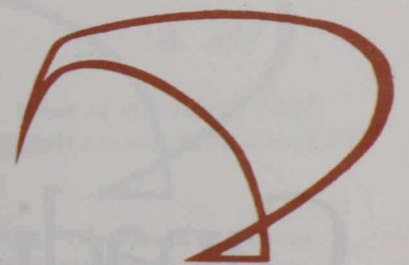


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# Canada New Zealand Trade Relations 1986



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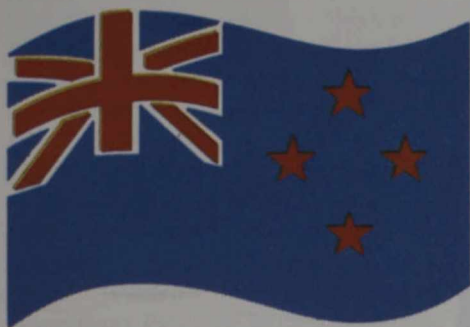
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# CANADA NEW ZEALAND TRADE RELATIONS 1986



THIS INAUGURAL issue of *Canada New Zealand Trade Relations* has been designed to foster the bringing together of parallel developments in the two countries.

It is published by Asia Pacific Economic News in association with the Canadian High Commission in Wellington and the New Zealand High Commission in Ottawa.

It is distributed to business and government leaders in both countries with a known or likely interest in expanding trade, investment, technology and tourist links.

This special publication complements the activities of the Canadian Exporters Association and the Export Institute of New Zealand.

The growth in Canada's links to New Zealand and its neighbourhood is illustrated by expansion of its government trade representation beyond Wellington to include Auckland and Suva. New Zealand is important to Canada not only in its own right, but also as an intensification of its ties with Australia and the Pacific Islands.

Similarly, New Zealand, which has rejuvenated its representation in Canada, evidences recognition that Canada is both important in its own right and as an entry to other Pacific Rim markets.

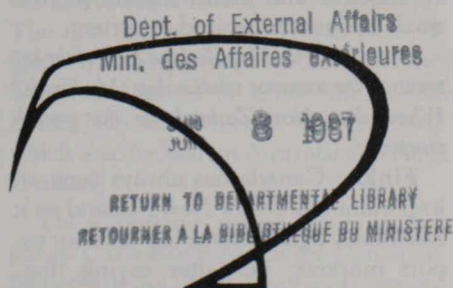
Both countries represent options for each other — inadequately explored in the past, and now, with potential for the future.

July 1986

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Managing Editor, Anthony Haas



Cover: The CN communications tower dominates the city of Toronto.

# NZ largest per capita market in Pacific

Anthony Haas asks Mr James Ganderton, Canadian Trade Commissioner in Wellington, and Mr Peter Finkle, Department of Trade and Industry trade services division director and former New Zealand Trade Commissioner in Vancouver, their views on Canada-New Zealand trade relations.

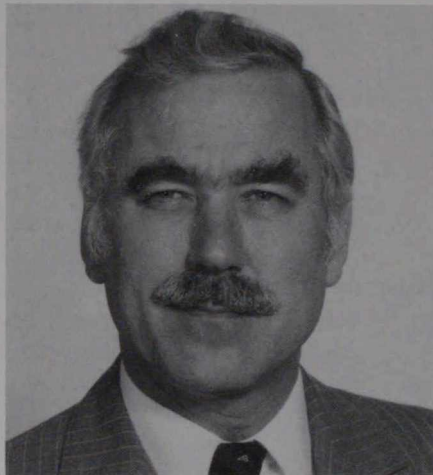
*The Canadian New Zealand economic relationship is moving ahead more rapidly during the eighties than it seemed to earlier. From a Canadian perspective, Mr Ganderton, what do you think are the significant historical trends in the bilateral economic relationship? And what do you think are going to be the significant economic cooperation opportunities in the future that traders should watch for?*

**Ganderton:** Historically New Zealand has been an export market for manufactured products. 72 percent of the exports to NZ are in the form of completely finished or semi-finished products as opposed to raw materials. On the other hand, the NZ exports to Canada have been primarily of agricultural products. Canada sees New Zealand as a small but very mature market. Canada sells more to New Zealand on a per capita basis than it does to any other country in the Pacific including Japan, one of our major trading partners.

In 1977, total exports to New Zealand were \$C82M. In 1985 Canadian exports to New Zealand were \$C185M. To Canadians it's a market which is very valuable for small and medium sized exporters. New Zealanders do not consume vast production lines of products out of Canadian plants, so therefore New Zealand is an effective and useful market for the small and medium-sized exporters.

*And what is the New Zealand view of the key points in the economic relationship, Mr Finkle? Where does New Zealand see the growth prospects?*

**Finkle:** Canada has always been an important market for New Zealand — it has usually figured in the top 10 of our export markets; but after saying that, Canada, while important, may have been a neglected market. It is our second biggest market for beef, and our lamb trade is growing. But if you take out those two



Mr Ganderton

items, you have really taken out most of the value in money terms of our export market. The growth that has occurred over the past 10-15 years, like the Canadian companies finding New Zealand markets for manufactured goods, has been in more processed foodstuffs, newer dairy products and items such as processed animal by-products. Now it is a market which is about 2 percent of our total New Zealand exports, and a market which, while relying to some extent on our primary agricultural products, is moving ahead fairly quickly on the more processed and manufactured goods.

I think looking to Canada is a natural movement. New Zealand exporters have learnt to put their toe in the water of exporting to Australia, tended then to look perhaps to the United States as the next market to move into, and then on to Canada. Successive New Zealand trade commissioners in Canada thought they were ignoring that market. But perhaps timing is everything and certainly in the past year there would be a growing amount of interest in Canada and the opportunities in that market as a separate market to the United States.

*Among New Zealand's international options, how would you rate Canada?*

**Finkle:** I think it's an ideal market for New Zealand. I don't see our trade development to Canada taking away the livelihood of Canadian manufacturers of the same products that we produce. There will be machinery that has been developed, for example, from our agricultural



Mr Finkle

industry — it might be ear-tags, or particular syringes for animal vaccines, or cattle-herding products which have a market in Canada. It could even be a market for particular fish species that we develop in New Zealand. It sounds somewhat like taking coals to Newcastle but there is no reason at all that with niche marketing, there will not be many openings for New Zealand products in Canada.

Because of the vast size of Canada, there may be a market for our products in say, the western seaboard, which are not marketable on the eastern seaboard. There have been stories of New Zealand toothpaste, for example, sold in Vancouver, while there is certainly a very large toothpaste industry in eastern Canada. New Zealand reinforcing rods for the construction industry have been sold in British Columbia and Alberta. It has been more competitive than railing it all the way across from Hamilton, Ontario.

## Australasia

*Mr Ganderton: New Zealand has got used to being looked at by many other countries as a very small option in the international range of connections. To what extent is New Zealand a significant option for any particular sector or strategy for Canada?*

**Ganderton:** I think that New Zealand by itself would be a small option in any marketing company's eyes, so we in the Canadian Government have tried to combine the New Zealand and Australian markets together in the eyes of the Cana-

dians. So that when we are talking to Canadians about exporting to this part of the world, we don't talk about New Zealand separately, we talk about New Zealand and Australia together, because there is a commonality in the marketplace. Together, they have a population of 18 million people, which is a very attractive marketplace. We don't have any language problems and there are very few cultural problems that we have to get around once they have learned to understand some of the nuances.

But I think perhaps the biggest option to New Zealanders in looking at Canada is that Canada is a North American technological base. We have a commonality of history and language, so it provides an opportunity for Canadian or North American technology to enter New Zealand through Canada without New Zealand having to go to the extremely large companies of the United States which can swallow up the New Zealand companies. There is a commonality in company size, which, along with business ethics, makes an excellent combination.

*Closer Economic Relations: The Way Ahead, Mr Finkle, is one of the phrases used in the review of the agreement between Australia and New Zealand. Where do you see, as a New Zealander, Canada fitting into that relationship?*

**Finkle:** Can I answer that one by going back to something that Jim Ganderton said: That New Zealand certainly doesn't feel swamped in dealing with Canada. I said it was a very large country geographically, but the size of many of the Canadian cities and the friendliness with which the Canadian importer deals with the New Zealand exporter makes it an ideal market for us to develop into. To some extent that familiarity between the two countries has not created the ginger perhaps necessary to make a marriage or relationship work. Maybe if we had an issue between us, a really big issue that upset us, we might find in fact a greater reason to talk with each other.

Canada, with 24 million, is certainly not a huge market in population numbers, and they are well spread out across the country with the bulk, of course, in the central Canadian area. The market for New Zealand is, in my view, an obvious market for New Zealand exporters to look at after Australia. I believe that Canada is a more obvious market for New Zealand to begin marketing in after Australia. That is because it is still Commonwealth.

I am not saying that because of any great long-standing Commonwealth ties, as important as they are, but the fact is that many of the standards, many of the attitudes in business, have developed from the association of Canada with the United



Canada has more than 160,000km of oil and gas pipelines. The solid lines show existing pipelines, the dotted lines proposed pipelines.

Kingdom. Because of that we find there are many similarities between, for example, standards for two-way radio systems, which we can develop into the Canadian market but which are not as easy to develop into the US market. So I see Canada becoming an increasingly important trading partner as our exporters of non-traditional products bleed themselves in Australia and then move on.

### Other countries

*Third country marketing. Are there prospects for greater cooperation between New Zealand and Canada in selling products to other countries?*

**Ganderton:** Yes. It is probably sensible to look at the forestry industry. There are a number of companies which have joint relationships for marketing not only in New Zealand and in Canada but into third countries. For example, Nicholson Murdie has just recently purchased a company in New Zealand to manufacture in and for New Zealand and also for Australian requirements, to take advantage of CER.

