\$ 180.00M	\$ 19.00M	\$ 22.00M
Canadian Share of Import Market	11.00%	20.00%	1.60%	1.10%

Major Competing Countries	Market Share
i) 128 GERMANY WEST	023 %
ii) 237 ITALY	017 %
iii) 112 FRANCE	016 %
iv) 035 ROMANIA	015 %
v) 051 UNITED KINGDOM	009 %

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 EQPT	\$ 200.00 M
v) GAS COMPRESSORS	\$ 100.00 M
vi) OILFIELD SAFETY EQPT	\$ 20.00 M
vii) CONDENSATE SEPARATOR	\$ 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: KARACHAGANAK PROJECTS
 Approximate Value: \$ 120 M
 Financing Source: 023 EDC 012 DDM
 For further info. please contact:
 P. DRAGER, MOSCOW TLX: 413401 DMCAN SU

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: SAKALIN PROJECT
Approximate Value: \$ 100 M
Financing Source: 023 EDC 012 DOM
For further info. please contact:
P. DRAGER, MOSCOW TLX: 413401 DMCAN SU

iii) Project Name: TENGUIZ PROJECT
Approximate Value: \$ 50 M
Financing Source: 023 EDC 012 DOM
For further info. please contact:
P. DRAGER, MOSCOW TLX: 413401 DMCAN SU

iv) Project Name: KOMI
Approximate Value: \$ 1000 M
Financing Source: 023 EDC 012 DOM
For further info. please contact:
P. DRAGER, MOSCOW TLX: 413401 DMCAN SU

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: CONTINUED SUPPORT FOR CANADIAN FOREMOST YAMAL CO-PRODUCTION/JOINT VENTURE PROSPECTS WITH MINISTRY OF OIL AND GAS CONSTRUCTION.

Results Expected: JOINT VENTURES AND INITIAL CONTRACTS FOR \$10 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: CONTINUED SUPPORT FOR ESTABLISHMENT OF JOINT VENTURES RELATING TO ACIDIZING; FRACTURING AND INCREASING OIL AND GAS PRODUCTION.

Results Expected: JOINT VENTURES WITH CONTRACTS OF \$5 MILLION

Activity: REJUVENATION OF OIL AND GAS WORKING GROUP AND ASSISTANCE TO CANADIAN COMPANIES IN SELLING THEIR TECHNOLOGY RE JOINT VENTURES IN DRILL RIGS AND WORKOVER RIGS.

Results Expected: JOINT VENTURES AND CONTRACTS OF APPROXIMATELY \$20 MILLION

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 PROVINCE OF ALBERTA IN ARCTIC OIL AND GAS SEMINAR.

Results Expected: LONG TERM BUSINESS

Activity: COOPERATION IN ESTABLISHING OIL SANDS TECHNOLOGY COOPERATION AGREEMENTS BETWEEN SUCH COMPANIES AS AOSTRA AND SOVIET ORGANIZATIONS

Results Expected: LONG TERM BUSINESS

Activity: PROVIDING ASSISTANCE TO CANADIAN COMPANIES IN SULPHUR PRILLING PROCESSES.

