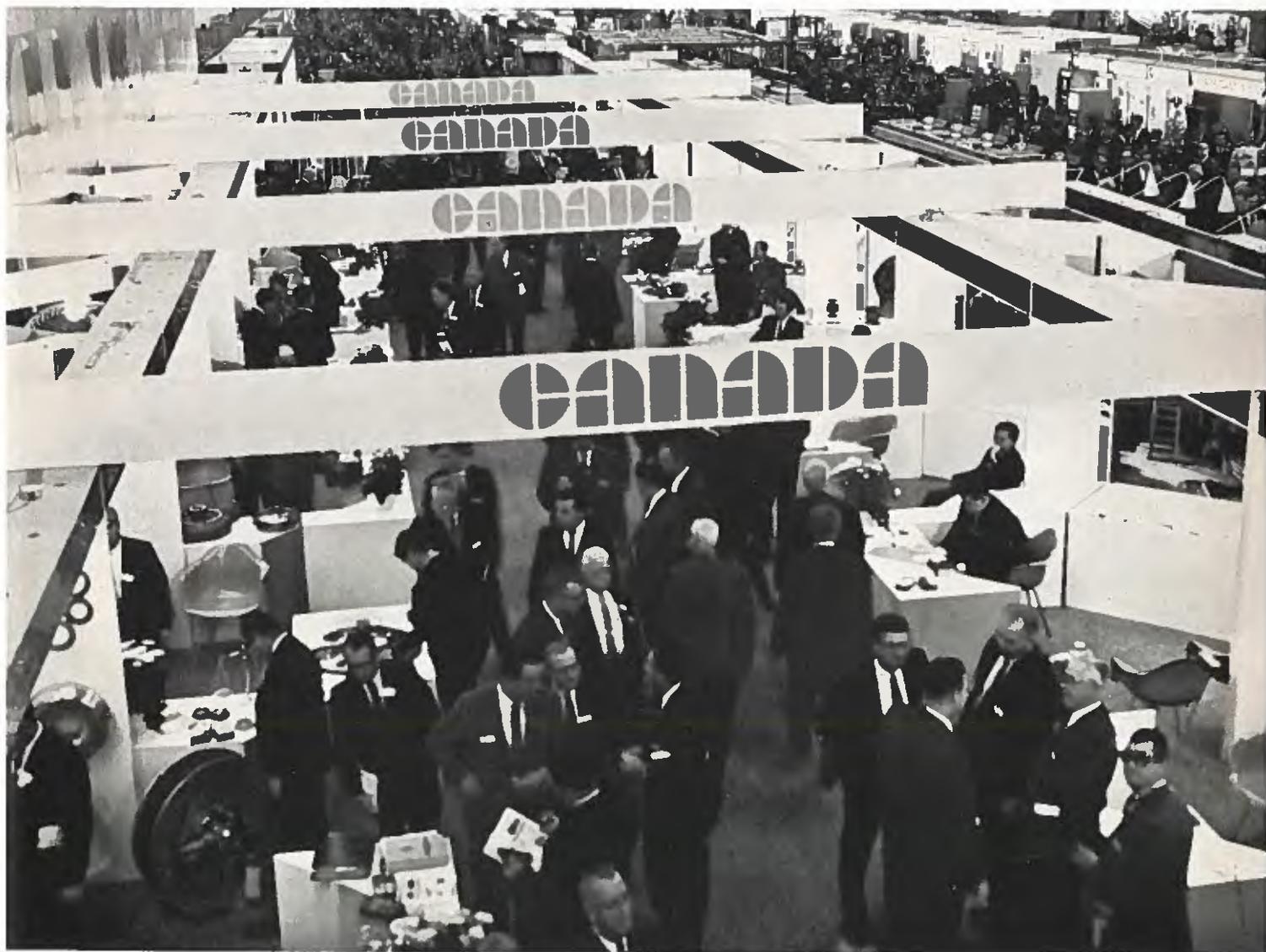


**JANUARY 4. 69**

# **FOREIGN TRADE**

**DEPARTMENT OF TRADE AND COMMERCE, OTTAWA**



**Canada's Trade Fair Program 1969 and 1970**

**Last month we spent three days** attending an international marketing seminar in Toronto, sponsored by the Export Study Club of Ontario in co-operation with the Management Development Division of the Ontario Department of Education. With 21 others, and under the skilled guidance of Dr. I. A. Litvak, professor of marketing at McMaster, we delved into the problems of doing business abroad.

**The approach was practical** and the group made up of men who help to shape export policy and make export decisions. The case histories on which the discussions were based presented real problems that real Canadian companies had faced. Divided into tables of five, we thrashed out each case and then pooled our findings. The last—and invariably the most illuminating—word was left to Dr. Litvak.

**One of the cases drove home the point** that the successful export approach is market-oriented, not product-oriented. Start studying a market by asking "For whom is the product designed? What are his tastes and needs? How can he benefit from it? Should I modify the product to conform better to his tastes or to meet his needs?"

**We agreed that effective market research is vital.** Basically it's a matter of asking the right questions to smoke out the information on which to base sound export judgments. To some of those questions research on home grounds will turn up the answers; others must be answered by you or for you in the foreign market.

**And that brings us to trade fairs.** In the lift-out centre section of this issue you will find a listing of the trade fairs in which the Department has taken space in 1969, plus a tentative list for 1970. There may be one in which you would like to show your product.

**Trade fairs, it seems to us,** are a useful medium of market research because they are both market- and product-oriented. You come with your product and put it on display. Then, by observing the reaction of those who come to see it, by discussions with them, and even by observing what others are exhibiting, you discover what kind of people your potential customers are and how to fill their needs.