Another example of third country marketing is the joining together of the consulting services provided by H. A. Simons in Vancouver and with Beca Carter Holdings here in New Zealand. They have formed together to create a company by the name of Beca Simons. The purpose of Beca Simons is to combine the forest industry consulting activities of H.A. Simons and Beca Carter for requirements in New Zealand and in third countries. They both have strengths

which are complementary and in that case they are marketing abroad.

*Investment: As the economic relationship between the two countries deepens, there will doubtless be more evidence of real investment both in equities and in the financial sectors. What do you see happening at the moment?*

**Ganderton:** Canadian investment in New Zealand has traditionally been primarily in the manufacturing sectors — be it in Bata's manufacturing of shoes, to agricultural machinery, to oil and gas machinery, to forest machinery, to the airlines, but I think that when examining the investment opportunities you should be looking at the financial community itself, at the banking community.

In the past, in fact, there has been no significant Canadian investment of facilities in the banking community in New Zealand, although there has been a very large assumption by Canadian banks of the debt in New Zealand. But this year there are two of the major Canadian banks making sorties into New Zealand. The first of those is the Royal Bank of Canada. It is joining together with the National Mutual to create the Royal Bank National Mutual Organisation, which is active both in Australia and New Zealand.

The second one, perhaps more of a separate Canadian entity, is the Canadian Imperial Bank of Commerce. It has recently received a merchant banking licence in New Zealand, and in 1986 will



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RAMP primary surveillance radar.



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Tubed casings are now commonplace in the natural casing business. The tubing machinery was developed by Independent along with machinery to manufacture the plastic "tube".

In order to minimise labour costs and to achieve the highest possible level of quality control in the tubing process, the group is continually investigating and developing new techniques including new types of container for marketing and the use of vacuum packing. One example is an automated grading device which reduces human error and has created a highly acceptable product for end users.

In the 1960's, Independent employed Dr S. V. Brich (since deceased), the first full-time research scientist in natural casings. His pioneering work led to significant improvements in cleaning, processing, packaging, preserving and storage. There has been a substantial improvement in productivity at many processing plants both through increased mechanisation and reduce wastage as a result of Dr Brich's research.

When natural casing users sought a machine which would stuff sausages to specific lengths, then twist the casing, Independent developed an attachment that would allow this. These machines have enabled those manufacturers who prefer natural casings, to improve their productivity in line with the productivity gains achieved by manufacturers using collagen and cellulose.

Independent is engaged in a research programme supported by the Federal Government of Canada under its PAIT (Program for the Advancement of Industrial Technology) scheme. This is aimed at developing saleable natural casing products from the substantial quantities of animal gut which are presently discarded or converted to meals and fertilisers.

The world's first international conference on natural casings was organised by Independent at Christchurch in 1969 and was attended by all New Zealand freezing companies and by most of Independent's competitors.

The group's operations are fully computerised internationally, providing a sound base for expansion.

It also provides substantial support for the International Natural Sausage Casing Association (INSCA), believing that cooperation between companies is beneficial to an industry. The group supports the Association through five separate memberships and by way of special grants for advertising and public relations purposes.

Independent is particularly active in providing follow-up after sales technical and advisory services to its customers. It is also willing to work with customers in developing casings products to their specifications.



1



2



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Upon cleaning the hanks are either sorted (1), and salted for export (2), or they are tubed (3), a technique which enables natural casings to be used in high speed automated sausage making plants. Here tubes are prepared ready for use by buyers world wide.

After packing into barrels (4), the barrels are shipped to Europe, USA or elsewhere for further processing or purchase (5).

A German sausage maker uses one of Independent's distinctive blue "tubes" (6).

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be establishing a Merchant banking facility here.

*What place does Investment Canada play in all this?*

**Ganderton:** Investment Canada's role is to attract investment into Canada. It is the successor to the Foreign Investment Review Agency which existed in Canada up until 1986. The Foreign Investment Review Agency was viewed by foreign investors to be a somewhat inhibiting factor in placing investment in Canada. The Canadian government replaced it with Investment Canada, with a much more open investment promotion policy.

**Finkle:** The Canadian investment is welcomed in New Zealand. There is no competition to match it dollar for dollar in Canada. However, there are some major moves of New Zealand investment, in areas such as forestry and timber products development [Ed note: Mr Finkle is talking of the F.C.L. ownership of Crown Forests Ltd in Vancouver] and on a smaller scale the purchase of commercial real estate. New Zealand equity in Canadian operations is growing. New Zealand investors feel comfortable with Canadian partners and I believe the feeling is reciprocated. The New Zealand-Canada Trade and Economic Cooperation Agreement (1981) specifically encourages two-way investment and scientific-technology exchange.

*Would you like to briefly list the sectors where you feel that technology is likely to be transferred more in the future.*

**Ganderton:** The computer industry is probably the best example, the telecommunications industry is another very strong example. Both of Canada's two largest telecommunications companies are established in New Zealand — Northern Telecoms and Mitel both have

facilities in New Zealand. They both produce in New Zealand, they both manufacture in New Zealand, and that is resulting in technology transfer. The computer industry in Canada and New Zealand has a common history and the computer industry will continue to be an example of technology transfer.

**Finkle:** New Zealand-developed technology may not hit the world headlines but perhaps it should. Our farmers have been adept for years at using on-farm experience to develop ideas for more cost-efficient animal and crop systems. The electric fence, maybe controlled by solar power, or to keep bears away from honey, is the type of technology I'm thinking of. Our plastic ear tags for Alberta cattle, or computer software for farmers, or small fruit grading machines for cooperatives of orchardists.

## Manufacturing

*Manufactured Goods. Canada is evident in the supply of manufactured goods to New Zealand. What are the likely growth items in this trade?*

**Ganderton:** The growth manufactured items would be in the telecommunications industry, in the forest equipment industry and in the consumer products area. The telecommunications industry and the forest machinery sectors are both traditional areas in which Canadian companies have supplied to New Zealand industry. The consumer sector is a new one for Canada because of New Zealand's new desire to join the world and welcome the importation of more foreign products — this has opened up greater opportunities for Canadian exporters.

Again, keep in mind that many Canadian exporters would fall into the category of small and medium sized corporations. They are able to export to New Zealand,

whereas in fact, many of the mass producers are not able to do so because they are not able to provide product in small enough quantities.

New Zealand normally does not buy 40 or 50 containers of pots and pans — it buys a container which would consist of some pots and pans, some of this, some of that and some of the other thing. That is where Canadian small and medium sized Canadian industries are able to contribute.

*That is the classic claim that New Zealand makes about its ability to supply short-run lines to other countries — there is a similarity there.*

**Ganderton:** There most certainly is. Canadian industry has had that niche in supplying into the United States market for many many years. We do not compete with the mass production scale of some of the American classics.

**Finkle:** I don't like splitting up trade or international commercial opportunities into little boxes of primary, secondary and tertiary. It sounds like the progression of some awful debilitating disease. There will continue to be opportunities for our primary agricultural products but, hopefully, much more will be in an added value form.

## Energy

*Energy: Canada has been very visible in one of New Zealand's Think Big projects in the energy sector. New Zealand, on the other hand, has been visible in seeking to promote a range of energy technologies to Canada. What is the Canadian perspective on the New Zealand energy market?*

**Ganderton:** Canadian Industry is very interested in the developments that are going on in New Zealand. In the past those developments, or as you said, the Think Big projects, have been important to Canadian industry. The most obvious one is the Petralgas project which is a 50-50 joint venture between Petrocorp and Alberta Gas Chemicals to produce a plant in Taranaki which is identical to a plant recently completed in Alberta for the production of methanol.

In the production of that methanol, one of the responsibilities that Alberta Gas Chemicals has is the marketing of the methanol produced by the Taranaki plant. Therefore, the interest of that company, which is a subsidiary of one of Canada's largest oil and gas companies, the Nova Corporation, has a very important stake in energy in New Zealand. They also have a very strong interest in the development of coal fields. They have strong interests in the development of methanol from coal seams.



A Dash-7 aircraft manufactured in Canada and flown by Newmans Air in New Zealand.



# Attractive new policies

**C**ANADA, THE world's seventh largest economy with a GNP of \$US326 billion, has introduced new policies designed to encourage and facilitate investment. These policies, combined with Canada's markets, communications and transportation systems, skilled workforce, banking and finance system, energy and resources, and technological infrastructure are opening up investment opportunities in every sector of the Canadian economy from coast to coast.

In terms of per capita wealth, Canada ranks fourth in the world and the OECD predicts that in 1986 Canada will have GNP growth second only to Japan. From 1982 to 1985 Canada's real domestic product grew by an average 5.8 percent. Canada is one of the world's leading trading nations with exports growing at an annual rate of 13.6 percent between 1975 and 1985. In fact, among OECD summit countries, only West Germany is more export oriented.

From the standpoint of investment for manufacturing, Canada's reputation as a reliable source of energy and raw materials is well-established. The 1985 European management forum report ranked Canada number one in the world for

secure, cheap energy and raw materials. Supplies in oil, natural gas, coal and hydro electricity all exceed demand.

Industrial energy rates in Canada's leading cities were 75 percent lower than in New York and 50 percent lower than in Chicago, Houston and San Francisco in 1985.

Canada has a highly-skilled and competitive workforce. It has more than 500,000 scientists, engineers and technologists. More than 50 percent of Canada's workers have high school diplomas and more than 20 percent, college or university degrees.

Labour costs compare favourably. For example, in August 1985 the average hourly wage in Ontario was \$US8.34, and \$US7.85 in Quebec, whereas it was \$US12.29 in Michigan and \$US11.00 in Ohio.