Results Expected: CONTRACTS FOR \$10 MILLION

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 476 BUCHAREST

Country: 035 ROMANIA

SEVERAL FACTORS ARE CONTRIBUTING TO CONTINUING ECONOMIC DIFFICULTIES FOR ROMANIA. DEBT REPAYMENT CONTINUES THE TOP PRIORITY. IN THE INTERIM DESPITE A HIGH PRIORITY ON EXPORTS PARTICULARLY OF FURTHER PROCESSED & HIGH TECHNOLOGY GOODS MUCH NEEDED HARD CURRENCY EXPORTS ARE FALLING IMPORTS ARE BEING ARBITRARILY REDUCED TO CONTINUE PRODUCING A HARD CURRENCY BOP'S SURPLUS TO SERVICE THE DEBT ON AN ACCELERATED BASIS. CONSEQUENTLY REDUCED RAW MATERIAL IMPORTS ARE RESULTING IN SHORTAGES FOR EXPORT PRODUCTION. NOW EVEN PRIORITY IMPORTS LISTED IN THE FIVE-YEAR PLAN ARE SUBJECT TO COUNTERTRADE REQUESTS. AT THE SAME TIME NO NEW LOANS ARE BEING UNDERTAKEN. THE BELT TIGHTENING IS LIKELY TO CONTINUE UNTIL 89 WHEN THE BULK OF THE DEBT WILL HAVE BEEN LIQUIDATED. THIS SITUATION WILL BE FURTHER AGGRAVATED BY ROMANIA'S LOSS OF GSP & LIKELY LOSS OF MFN ACCESS TO THE USA MARKET. THE IMPLICATIONS FOR CDA ARE UNKNOWN. DOMESTICALLY ROMANIA CONTINUES TO ENCOUNTER MANY CHALLENGES. AGRICULTURE WHICH HAS TRADITIONALLY BEEN AN IMPORTANT HARD CURRENCY EARNER HAS BEEN SUFFERING THROUGH SEVERAL YEARS OF VARYING DROUGHT CONDITIONS. WHILE SOME IMPROVEMENT IS HOPED FOR IT IS UNLIKELY TO REGAIN ITS FORMER IMPORTANCE. LACKING REPAIR PARTS MAINTENANCE OF MANUFACTURING FACILITIES (WHICH IN MANY CASES ARE BECOMING INCREASINGLY OUTDATED) IS FALLING BEHIND. THIS TOGETHER WITH A LACK OF RAW MATERIALS & ORGANIZATIONAL PROBLEMS IS RESULTING IN PRODUCTION SHORTFALLS. HOWEVER ENERGY IS THE SECTOR WHICH APPEARS TO BE EXPERIENCING THE GREATEST DIFFICULTIES WITH A RESULTANT IMPACT IN ALL OTHER SECTORS OF THE ECONOMY. ROMANIA'S CURRENT 5-YEAR PLAN (86-90) EMPHASIZES INVESTMENT IN ENERGY IRRIGATION & FURTHER PROCESSING OF RAW MATERIALS. APART FROM NUCLEAR POWER THE PLAN IS TO NOT INVEST IN NEW FACILITIES BUT TO MODERNIZE UPGRADE & IMPROVE PRODUCTIVITY IN ALL INDUSTRY SECTORS. GROWING PUBLIC ATTENTION IS BEING DIRECTED TO PRODUCT DESIGN QUALITY & PRICING. THE USE OF INCENTIVES & PENALTIES IN PRODUCTION UNITS FOR EXCEEDING OR FAILING TO MEET OBJECTIVES IS GROWING. CDN ECONOMIC ACTIVITY WITH ROMANIA IS CONCENTRATED ON THE CERNAVODA NUCLEAR PROJECT. VIRTUALLY ALL ORDERS FOR CDN EQUIPMENT/COMPONENTS FOR UNITS 1, 2 HAVE NOW BEEN PLACED, WITH THOSE FOR UNITS 3, 4, 5 BEGINNING TOWARD EARLY 88. UPGRADING OF THERMAL POWER PLANTS ALSO OFFER AN OPPORTUNITY FOR CDN FIRMS. IN ADDITION TO THESE RAW MATERIALS NOTWITHSTANDING EARLIER COMMENTS & CEREALS/GRAINS OPPORTUNITIES FOR CDN ARE MORE LIKELY TO LIKE IN PRODUCTS & SERVICES RELATED TO IMPROVING TECHNOLOGY/PRODUCTIVITY JOINT MFG & COOPERATION IN THIRD COUNTRY MARKETS. IN ADDITION TO PRICE COUNTERTRADE IN ONE FORM OR OTHER WILL LIKELY BE A KEY FACTOR IN ANY CDN SUCCESSES IN THE ROMANIAN MARKET.

Export and Investment Promotion Planning System

REPT: SYN-GEO 88/89 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 GOV'T DUE TO ITS CRITICAL ENERGY SHORTFALL. BROWN COAL GENERATION UPGRADING IS ALSO A PRIORITY.

2. 010 MINE, METAL, MINERAL PROD & SRV

REASONS: ROMANIA IS VERY SHORT OF MANY RAW MATERIALS REQUIRED FOR THE MFG & PROCESSING OF PRODUCTS FOR DOMESTIC & EXPORT MARKETS E. G. IRON ORE COKING COAL & ASBESTOS.

3. 011 OIL & GAS EQUIPMENT, SERVICES

REASONS: DESPITE THE WORLDWIDE SLOWDOWN IN OIL & GAS ACTIVITY ROMANIA IS STILL ACTIVE IN 3RD COUNTRY PROJECTS. THERE ARE MODEST OPPORTUNITIES FOR CDN SUPPLIERS TO PROVIDE EQUIPMENT & SERVICES TO COMPLEMENT ROMANIA

4. 001 AGRI & FOOD PRODUCTS & SERVICE

REASONS: IN AGRICULTURE PRIORITY IS GIVEN TO UPGRADING ANIMAL HUSBANDRY PROVIDING POTENTIAL OPPORTUNITIES FOR CDN SUPPLIERS OF TURKEY BREEDING STOCK EMBRYO TRANSFERS SEMEN ETC. A CURRENT SHORTAGE OF RAW HIDES SHOULD

5. 009 FOREST PRODUCTS, EQUIP, SERVICES

REASONS: WHILE ROMANIA IS A PRODUCER & EXPORTER OF PAPER THE COUNTRY LACKS SUFFICIENT TIMBER RESOURCES TO MEET REQUIREMENTS PRESENTING CONTINUING OPPORTUNITIES FOR SALES OF CDN PULP.

6. 003 GRAINS AND OILSEEDS

REASONS: WITH DROUGHT & OTHER FACTORS, SHORTFALLS IN CEREAL GRAINS & OILSEEDS PRODUCTION WILL LIKELY CONTINUE FOR SEVERAL YEARS PRESENTING 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. 009 FOREST PRODUCTS, EQUIP, SERVICES
4. 003 GRAINS AND OILSEEDS

Export and Investment Promotion Planning System

88/89 Sector/Sub-Sector Highlights

Submitted by Posts by Region

Region: EASTERN EUROPE

Mission: 476 BUCHAREST

Market: 035 ROMANIA

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) \$	50.00M	\$ 70.00M	\$ 62.00M	\$ 68.00M
Canadian Exports \$	1.00M	\$ 0.00M	\$ 0.17M	\$ 0.00M
Canadian Share of Import Market	2.00%	0.00%	0.20%	0.00%

Major Competing Countries

Market Share

- i) 577 UNITED STATES OF AMERICA
- ii) 608 WEST EUROPE

000 %
000 %

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

5-15 \$M

Current status of Canadian exports:

Products/services for which there are
good market prospects

Current Total Imports

- i) RAW HIDES
- ii) TURKEY BREEDING STOCK
- iii) SEMEN
- iv) EMBRYOS

In Canadian \$
\$ 69.90 M
\$ 0.00 M
\$ 0.10 M
\$ 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: SUPPLY "AVICOLA BACAU" WITH CDN TURKEY
GRAND PARENT STOCK

Approximate Value: \$.7 M

Financing Source: 025 OTHER

For further info. please contact:

O BONEA/J GRANTHAM(EMB)TLX 651-10690 CANAD R

- ii) Project Name: SUPPLY TG. MURES RESEARCH & PROD. UNIT
WITH CDN EMBRYOS

Approximate Value: \$.5 M

Financing Source: 025 OTHER

For further info. please contact:

GRAHAM RUSH OTTAWA(613)996-6429

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.

- iii) Project Name: SUPPLY ROM. WITH RAW HIDES
Approximate Value: \$ 5 M
Financing Source: 025 OTHER
For further info. please contact:

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:

- non-tariff protectionist measures which are difficult to overcome
- 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 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 FOR POTENTIAL CDN EXPORTERS OF TURKEY BREEDING STOCK, SEMEN, EMBRYOS AND HIDES.

Results Expected: CREATE AND 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: DEVELOP PROGRAM OF CALLS ON APPROPRIATE ROMANIAN OFFICIALS/DECISION MAKERS.

Results Expected: ENHANCED CANADIAN PROFILE WITH END-USERS AND POSSIBLE FUTURE SALES.

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: POSSIBLE SEMINAR(S)/WORKSHOP(S) TO SUPPORT CANADIAN PROMOTIONAL EFFORTS.

Results Expected: ENHANCE POSSIBILITY OF CANADIAN SUPPLY.