## US proximity

Canada has developed largely because of its proximity to the huge American market. It now offers investors a very attractive package of policies and programmes. In July 1985 the government of Canada replaced its foreign investment

screening agency, the Foreign Investment Review Agency, by Investment Canada, an agency whose primary mandate is to encourage and facilitate investment in Canada. This new agency provides useful information and other services to help investors take advantage of investment opportunities in Canada. There is now no screening for most investments by non-Canadians in Canada.

Investment Canada can best advise as to the Canadian government incentive programmes for establishing or expanding businesses. These are varied and include grants and tax advantages, loan guarantees and insurance. In addition, provincial governments offer their own incentive programmes which are often complementary to those of the government.

But is the time right to invest? According to a recent United States Department of Commerce report, Canadian subsidiaries of US firms expect to spend 9.1 percent more in Canada this year.

Canada has always been a good place to invest. In fact, 417 of the Fortune 500 Corporations already have operations in Canada and of the 10 most profitable companies in New Zealand, five have strong links with Canada.

Investment Canada spells out the opportunities for potential investors.





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# Exporting for growth is a top Canadian priority

CANADIANS ARE selling baking pans to China, software to Morocco, survival technology to Scandinavia, mobile communication systems to the United States, frozen pizza crusts to Kuwait and tracked vehicles to the Soviet Union.

Altogether, Canadians last year sold \$US81 billion worth of goods and services to foreign customers the world over. This year they will sell even more. "We have to — if our economy and the standard of living it supports is to continue to improve," said the Canadian Minister for International Trade, Mr James Kelleher.

That's why the federal and provincial governments have joined with business, national trade and industry associations, universities and the export community to promote exports through the second annual observance of 'Export Marketplace'.

Exporting for growth has become a top Canadian priority and during March 1986 two officers from the Canadian High Commission toured Canadian centres and briefed industry on the potential which lay in the New Zealand market. The manufacturing industry in Canada has been particularly successful in penetrating this market and more than 70 percent of the Canadian exports to New Zealand are partially or fully finished products ... a percentage that is increasing as New Zealand continues its program of import liberalisation.

Canada has always had to depend upon export markets for economic growth, but never more so than now.

Its domestic market nowadays is maturing. It is no longer expanding as vigorously as before. The only way Canada can now fully employ its physical plant and human resources is by finding new markets for products outside Canada.

Those new markets are now being found for almost one-third of what Canada produces. In finding them, Canada is establishing new businesses to replace those which have become obsolete. Existing businesses are becoming more competitive. Most important of all, industry is creating more jobs.

The number of Canadians now at work is upwards of 300,000 more than a year earlier. Most of those jobs have

come, directly and indirectly, from the increase in exports.

But while exports are increasing — by 15 percent last year and close to that this year — Canada is still a long way from exporting all that it can, and the secondary industries are leading the way in New Zealand.

## Opportunities

The opportunities for continuing export growth are there — more promising than they've ever been.

'The economies of our traditional trading partners — the United States and Europe — are continuing to grow, with an accompanying increase in their demand for the goods and services we can supply. New trading relationships are being developed in Asia and along the Pacific Rim. The markets for our products are there the world around,' Mr James Kelleher said.

'Many of us have become skilled in developing new products and services. Many of us have learned how to market them in an intensely competitive environment. Many of us have become proficient in doing business in every quarter of the globe.'

'All this is reflected in the rising volume and broadening diversity of our exports to New Zealand, which is one of the major reasons why I opened a new trade office in the Canadian Consulate in Auck-

land in 1985 — to capture a greater share of that small but lucrative market.'

The sales figures tell the story: exports account for 40 percent of the sales of a Montreal custom machinery manufacturer; 90 percent of the sales of a Calgary high density disk producer; 50 percent of the sales of a Burlington, Ontario book publisher; 45 percent of the sales of a Charlottetown medical products supplier; and 80 percent of a Woodstock, Ontario forest equipment manufacturer.

## Comparable

Hundreds of other Canadian businesses, mostly small to medium in size, can report comparable export volumes. Almost all are expecting their export sales to continue to grow at a faster rate than their domestic sales.

That is not the way it used to be. Exporting used to be the province, almost exclusively, of big business.

The bigger businesses — forest equipment, telecommunications equipment and service companies, aircraft production and newsprint, and materials for New Zealand production — still generate the largest proportion of Canada's exports to New Zealand. Increasingly, however, it's the small to medium-size businesses that are diversifying and enriching the export mix with new products and developments and, in the process, generating profitable new growth for themselves.



Trade Ministers Mr James Kelleher and Mr Mike Moore meet.

# Meat dominates

**N**EW ZEALAND exports of non-traditional items to Canada have been increasing more rapidly than traditional trade items.

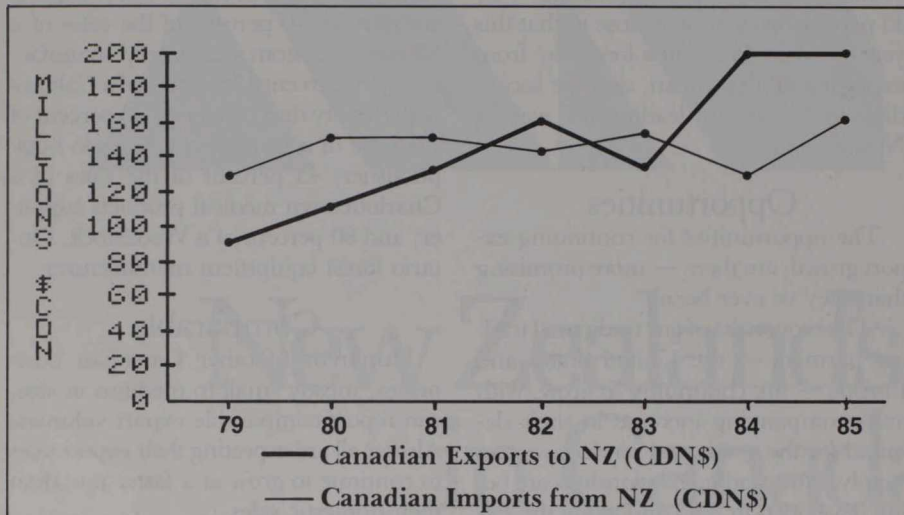
Meat exports still dominate, although they took a major dive following the year's third freezing works strike in New Zealand early in 1986.

In the nine months from July 1985 to

the end of March 1986, meat imports fell \$US16m fob to \$US32m. 1984-85 nine month sales were \$US47m.

However, meat exports aside the nine months increased from \$22m in 1984-85 to \$29m in 1985-86. This represents a 32 percent increase in other items.

Fruit, vegetables, processed food, beverages, specialty dairy items, textile yarns, fabrics, and a full range of metal and plastic manufactured goods were prominent in the list of growth New Zealand exports.



## New Zealand Exports to Canada

(Approximate US\$FOB June Year)

	1982-83	1983-84	1984-85*
1982-83	83m	70m	110m
<b>Major Items</b>			
Meat	60m	40m	65m
Dairy	3m	4m	5m
Fruit & vegetables	2.5m	8m	8m
Crude materials (including fuels)	7.5m	7.5m	10m
Manufactured goods	3m	6m	7.5m

## New Zealand Imports from Canada

(Approximate US\$VFD)

	1982-83	1983-84	1984-85*
1982-83	87m	85m	158m
<b>Major Items</b>			
Food	6m	10m	14.5m
Crude materials (except fuels)	19m	16m	26m
Chemicals and related products	10.5	10m	13m
Manufactured goods	17m	19m	31m
Machinery and transport equipment	29m	21m	59m

\* Provisional Source: NZ Department of Statistics

# Trade Mission to Canada

NEW ZEALAND exporters to the United States and Canada have been invited to join the proposed Export Institute of New Zealand trade mission.

The mission, timetabled for 28 September-12 October, is to call in Vancouver, Toronto and Montreal, where official receptions will be held.

New Zealand's Department of Trade and Industry, and the Canadian Trade Commission are supporting the mission, which has attracted its first registrations from engineering, toy and foodstuff exporters.

Mr Brian Stocking, of Blueport ACT, says the Canadian Government is showing its confidence in promoting two-way trade.

New Zealand companies wanting to join the mission should contact Mr Stocking or their local Export Institute office.

Vancouver's Gaseous Fuels conference and trade show in August will embrace



NZ Minister of Energy, and Science, Mr Bob Tizard (left) assessing an advanced machining cell developed by the NZ Department of Science and Industrial Research. Mr Tizard will address the Gaseous Fuels Conference in Vancouver.

every facet of this growing industry.

The international conference and trade show 'Gaseous Fuels for Transportation' has been designed to provide a forum for everyone involved in the market place, from industry and government representatives, to scientists, engineers and poten-

tial customers. The trade show will encompass products, equipment and services and will highlight new applications.

It is being held in conjunction with the 'Man in Motion' EXPO '86, which will be the largest special category world exposition ever held in North America.

# A Taste of the Tropics Cookbook





## A TASTE OF NEW ZEALAND

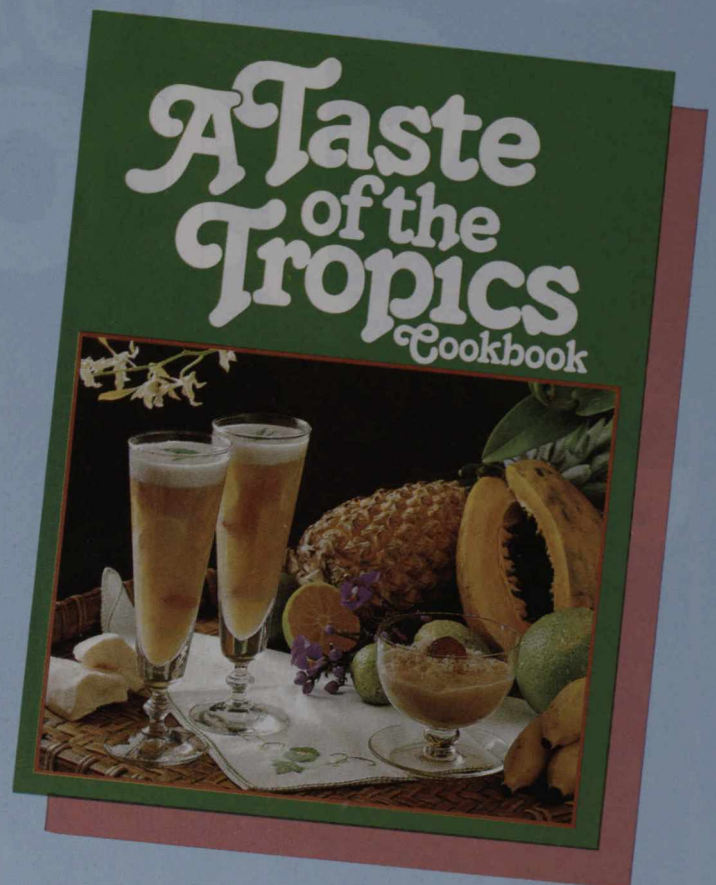
Asia Pacific Books have developed a new concept in cookbooks known as 'Tastebooks'.

An upcoming title, "*A Taste of New Zealand*", not only provides interesting easy-to-follow recipes based on New Zealand's pure wholesome food products, but will also give consumers a range of new and exciting ideas on how to get the most out of their purchases of New Zealand food and beverages.

The Tastebook series was first developed specifically for use in conjunction with food promotions. Each book includes, along with recipes, a section on 'how to use' the products, and a 'buyers guide' which lists foods available in the area where the promotion is taking place and explains what to look for when buying. For example, this section includes hints on judging the freshness of fruits and vegetables, and how to tell top quality meat from lower quality cuts.

A wide range of groups, including food producers, travel services, importers, wholesalers and supermarkets have all found the Tastebooks a useful and innovative promotional tool.

Each book in the series is designed with a particular country in mind. The "*A Taste of New Zealand*" edition is aimed at the North American market, and has been produced with the needs of that market in mind; others are already planned for Japan, Australia, Germany and the U.K.



Advice from the producer or processor of the foods is also incorporated into the Tastebooks. Expert nutritionists, cookbook editors, photographers, and designers all have an input into each new edition in the Tastebook series.

Publisher **Anthony Haas** is available to discuss the ways in which Tastebooks can be used for in-store promotions and how to incorporate the needs of buyers and wholesalers in the design, layout and contents of the books.

## A TASTE OF THE TROPICS

The 1985 edition of "*A Taste of The Tropics*" has been used very successfully as part of promotions of tropical fruits in the Pacific Islands, Australia, and New Zealand.

Sales of tropical produce to Australia and New Zealand soared four-fold as a result of the 78,000 copies sold of "*A Taste of The Tropics*".

A North American edition is now in preparation. The 300 recipes are designed to encourage chefs and housewives to use tropical products.

## A TASTE OF SEAFOOD

Seafood is an abundant food resource and a vital element in the cuisine of most nations.

It is perceived as being "healthier" than animal protein sources, being significantly lower in fats and cholesterol.

New opportunities are opening up for seafood marketers, in both export and domestic sectors.

Fish is not only a dietary staple but, with some species, such as lobster, shrimp and oysters, a luxury food item.

Asia Pacific Books is developing "A Taste of Seafood" so that it will stimulate and assist all types of seafood marketing.

The book has been created by an Australian food writer and a Japanese cook. Bob Thompson, Sydney director of Asia Pacific Research Unit Ltd, is a former contributing editor to *Gourmet*, and Yayoi Maloney is a Japanese resident of Australia.

"A Taste of Seafood" is scheduled for publication in 1987.



## A TASTE OF FRUIT AND VEGETABLES

"A Taste of Fruit and Vegetables" brings together for consumers the important detail about readily available and novel produce.

This illustrated Tastebook includes a Buyer's Guide with more than 100 fruit, vegetables and herbs, and a cookbook with more than 300 recipes on how to use the produce.

The Buyers Guide includes names photographs and names of the produce, advice on how to choose, care for and prepare it, together with information about its nutritional value, and the history of the use of the many varieties.

The strength of the Buyers Guide is that it helps consumers identify and ascertain the potential use of fresh vegetables, herbs, and significant categories of fruit — including tropical, sub-tropical and citrus fruit, stonefruit, pipfruit, berryfruit, and nuts. Bottling and other handy hints are included, together with an availability chart that tells consumers in which months fresh produce can be bought.

Jack Forsyth who edited "A Taste of Fruit and Vegetables", is a produce auctioneer with a lifetime of familiarity with the fruits, vegetables and herbs described in the Tastebook.

He has managed the Wellington Turners and Growers Auction Market for many years, building up his knowledge of the demand and supply of produce. The deep and extensive knowledge he built up — and the attractive style with which he presented it — led him beyond the auctioneers steps to radio and public meetings to explain the availability of produce locally.

Now he has gone through his numerous references and into his experience to prepare "A Taste of Fruit and Vegetables".



Inquiries to:

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# A Taste of New Zealand Cookbook





# 'Taste of . . .' technique used to promote food products

NEW ZEALAND and Canada are both using the 'Taste of...' promotional technique to attract each other's consumers to their food and beverage.

'Try a Taste of New Zealand' is the variant on the 'taste' theme offered to the New Zealand public and private sector interests for the end August 1986 Food Pacific Fair at Expo in Vancouver.

'A Taste of Canada' similarly has been chosen by Canadian planners for an early 1987 promotion throughout Woolworth's New Zealand supermarkets.

The New Zealand promotion is cooperative in character, with companies and industry associations subscribing to the umbrella campaign.

As well as the Department of Trade and Industry, New Zealand has the Food and Beverages Exporters' Council (FBEC) and the Market Development Board (MDB) to give thrust to the 'taste' theme.

## Cooperation

The Minister of Overseas Trade, Mr Mike Moore, has fostered the cooperative approach to trade promotion, and worked for the formation of FBEC and MDB to help coordinate a global marketing strategy.

The Taste of New Zealand theme is being hoisted as the flag above exhibitors at Food Pacific by the Department of Trade and Industry. It follows the same theme used at 'Anuga' in Cologne, Federal Republic of Germany - the world's largest international food and beverage fair.

Within this framework individual exporters keep their individuality — promoting their own brand of lamb, venison, wine, fruit juice or other tasty consumables — whilst collectively reflecting the image of New Zealand's clean, green environment.

Exporters at food fairs such as Food Pacific tend to concentrate on presenting their case to the trade — be they selling commodities or branded items.

## Awareness

One of the concerns the food exporters have is to create consumer awareness of their generic product and brand.

Behind the 'Try A Taste of New



NZ Prime Minister David Lange and Asia Pacific Books publisher, Anthony Haas, with the 1985 edition of *A Taste of the Tropics*.

Zealand' theme at Food Pacific is a well developed and tested promotional tool — the tastebook — to create this consumer awareness on a self-financing basis.

The tastebook is more than just a cookbook; it is an explanation of how to use the foods in question, a set of recipes, photographs and a buyer's guide.

It is designed and distributed to complement the promotion and distribution of food and beverage in a particular location at a particular time.

The supermarket or other retail outlet purchases its stock of the tastebook in the same way it purchases any other line — and benefits from more than the income generated from sale of the publication.

The retailer and the food or beverage supplier benefit also from the self-financing promotion. The tastebook and products promote each other.

## Concept

The tastebook concept has been used by its New Zealand developer, publisher Asia Pacific Books, for more than New Zealand foods.

In 1985 Asia Pacific Books' parent company, Asia Pacific Economic News, sold 78,000 copies of *A Taste of the Tropics* to distributors in Australia, New Zealand and the Pacific Islands who were supplying supermarkets, bookshops and magazine retailers.

*A Taste of the Tropics* in Australian supermarkets quadrupled the demand for coconuts from Fiji, whose National Marketing Authority was closely identified with the Buyer's Guide, and whose products were sold in the supermarket along with the publication.

*A Taste of Seafood*, particularly helping consumers throughout Pacific Basin countries, is in production by an Australian and Japanese team.

*A Taste of Fruit and Vegetables* is in manuscript, prepared by a New Zealand specialist, and ready for adaptation to use in different national markets.

Other tastebooks have been suggested to the publisher of Asia Pacific Books, Mr Anthony Haas, and are being developed along the formula used with earlier titles.

Mr Haas followed up Japanese and Australian interest in tastebooks successfully early in 1986, and after participating in the Food Pacific Fair will be meeting in North America with local interests wanting to apply the tastebook marketing concept.



## A Taste of Canada — in New Zealand

NEW ZEALAND is one of Canada's most important export markets for canned Pacific salmon, but New Zealanders are generally unaware of other food products from Canada.

With food imports now off-licence the Canadian High Commission has conducted a market survey for Canadian goods. The results have indicated strong demand; for Canadian goods. Therefore the Trade Office in Auckland is planning events throughout 1986 and 1987 that will make Canadian food products everyday items for New Zealand shoppers.

The first step in this process was approaching the Canadian food industry to determine if there was enough interest on their part in the New Zealand market. The response was overwhelming, with nearly 50 Canadian food processors interested in New Zealand opportunities. Brochures received from these companies — which do not have agents — are displayed at table-top catalogue shows across New Zealand.

### Marketing steps

These shows are scheduled to coincide with Food Product Trade Missions from Canada. Typically eight to 10 food producers are included on these missions, underlining the importance that Canadian producers attach to the New Zealand market.

The table-top catalogue shows and the Food Products Mission are aimed at meeting New Zealand importers with the immediate result of putting Canadian food products on supermarket shelves. Making New Zealanders aware of these products is the next step. These events lead up to a 'Taste of Canada' promotion in supermarkets across New Zealand, in which at least a dozen new Canadian food products will be introduced to the New Zealand consumer.