Export and Investment Promotion Planning System

88/89 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) \$	80.00M	\$ 70.00M	\$ 90.00M	\$ 68.00M
Canadian Exports \$	10.00M	\$ 5.00M	\$ 20.50M	\$ 5.50M
Canadian Share of Import Market	12.50%	7.00%	23.00%	8.00%

Major Competing Countries

Market Share

i) 577 UNITED STATES OF AMERICA	060 %
ii) 047 BRAZIL	020 %
iii) 616 OTHER COUNTRIES	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	\$ 40.00 M
ii) RYE	\$ 0.00 M
iii) CANOLA	\$ 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
- 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
- difficulties of adaptation of marketing techniques to the market by some Canadian companies
- non-tariff protectionist measures which are difficult to overcome

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

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: WORK WITH CWB AGENTS WHO ARE INTERESTED IN ROMANIAN MARKET FOR BARLEY AND RYE.

Results Expected: SOME CONTINUING SPOT SALES OF BARLEY AND POSSIBLE RYE.

Activity: CONTINUING PROGRAM OF CALLS ON APPROPRIATE ROMANIAN OFFICIALS/DECISION-MAKERS.

Results Expected: ALERT CWB AND ITS AGENTS TO POTENTIAL OPPORTUNITIES.

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 AND IMPLEMENT A STRATEGY TO FAMILIARIZE ROMANIAN OFFICIALS/DECISION MAKERS WITH CANADIAN CANOLA

Results Expected: CREATE AN ENVIRONMENT IN ROMANIAN FOR CDN CANOLA AND POTENTIAL SALES THEREOF.

Export and Investment Promotion Planning System

88/89 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: 073 NUCLEAR

Statistical Data On Sector/sub-sector	Next Year (Projected)	Current Year (Estimated)	1 Year Ago	2 Years Ago
Mkt Size(import) \$	65.00M	\$ 60.00M	\$ 200.00M	\$ 36.00M
Canadian Exports \$	55.00M	\$ 50.00M	\$ 90.00M	\$ 21.50M
Canadian Share of Import Market	85.00%	83.00%	45.00%	60.00%

Major Competing Countries

Market Share

- | | |
|---------------------------------|-------|
| i) 577 UNITED STATES OF AMERICA | 015 % |
| ii) 608 WEST EUROPE | 005 % |

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 | \$ 100.00 M |
| ii) CANDU TRAINING SIMULATOR | \$ 25.00 M |
| iii) CANDU OPERATIONS TRAINING | \$ 2.00 M |
| iv) BROWN COAL POWER BOILER UPGRADING | \$ 15.00 M |
| v) HEAVY WATER | \$ 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: CERNAVODA UNITS 3, 4, 5.
Approximate Value: \$ 100 M
Financing Source: 023 EDC 025 OTHER
For further info. please contact:
V COSTEA/J GRANTHAM(EMB)TLX 651-10690 CANAD
- ii) Project Name: A NUMBER OF ADDITIONAL NUCLEAR UNITS
Approximate Value: \$ M
Financing Source: 025 OTHER
For further info. please contact:
GRAHAM RUSH(RBT)PH(613)996-6429

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: SUPPORT NEW RELATIONSHIP FOR CERNAVODA UNITS 1,2 AND POSSIBLE LEASE/SALE CANADIAN HEAVY WATER.

Results Expected: TRAINING, TECHNICAL SERVICES AND HEAVY WATER SUPPLY FROM CANADA.

Activity: OCI EXPORT PROMOTION FOR CERNAVODA UNITS 3,4,5.

Results Expected: ADDITIONAL SALES OF NUCLEAR EQUIPMENT/COMPONENTS AND TECHNOLOGY TRANSFER.

Activity: BROWN COAL POWER BOILER UPGRADING.

Results Expected: EQUIPMENT/SERVICES SALE FOR ONE UNIT WITH POSSIBILITY OF ADDITIONAL 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: EXPANDED SUPPORT FOR THIRD COUNTRY COOPERATION

Results Expected: ROMANIAN SUPPLY FOR PROPOSED NUCLEAR PROJECTS IN TURKEY, YUGOSLAVIA AND EGYPT.

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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

88/89 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) \$	30.00M	\$ 50.00M	\$ 38.00M	\$ 35.00M
Canadian Exports \$	5.00M	\$ 3.00M	\$ 2.60M	\$ 1.50M
Canadian Share of Import Market	16.70%	6.00%	6.80%	4.30%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	000 %
ii) 504 FINLAND	000 %
iii) 577 UNITED STATES OF AMERICA	000 %
iv) 507 SWEDEN	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 \$
\$ 10.00 M

i) PULP

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

i) Project Name: DEMAND FOR SPECIAL GRADE PULP.

Approximate Value: \$ 4.5 M

Financing Source: 012 DOM 025 OTHER

For further info. please contact:

O BONEA/J GRANTHAM(EMB)TLX 651-10690 CANAD R

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:

- 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
- 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 PULP.

Results Expected: SPOT SALES.

Activity: MAINTAIN CLOSE RELATIONSHIP BETWEEN FTO CHIMICA, BUCHAREST POST AND CANADIAN SUPPLIERS (CURRENT AND PROSPECTIVE).

Results Expected: EARLY ADVICE RE ROMANIAN IMPORT REQUIREMENTS.

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 PROGRAM OF CALLS ON APPROPRIATE ROMANIAN OFFICIALS/DECISION-MAKERS.

Results Expected: ENHANCED CANADIAN PROFILE WITH END-USERS.

Activity: POSSIBLE SEMINAR(S)/WORKSHOP(S) TO SUPPORT CANADIAN PROMOTIONAL EFFORTS.

Results Expected: ENHANCED POSSIBILITY OF CANADIAN SUPPLY.

Export and Investment Promotion Planning System

88/89 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) \$	4000.00M	\$ 5500.00M	\$ 5800.00M	\$ 6100.00M
Canadian Exports \$	20.00M	\$ 27.00M	\$ 0.04M	\$ 9.50M
Canadian Share of Import Market	0.50%	0.50%	0.00%	0.16%

Major Competing Countries

Market Share

i) 553 UNION OF SOVIET SOC REP	000 %
ii) 047 BRAZIL	000 %
iii) 206 INDIA	000 %
iv) 192 PEOPLE'S REP OF CHINA	000 %
v) 577 UNITED STATES OF AMERICA	000 %
vi) 011 AUSTRALIA	000 %

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

Current status of Canadian exports: Mature with little growth

Products/services for which there are
good market prospects

Current Total Imports

	In Canadian \$
i) IRON ORE	\$ 260.00 M
ii) COKING COAL	\$ 120.00 M
iii) SULPHUR	\$ 60.00 M
iv) ASBESTOS FIBRE	\$ 36.00 M
v) NICKEL METAL	\$ 140.00 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 ROM. STEEL INDUSTRY WITH CAN.
IRON ORE AND COKING COAL.

Approximate Value: \$ 27 M

Financing Source: 025 OTHER

For further info. please contact:

OCTAVIAN BONEA/J GRANTHAM (EMB) TLX 651-10690 CANAD

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: SUPPLY THE ROM. CHEMICAL IND. WITH CDN
SULPHUR

Approximate Value: \$ 10 M

Financing Source: 025 OTHER

For further info. please contact:

GRAHAM RUSH (RBT)PH(613)996-6429

iii) Project Name: IRRIGATION(TOP PRIORITY)WILL INCREASE
DEMAND FOR ASBESTOS PIPES/LONG FIBRE ASB

Approximate Value: \$ 15 M

Financing Source: 025 OTHER

For further info. please contact:

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

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, SULPHUR
ASBESTOS.

Results Expected: INCREASED EXPORT MARKET.

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: SUPPORT PROSPECTIVE CANADIAN SUPPLIER(S) OF COKING COAL-DEVELOP MEDIUM-TERM STRATEGY PROMOTE INTERESTS.

Results Expected: DEPENDING UPON FACTOR OF SHIPPING COSTS, OPEN MODEST MARKET FOR CANADIAN SUPPLIER.

Activity: CONTINUING PROGRAM OF CALLS ON APPROPRIATE ROMANIAN OFFICIALS/ DECISION MAKERS.

Results Expected: ENHANCED CANADIAN PROFILE WITH END-USERS AND POSSIBLE FUTURE 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: POSSIBLE SEMINAR(S)/WORKSHOP(S) TO SUPPORT CANADIAN PROMOTIONAL EFFORTS.

Results Expected: FURTHER ENHANCE POSSIBILITY OF INCREASED CANADIAN SUPPLY.