As Minister Kelleher has said, many Canadian food producers depend on the export market for their livelihood. The efforts to promote Canadian food products in New Zealand are an example of co-operation between the Canadian and New Zealand private sector food industry.

### Seasonal tastes of New Zealand

NEW ZEALAND's fruit and vegetable exports to Canada benefit from the opposite seasons.

Northern Hemisphere Canada can have fresh produce from Southern Hemisphere New Zealand.

When it is minus 30C in Alberta the consumer can still be eating NZ Granny Smith apples, kiwifruit or passion-fruit.

# World leader in food exports

Canada, as one of the world's most efficient agriculture and fish producers has many firms, large and small, involved in the production, processing and export of food products for world markets.

More and more, discriminating consumers in Canada and around the world are demanding specialised and high quality food products. Canada's food producers, processors, and exporters have risen to this challenge and today they boast that their products are found in more than 70 countries around the world.

The variety, uniqueness and quality of Canadian food products has made Canada a world leader in food exports.

*Canada-New Zealand Trade Relations* obtained an interview with Canada's Minister for International Trade, Mr James Kelleher:

*How would you characterize the Canadian food industry?*

The Canadian food industry is one of our key industrial sectors, accounting for about 15 percent of all goods produced in Canada, and employing more than 5 percent of the Canadian labour force. Our food production and processing sector is one of the most sophisticated in the world, with modern and efficient plants employing some of the most up-to-date technology. It is an industry whose capacity greatly exceeds domestic requirements. We must export to survive and therefore our food industry has to be internationally competitive.

*What are Canada's main agriculture and food exports?*

As you are probably aware, Canada is the world's largest exporter of fish and fish products. We are the world's second largest exporter of grains and oilseeds. Other major exports include processed food products, livestock (such as purebred dairy cattle), fruits and vegetables. More specifically, they are as follows:

- \* Processed foods, including canned and frozen vegetables, dairy products, bakery and confectionery goods, make up 19 percent of our food exports.

- \* Fish and fish products account for 11.7 percent of exports.

- \* About 14.7 percent of our exports are in livestock and livestock products.

- \* Fruit and vegetables make up 3 percent of our exports.

- \* Grains and oilseeds are of course our largest export accounting for more than 50 percent of food exports.

*Is New Zealand one of Canada's priority markets for future development?*

Well, of course all markets are important and we wouldn't want to limit ourselves to any particular ones. So you could say that in principle, our strategy is to be competitive in all markets for food products. But there are naturally some markets that warrant closer attention than others. For example, the United States remains, generally speaking, our largest and fastest growing market, accounting for 55 percent of our food exports.

### Importance

Because New Zealand imports of food products are 'coming off licence' the importance of that market is increasing in the eyes of Canadian exporters. These renewed interests have resulted in mini-trade shows and in-store promotions — all under the banner of 'A Taste of Canada'.

*What are the key factors in meeting the needs of Canada's food markets abroad?*

Canada has a very solid quality image which we have successfully built on to penetrate international markets effectively. In fact, pursuing export markets has become a must for many segments of the food industry.

Although our High Commission in Wellington and our Consulate in Auckland are organising food product promotions, obviously the driving force and ultimately the success of any export initiative from Canada is the private sector. In a private enterprise economy like both Canada's and New Zealand's, it is entrepreneurs, not governments, who export. Governments are there purely as a facilitator of trade, offering counselling and support services to the private sector. It is the private company which must make the commitment and take the ultimate risk of trying to win a share of an export market.

### Advantages

*Given the increasingly tough competition for the New Zealand market, what advantages do Canadian food products offer international buyers?*

There is an image abroad of Canada as a land of clean air, fertile soil, vast water resources and open spaces. That positive picture of the country reflects on its products. Therefore, the tendency is to think that of course the produce from such a bountiful land is bound to be of superior quality.

# CP Air test markets new products for exporters

AN UNUSUAL degree of involvement with air freight shippers has been offered by Canadian Pacific Air Lines for several years and over a wide spectrum of the airline's worldwide route structure.

To assist would-be exporters to obtain accurate market readings Canadian Pacific will undertake for its air freight staff to take a new product into a foreign or Canadian market and test the initial acceptance of the product in that market.

A typical example is the personal experience of Warwick Beadle, Canadian Pacific's manager in New Zealand, with an Australian fire control method which he personally tested in Vancouver. The product was a type of blanket in a lidded bucket, impregnated with a special solution. Its purpose was to douse fires in sensitive areas, be they enclosed, or high security situations, could be doused by

opening the bucket and smothering the outbreak with the blanket.

Mr Beadle took the sample package to a number of potential users, such as military establishments and hospitals, and rapidly discovered a very keen interest in the product. Within a matter of months Canadian Pacific aircraft between Australia and Canada were hauling considerable quantities of the buckets.

A Canadian product which is currently attracting manufacturers' attention in New Zealand is a simple woollen hand mitt which is used widely in Canada for clearing the ice from motor vehicle windshields. The airline initiative has discovered New Zealand manufacturers who are actively interested in producing the mitt from New Zealand sheep skins.

In simple terms the Canadian Pacific Air Lines freight offices will research and

locate possible markets for would-be exporters. They will accept an initial sample and find possible buyers for the product.

The airline's staff will also advise on packaging, with particular attention to package density, overall dimensions and weight considerations which have a vital impact on costs of air freight.

They will also advise on questions of price, frequency and freshness to ensure that the new product makes the optimum impact on the market it is seeking to penetrate.

One are under examination through this service is electronic componentry, where high workmanship standards in one country can be complemented by low assembly costs in another.



**CANTERBURY VENISON**

New Zealand Venison is fast becoming appreciated as a unique alternative to traditional red meat. Low in fat and high in protein, Venison from New Zealand is prepared under the same strict quality standards as the now familiar New Zealand Lamb. The consistency of availability

12 months of the year, consistent quality and character of "Canterbury Venison" from New Zealand provides a real alternative to restaurateurs and consumers alike.

Fortex Group are processors of Lamb, Sheep, Goats and Venison — Fortex represent 45% of New Zealand's Farm Venison exports — our "Canterbury Venison" brand is available in Canada through Canada Packers Food Service. For further details please contact your nearest Canada Packers Food Service Rep.

Incorporating  
Canterbury Venison (N.Z.) Limited  
Canterbury Meat Packers Limited  
Cattle Services Limited

**FORTEX GROUP**

**FORTEX GROUP LIMITED**  
BNZ Building, Armagh Street,  
P.O. Box 13-330, Christchurch  
Telephone 793-244, Cables Fortex  
Telex N.Z. 4694, Fax 794747.

## Chilled fish benefits from new service

THE INTRODUCTION of fast, reliable air freight services between Auckland and Canada has resulted in a rapid escalation of the export of chilled fish to Canada, especially into Vancouver and the surrounding areas.

The initial reaction of New Zealand fish importers who sought to capitalise on the new air freight service was surprise at the tremendous buying power for fish varieties, especially in the eastern or maritime provinces. The proximity of major United States markets to Toronto was also noted with interest.

Several exporters reported that their earliest entry into these markets was better than expected. While initial orders were modest, the reaction to the products in Canada was better than expected and showed every sign of improving rapidly.

The managing director of South Pole Seafoods Limited, Bruce Robertson, of Auckland, began exporting to British Columbia. With the introduction of direct flights between Auckland and Vancouver and Toronto, the company's sales have escalated rapidly.

Where South Pole Seafoods was shipping 400kg of chilled fish every other week early in 1985, this volume had risen to one tonne every week within 12 months. The shipments were spread over 12 or 14 different varieties including three different types of mussels, whole and filleted snapper, and sole.

'Canada has been largely ignored by New Zealand exporters to date,' said Mr Robertson. 'On a pro rata basis there is potential for sales of New Zealand fish to reach \$US7.5 million per annum. Yet sales for 1984 were a mere \$US320,000 and for 1985 \$US950,000.'

Other observations by Mr Robertson include the very strong feelings of friendship toward New Zealand which exists in Canada. This is coupled with a trend to



Mary-Lee Wilson, air cargo manager for Canadian Pacific Air Lines in New Zealand, takes delivery of a consignment of New Zealand fish destined for Toronto, from Bruce Robertson, managing director of South Pole Seafoods Ltd.

more and more outdoor eating and the acceptance of fish as a healthier food to consume.

Mr Robertson has been the recipient of a Winston Churchill Memorial Trust fellowship, which entitles him to study the strategies necessary to develop further sales of new Zealand seafoods to Canada. His research was partly sponsored by Canadian Pacific Air Lines.

Restaurateurs are looking for a wider variety of fish to present to their customers. The fact that the seasons in the two countries are reversed also means that New Zealand is able to offer produce at the most helpful time from Canada's point of view.

All exporters agree that the introduction of a second weekly flight by Canadian Pacific Airlines in the latter part of 1986 will be of considerable assistance. The potential irregularities of fish availability, owing to New Zealand weather conditions from time to time, will be substantially offset by the convenience of a second regular opportunity of shipping chilled produce.

## Air NZ also links Canada

AIR NEW Zealand flies weekly between Vancouver and New Zealand's largest city, Auckland.

Connections to or from Air New Zealand's extensive Pacific Island network are made possible by convenient transships at Honolulu.

The Vancouver service will bring to 11 the number of weekly flights from North America by Air New Zealand. Connections to daily flights out of Los Angeles are possible from Toronto and all major Canadian cities through an agreement with Air Canada. The two airlines also offer a round-the-world fare.

Air New Zealand has developed strong associations with Canada and first opened an office there in 1972. It is now represented by more than 15 staff in four cities and has a country-wide toll-free reservations and information service.

Air New Zealand flies international air services over more than 100,000 kilometres of routes, radiating from New Zealand to the rim of the Pacific Basin and beyond — over the United States, to London.

The airline's long-haul international fleet comprises Boeing 747s equipped with Rolls Royce engines.

Inflight meals concentrate on New Zealand's wealth of primary products.



An Air New Zealand Boeing 747 being loaded at Auckland International Airport.

# Canadian expertise sought in NZ

**C**ANADA AND New Zealand have much in common in addition to language and culture. Canadian softwood forests have tree sizes similar to those of New Zealand's pine plantations. Both countries view their forests as valuable, renewable resources and recognise the importance of producing wood products of the highest value possible with the least amount of fibre waste.

Canada's vast and ruggedly beautiful forests have been a source of national pride and identification ever since the country achieved Confederation in 1867. From the towering Douglas-fir and red cedars of the West Coast to the boreal forests of the east, trees dominate much of the land mass. The forests have served all at once as symbol, playground, refuge and workplace for generations of Canadians.

But Canadians' close connection with their forests has a very real economic side. With more than 2 million square kilometres of productive forests, Canada is the world's largest source of newsprint, producing about 30 percent of the world's total. Overall, the country accounts for 20 percent of the value of international forest product exports, another world first.

As early as 1700 the colony of New France was building an international reputation as an exporter of wooden masts and spars. Almost 300 years later, Canada's forestry sector is still infused with the vigorous entrepreneurial spirit that characterised those early days. The difference lies in the new technologies, new management techniques and the new understanding of forest renewal, now being brought to bear in meeting world markets for forest products.

In brief, Canada's forestry sector consists of:

- \* the logging industry, which annually produces more than 125 million cubic metres of roundwood, generates about \$US3 billion in sales and employs 40,000 people;

- \* the lumber industry, with annual production more than 35 million cubic metres, exports around \$US3 billion and



Canada and New Zealand in the world of forests, together.

a steady 12 percent share of the world's total softwood lumber output;

- \* the pulp and paper industry, with an annual output more than 30 million tonnes, shipments in excess of \$US10 billion and a workforce of about 125,000.

Canadian companies export more than \$US8.5 billion a year in forest products, generating a net balance of trade well in excess of \$US10 billion annually.

These figures provide a glimpse of Canada's past and present record in forestry. They also indicate the role that Canadian forest industries are looking forward to playing on the world scene in the years to come.

## New Zealand link

Because of its early beginning, it was natural that Canadian equipment manufacturers and resource specialists evolved to supply world markets. For example, Canadian sawmill equipment manufacturers still supply state of the art equipment in volume to most forested countries. Because of its extensive experience in developing forest products technology, Canadian expertise is sought today by the New Zealand forest industry's major developers.

This link was established with the appointment of Canadian forester MacIntosh Ellis as the first Director of Forestry in New Zealand. His first annual reports led to the beginnings of the New Zealand Forest Service and the planting boom of the 1920s.

New Zealand's exotic forest — primar-

ily radiata pine — is now well over the million hectare mark. Since 1974 the average annual rate of planting has exceeded 40,000 hectares. The target for the total exotic forest estate is 1.315 million hectares. Special employment plantings by the State could see this figure exceeded.

Exotic softwoods enjoy rapid growth in New Zealand, producing first timber for pulpwood in 12 to 14 years; sawlogs or pulpwood from 20 years; and the final crop from 30 years onwards.

The total roundwood revenue in 1982 was 9442 million cubic metres. Reaching the target of 1315 million hectares by 1990 would increase the sustainable roundwood availability to 27 million cubic metres per year.

Forestry promises to play an even more important role in New Zealand from the 1990s onwards. The national wood supply is anticipated to increase threefold over the next 30 years, an industry that will reduce New Zealand's dependence on farm based exports.

Additional increases in volume are projected to continue well into the next century. As the industry matures and the potential for wood product exports increase, long-term profitability will depend — to a large degree — on the decisions made today by New Zealand mill owners and developers.

The New Zealand forest industry is now at the point where these critical decisions must be made. Canadian consulting specialists have been commissioned by the New Zealand industry to assess world

markets and design more efficient and automated harvesting and milling techniques. Forest development in New Zealand has produced giants — on any world scale — resulting in unique engineering capabilities.

Although the investment by Fletcher Challenge in Crown Forest Industries Ltd near Vancouver is the most evident and important integration of these industry talents, Canadian consulting firms have had a long history of involvement with New Zealand firms.

Recognising the growth potential for New Zealand forest products and the need for a stronger local presence, H.A. Simons Ltd established in 1984 a consulting engineering service at Auckland, formed as a joint venture with Beca Carter Hollings and Ferner Ltd. Beca Simons is one of the very few firms in New Zealand dedicated exclusively to forest industry consulting and has recently com-

pleted the Pacific Pines Products Ltd sawmill.

Another example of the closely integrated engineering, machinery and producer industries in Canada and New Zealand is the recent completion of Baigent's first laser-age high technology sawmill. This mill was designed by Sandwell and Partners of Vancouver. It predominantly utilised Canadian machinery that was designed as a result of mill developments such as Crown Forests Ltd. This illustrates completion of the swing of the technology pendulum.

### Common roots

It's one thing to think of the Canada-New Zealand integrated forest sector in terms of overall production figures. But while those statistics tell an impressive story, they tend to mask the sheer depth and breadth of forest activity. The forest sector can indeed be seen as a single,

highly successful industry. It must also be realised that the industry is made up of several distinct sub-sectors.

Over the years, the industry's ability to supply a growing domestic wood products market has been the least of its accomplishments. Whether a client has needed newsprint, softwood lumber or wood pulp, Canadian companies have been ready to meet the challenge since the first pulp and paper mills were completed in the 1860s. New Zealand followed suit with the establishment of its first mill by Tasman Pulp and Paper in 1956.

In a way these are from the same seed and it is evident that the development of the industry in both countries will grow with common roots.



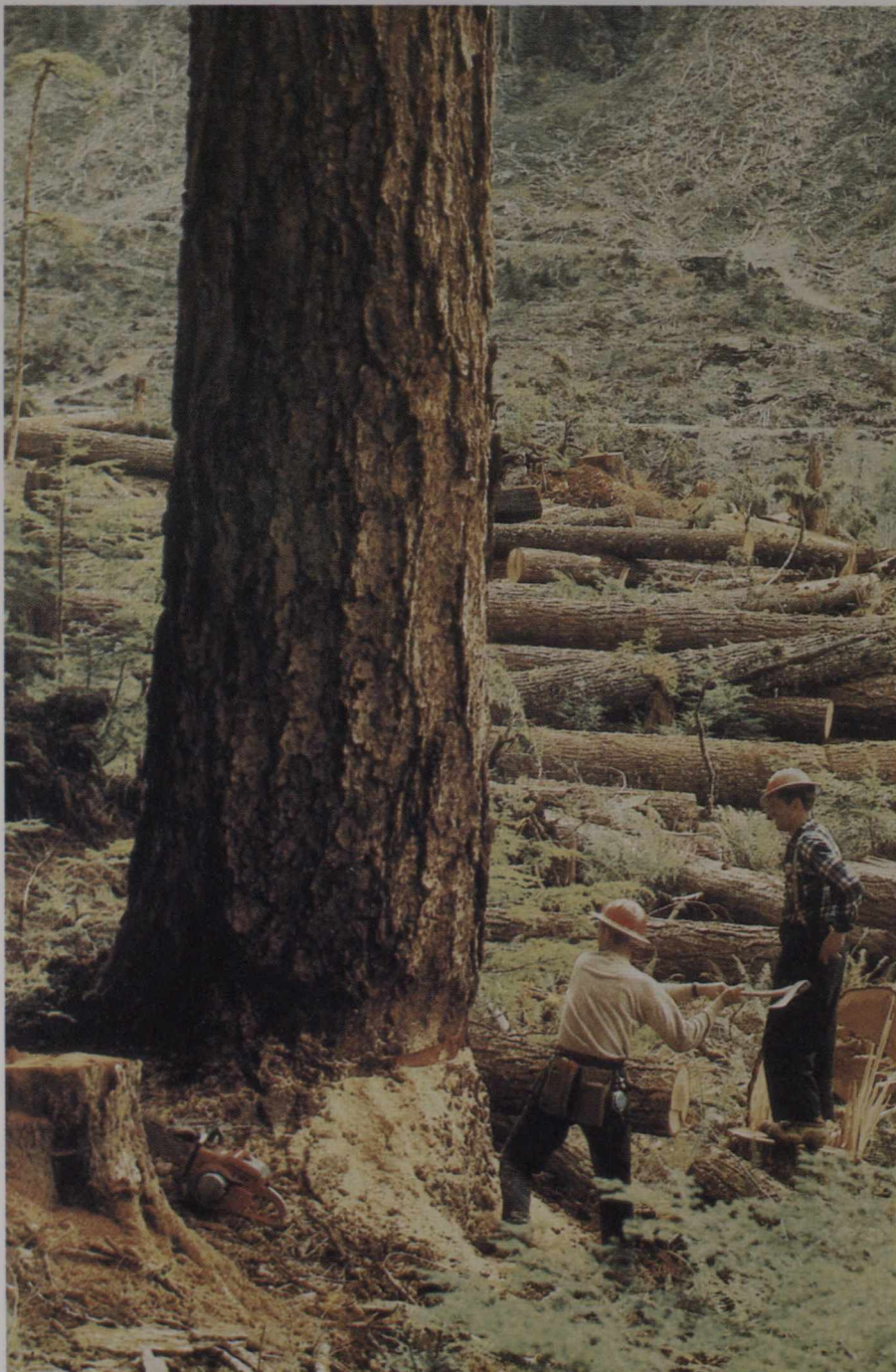
## Impressive market

AS a market, Canada's numbers are impressive. In 1984, disposable income per worker reached \$US18,904. More than 55 percent of Canadian families earned in excess of \$US25,200.