Export and Investment Promotion Planning System

88/89 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) \$	10.00M	\$ 12.00M	\$ 13.00M	\$ 15.00M
Canadian Exports \$	1.00M	\$ 0.00M	\$ 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	060 %
ii) 609 EUROPEAN COMMON MARKET C	028 %
iii) 607 COMECON	012 %

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) SOVIET SOUR GAS PROJECT (SOVIET ABAD)	\$ 200.00 M
ii) EXPLORATION/DEVELOPMENT PROD. EQPT/SERV.	\$ 50.00 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 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

Export and Investment Promotion Planning System

MISSION: 476 BUCHAREST

COUNTRY: 035 ROMANIA

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: UPDATE SECTOR PROFILE FOR NPS AND CIRCULATE TO POTENTIAL CANADIAN SUPPLIERS AND GOVERNMENT DEPARTMENTS.

Results Expected: ENHANCE COMMUNICATION BETWEEN CDN SUPPLIERS & ROMANIAN END-USERS/DECISION MAKERS, POSSIBLY LEADING TO ANOTHER ALBERTA MISSION IN F/Y 88/89.

Activity: CONTINUING CONTACT WITH ROMANIAN OFFICIALS.

Results Expected: PROVIDE EARLY ADVICE RE POSSIBLE OPPORTUNITIES FOR CANADIAN SUPPLIERS IN ROMANIAN AND THIRD-COUNTRY MARKETS.

Activity: CONTINUING FOLLOW UP ON OUTSTANDING ENQUIRIES AND PROJECTS UNDER DISCUSSION.

Results Expected: IMPROVED POSSIBILITIES FOR SUPPLY OF CANADIAN EQUIPMENT AND SERVICES.

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: 999 MULTIPLE SECTORS

010 FAIRS		
BUCHAREST INTERNATIONAL FAIR	BUCHAREST	1088

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

Mission: 476 BUCHAREST

Sector: 999 MULTIPLE SECTORS

010 FAIRS		
BUCHAREST INTERNATIONAL FAIR	BUCHAREST	1089

020 MISSION OUTGOING		
JOINT ECONOMIC COMMISSION	BUCHAREST	0689
CEETC MISSION	BUCHAREST	1089

Market : EAST EUROPE

<u>REFERENCE NO.</u>	<u>SECTOR NO.</u>	<u>EVENT NAME & LOCATION</u>	<u>DATE</u>
880224	999	LEIPZIG SPRING FAIR, EAST GERMANY, LEIPZIG, POLAND	89/03/00
880229	999	BUCHAREST INT'L FAIR (TIB) BUCHAREST, ROMANIA	88/10/00
880227	999	BRNO ENGINEERING FAIR, CZECHOSLOVAKIA	88/09/00
880231	999	INT'L ZAGREB AUTUMN FAIR, YUGOSLAVIA	88/09/00
880228	999	ENVIRONMENTAL EQUIPMENT MISS. FROM PRAGUE	88/04/00
880237	011	OIL AND GAS SEMINAR MISSION TO BUCHAREST	88/04/00
880669	001	ROYAL WINTER FAIR ACROSS CANADA FROM MOSCOW	88/11/00
880738	007	ENERGY CONSERVATION MISSION & SEMINAR, WARSAW	88/10/00
880732	999	PLOVDIV INT'L FAIR, PLOVDIV BULGARIA	88/09/00
880739	010	METALURGICAL MISSION, BULGARIA	88/09/00
880733	016	POZNAN INT'L FAIR, POZNAN, POLAND	88/06/14
880735	011	MISSION TO NATIONAL PETROLEUM SHOW, CALGARY	88/06/14
880737	001	BIOTECHNOLOGY MISSION FROM EASTERN EUROPE TO ALTA/SK/ONT	88/06/00
880680	999	BUDAPEST SPRING FAIR (BNV) BUDAPEST, HUNGARY	88/05/17
880731	002	OCEAN TECHNOLOGY, MOSCOW, USSR	88/05/00
880734	001	POULTRY/EGG PROD. EQUIP. & TECHNOLOGIES, TASHKENT, USSR	88/05/00
880736	001	MISSION TO WESTERN CANADA FARM PROGRESS SHOW, REGINA	00/00/00