About 60 percent of Canadian families own their own homes, and 82 percent their own automobiles. For durable goods, 99 percent have refrigerators. 98 percent have telephones, and 98 percent own televisions.

With more than half the population living in urban centres of 100,000 or more and one third of the population living in three major cities — Vancouver, Toronto and Montreal - the structure of the market is convenient for businesses. Canada's 95,000 km of railway tracks, 271,000km of inter-city highways, 25 deep-water ports and 1600 airports make it possible for goods to be moved efficiently and competitively within the country and to any market in the world.

Canada is also strategically located next to the huge US market. Proximity, similar business practices, common language and shared time zones have contributed to the creation of the world's largest bilateral trading relationship valued at \$US120 billion per year. More than 80 percent of that trade is duty-free.



# INDEPENDENT CASING CO LTD

## The international market leaders in natural sausage casings

The Independent group is New Zealand domiciled and controlled, has a turnover of more than \$NZ50 million and is the largest natural sheep and lamb casing marketing organisation in the world.

It produces a natural, high-quality product, is a market leader and has rapidly increased its market share through innovation in production, distribution and marketing.

It has been a world leader in research and development into natural casings; and has pioneered the production of "tubed" casings.

Its products offer sausage makers and retailers the opportunity to improve their profits through selling a superior, natural product.

It is the only casings organisation which employs technicians to provide an after-sales service and technical advice to customers.

## The Independent companies.

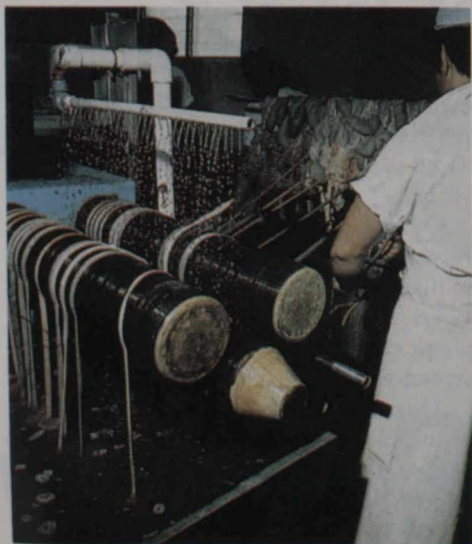
The Independent Casing group comprises seven companies:

- Independent Products (1979) Inc., of Canada.

- Independent Casing Company Limited, of New Zealand.
- Australian Casing Company (1979) Pty Limited of Australia.
- Berth-Levi & Co., mbh, of West Germany.
- Independent-Berth Levi (1979) Inc., of USA.

- Natural Casing Company Inc. of Wisconsin, USA.
- Independent Products USA Inc., Champlain, New York.

In addition, the group has a 50% interest in Southland Casing Co. Ltd in conjunction with Alliance Freezing Co. (Southland) Ltd.



Sheep guts are stripped of their small intestine.



The removal of the gut contents and mucous is achieved by soaking in a brine and chemical solution for 24 hours to achieve softening.



The guts are then fed through a stripping machine which squeezes out the softened contents in preparation for the next stage of manufacture.

# Revolutionary changes in telecommunications industry

In terms of distance, New Zealand and Canada are about as far apart as any two nations on earth. Yet they share a common language and cultural heritage, along with their Commonwealth membership. In telecommunications and information management, both countries face similar problems and opportunities which are part and parcel of the Information Age — an age which Alexander Graham Bell started in Canada.

Canada and New Zealand have, in the realm of telecommunications, both striking similarities and differences. The basic needs and provisioning situations are very common. Population density and skew are almost identical, as is the majority of the topography, ranging from rugged mountainous areas to flat agricultural farmlands, which places similar demands on rural communications.

As in Canada, the NZ population is very dependent on communications and increasingly demands improved service, and the ability to utilise the network for business and personal use in ways never before thought of. The use of value

added terminal attachments such as Personal Computers, Electronic Funds Transfer, Call Diversion units, etc., is increasing steadily. Cellular mobile radio and private mobile radio systems now offer the urban and rural businessman access to the telephone network, making the telephone a truly portable device.

## Revolutionary

In recent years the telecommunications industry in Canada has seen revolutionary changes. Rapidly advancing technology — digital systems, fibre optics, cellular radio, stored programme control etc. — has changed telecommunications operating methods and standards as well as users' expectations.

There has been a trend, in evidence in a number of countries, towards 'privatisation' of telecommunications — a step which occurred in New Zealand in 1986 and in Canada has resulted in the structuring of telephone companies across Canada into market-driven enterprises promoting primarily the networks they have built. Areas such as PABX, residen-

tial telephones, data devices and mobile radio are in the realm of free enterprise, and open to competition from anyone. The telephone company is also in the competitive arena, promoting and selling devices which will increase the use of its network.

A comfortable compromise between total government monopoly and free enterprise has been reached. This compromise has resulted in increased network useage for the telephone company, increased opportunities for many small businesses producing high-technology devices and others providing non-network equipment, and finally, the public at large has been given the opportunity to use the full range of devices available to increase their style and ability to 'communicate'.

## Links

Because of this commonality of demands on services, telecommunications leaders in both Canada and New Zealand, recognising the merit of collaborative effort and mutual assistance, have es-

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## Direct services stimulate trade

Somewhat akin to the chicken and the egg conundrum is the question of which comes first; a direct trade service between two countries or the trade itself. The New Zealand Minister of Overseas Trade and Marketing, Mr Mike Moore, is in no doubt that the establishment of direct transport services stimulates the development of trade.

This view is substantially supported by the visitors' book and official records at the Canadian Consulate in Auckland. In the six months following the resumption in November 1985 of Canadian Pacific Air Lines direct flights between Canada and Auckland, both Ontario and Quebec provinces have sent trade missions to New Zealand. Both reported 'lots of potential'

for trade between the two countries, so much so that Ontario was planning a further three missions during 1986.

At the same time New Zealand businessmen have not been slow to investigate opportunities in the Canadian market. One Auckland firm has secured three agencies in the electronics field already and is planning further similar associations.

Considerable emphasis has been placed on the exchanges of foodstuffs now that the direct air services provide rapid and reliable freight services. A Canadian Consulate initiative has obtained brochures from more than 50 Canadian food producers. These materials are planned to provide the focus to a series of at least three exhibitions throughout New Zealand in the near future. Even before these exhibitions have been mounted, there has been clear interest shown by New Zealand importers.

Similarly, food exporters from New Zealand have begun to open up new marketing outlets in Canada, with considerable emphasis on the hitherto

relatively remote areas of Eastern Canada. In this context both fish and meat exporters have reported encouraging successes. Other perishable products such as cut flowers and horticultural items are also being traded.

Consumer products are also beginning to show up in the newly established exchanges. One Montreal company has found a ready market in New Zealand for manual wringer washers. There is evidence of considerable interest in refrigerators and other white goods as well as gas ovens especially designed for use in yachts.

Other Canadian products coming to New Zealand include plastic plates for use in microwave ovens, and electronic bug killers. A New Zealand manufacturer of plastic clothes pegs has found a ready acceptance for his products in Canada.

There is already ample evidence that regardless of whether the trade opportunities or the direct freight service was the catalyst, the result has been a rapid widening of trade contacts between the two countries.





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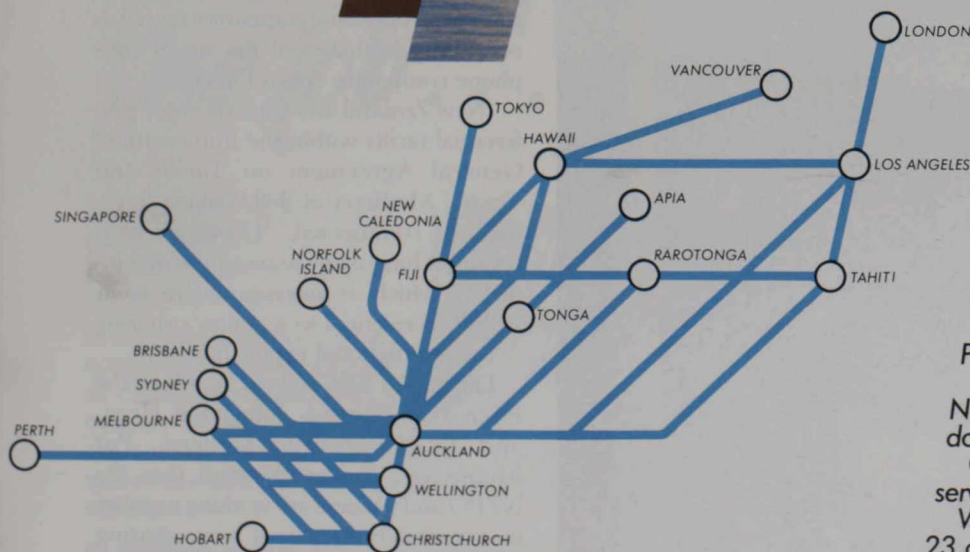
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**From P22**

established links across half the planet to share technology and expertise and to work together to solve technical and administrative problems.

New Zealand's telecommunications leaders, well aware of the direction of the waves of change in the industry, have moved to incorporate new Canadian-developed technologies and advanced methods into the New Zealand Post Office telecommunications system, and to offer New Zealanders enhanced telecommunications and information-management services at affordable prices. There is already a substantial amount of optical fibres — employing light, instead of electricity, to communicate — in the NZPO network, digital systems have been installed and NZPO officials have been seeking improved operational methodologies in all aspects of their operations.

### Convergence

The convergence of telecommunications and computer technologies is vir-

tually complete, and telecommunications and information management are closely intertwined. Importation of technology and expertise, and international joint ventures, are becoming common in the industry. Such realization has resulted in the production of many Canadian-developed technologies by major international companies such as MITEL, which has long been established in New Zealand, and Northern Telecoms, which has recently established a facility. In addition to its production facility, MITEL established a research and development facility in Wellington, New Zealand's 'high tech' centre.

Even in the solution of less sophisticated telephone problems the lessons learned in Canada have found application in New Zealand. Areas were being served by stringing telephone lines over common telephone poles, but because of soil instability after heavy rain where land had been cleared for sheep grazing, the pole lines were difficult and costly to maintain, and alternatives had to be examined. In the difficult Marlborough Sounds region,

the problem was to replace other unsuccessful means of providing telephone service. After many trials the NZPO discovered that the SR Telecom system developed for similar terrain in Canada was the installation which provided trouble-free service in this remote and rugged location.

It would appear that these systems which were pioneered in Canada to meet rural telephone requirements across the difficult terrain to scattered communities in Canada, have found a home on the other side of the world.

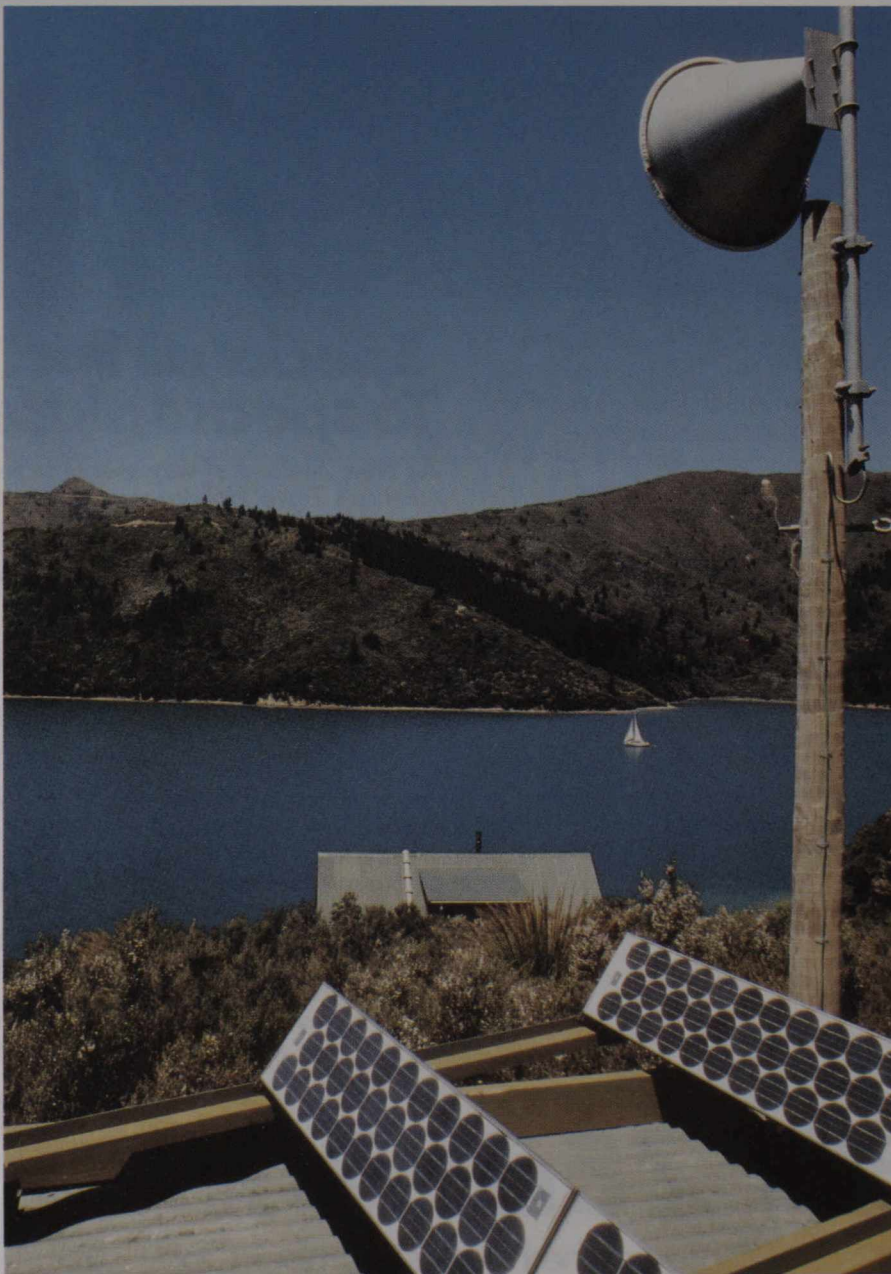
### Management

However, New Zealand and Canadian telecommunications leaders have recognised that even the best technology on its own does not guarantee service as, where and when the user wants it and at reasonable prices. The key to good service is the effective management of the system — the integrated coordination of all the equipment and human elements in the system.

Since the time of Alexander Graham Bell it is that kind of managerial expertise that New Zealand has sought from Canada as the country moves to leap-frog into the future. Joint New Zealand-Canadian efforts in telecommunications have expanded markedly since 1980, as the increased number of exchange visits by telecommunications officials of both countries indicates. In 1985 a delegation of senior officials of the NZPO and the South Pacific Bureau of Economic Cooperation/Telecommunications Development Project (Spectel) visited several Canadian telecommunications equipment manufacturers and operating companies as well as consulting branches of the major telephone companies across Canada.

'New Zealand and Canada enjoy preferential tariffs within the framework of General Agreement on Tariffs and Trade,' Mr Berry of Bell Canada International commented. 'However, both countries have come to recognise that industry which is internationally competitive is essential to a nation's sharing in the international export market.'

During the 1986 visit to Canada by the Postmaster General, Johnathan Hunt, and NZPO Director General, Pat McInerney, it was observed that the NZPO and Canada are working together in a mutually beneficial way, sharing knowledge and the results of common experience. There has been a strengthening of the relationship during the 1980s, and the joint efforts of the supplying companies have led to an effective transfer of information and technology.



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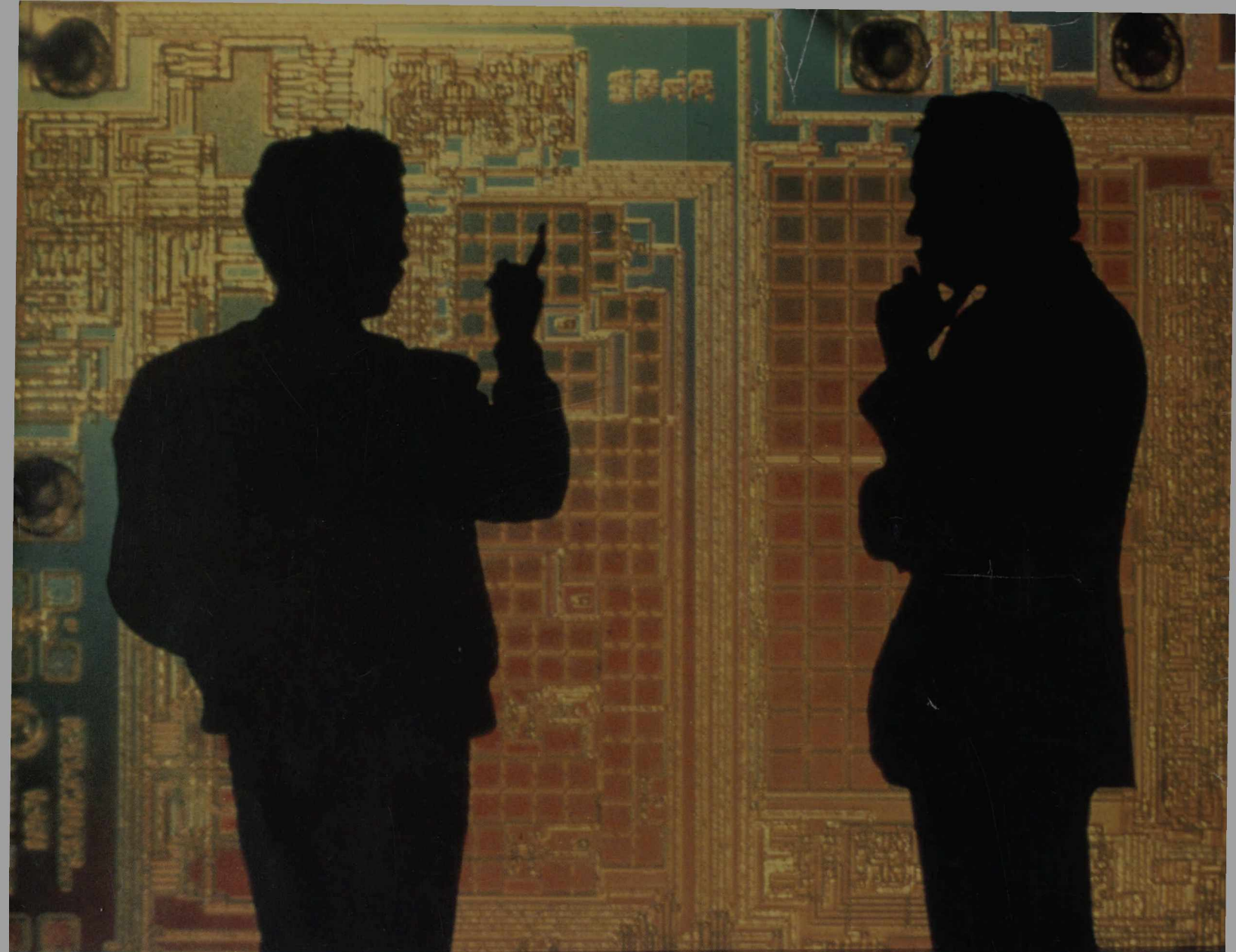
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