**The fair on the cover?** It's the National Metals Exposition in Chicago in 1966 and we chose it as typical of the big fairs Canada enters.

# FOREIGN TRADE

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The Hon. JEAN-LUC PEPIN, Minister; the Hon. OTTO LANG, Minister without Portfolio; J. H. WARREN, Deputy Minister

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# U.S. automotive industry

## Quality Control

### first step in selling

V. G. LOTTO, *Consul and Assistant Trade Commissioner, Detroit*

■ U.S. automobile manufacturers have stressed quality control and reliability for years. Today's warranty requirements and the National Traffic and Motor Vehicle Safety Act have certainly brought component quality to the fore. Regular calls on buyers and competitive prices are no longer enough; suppliers must also show they have a sound basic quality control system. It is as important as a good credit rating.

The reliability concept has been extended to everything which goes into the making of a vehicle, from cylinder blocks to paints and plating. Specifications for metals, plastics and rubber are written with it in mind. There is in fact a trend towards higher-priced materials in applications where they produce greater reliability, and this tempers price competition to some degree.

All vehicle manufacturers and the makers of major components have prepared quality control manuals for the guidance of suppliers. The manuals vary in their approach but the message is the same—suppliers must ensure that parts or materials are manufactured to specifications and they must use control and inspection techniques to prevent the shipment of defective goods. Several auto manufacturers attribute bigger sales to greater reliability and it has been a major factor in winning owner loyalty.

This is how the purchasing agents of manufacturers of autos and major components generally set about checking the quality and performance of potential suppliers:

**One**, they circulate the potential supplier's list of his facilities, equipment,

and reliability procedures to engineering and design personnel.

**Two**, engineers visit the plant and make a thorough inspection. This is to ensure that processing and tooling are capable of producing parts to specifications. A sample order may be placed so that the product can be tested for performance and durability at the buyer's pilot plant.

**Three**, if the part is satisfactory, a larger order may be given. Throughout the model year unscheduled checks will be made; their frequency will depend on the type of part involved.

Once a supplier begins doing business, he must think of his own organization in relation to the buyer's and he must bring his quality control procedures into line. The buyer will insist on getting a copy of the supplier's quality control manual and may want to make unannounced checks in the plant to make sure the procedures are being followed.

The buyer also regularly inspects parts on receipt and evaluates the quality control system. Inspection continues during manufacture and final assembly. Engineers follow the product's performance in the hands of the public, make tests on proving grounds, and study comprehensive reports from dealers.

The supplier has the basic obligation for quality. The National Traffic and Motor Vehicle Safety Act places a joint responsibility on vehicle manufacturers and their suppliers who must prove that they have exercised due care.

The supplier's quality control manual must include detailed instructions on the testing and inspection of materials, current work, and completed articles as required by the specification itself and the contract. Proper records must be kept of all tests and inspections and these must show the nature and number of observations made, the number and types of deficiencies found, quantities approved and rejected, and what remedial action was taken. Records must be kept during the period that the part is being supplied and for five years afterwards.

Suppliers are expected to produce parts according to the specifications provided; if they wish to recommend alternatives which would improve quality or cut costs, they must discuss them first with the buyer's engineers. One director of reliability told me that he expects suggestions: "My company has never claimed to have a monopoly on brains, and the sooner we can reap the benefit of our supplier's extensive manufacturing knowledge, the better off all of us will be."

There is still scope for new suppliers who can meet the stringent demands of the automobile industry. Current Canadian suppliers have a first-rate reputation, as evidenced by the shipment of almost half a billion dollars worth of parts to the U.S. during the first half of 1968 for the assembly of vehicles in that country. Canadian vehicle assemblers follow identical quality requirements. Size does not necessarily mean better quality control; most small suppliers have effective inspection systems.

Over 90 per cent of General Motors suppliers employ fewer than 500 people and more than 75 per cent less than 100. The purchasing pattern of Ford, Chrysler, and American Motors is similar. Purchasing agents will not, however, give a would-be supplier a second look unless he has a quality control system. A quality control manual is essential when approaching buyers for the first time. The Trade Commissioner's office in Detroit has considerable material on quality requirements which the automakers have provided. You are welcome to visit the office and study it. The Trade Commissioners will also be pleased to assist in setting up an itinerary of calls on buyers for you. The telephone number is 965-2811 (area code 313).

# Overlooked Opportunity

## truck manufacturers in the northeast

C. K. MARCHANT

*Vice Consul and Assistant Trade Commissioner, New York*

■ If you make parts for the automotive industry and live somewhere between Montreal and Windsor, why not plan to spend a day or two drumming up some additional business for your company in New York or northern New Jersey? There are several very large potential customers just half a day's drive from your plant. What is more, most of them would be delighted to expand their sourcing in Canada.

● About ninety miles from Toronto, in Tonawanda, New York, Chevrolet has one of the largest engine plants in the world. Most of the parts are procured externally but, at last word, only two Canadian companies had made calls on this plant.

● If you live in Montreal, you are within four hours' drive of three buyers consuming between them upwards of 100 tons a day of iron castings and a like amount of steel forgings.

● In New York, Connecticut and northern New Jersey alone, there are ten certified bona fide vehicle manufacturers and most of them have had very few calls from Canadian suppliers. They all do their own purchasing and in some cases they purchase for several plants. There are, besides, nine Ford and General Motors plants buying large quantities of non-production items.

The major purchasing units which buy products covered by the Canada-U.S. Automotive Agreement and which are located in New York, New Jersey and Connecticut are listed on page 4.

Before contacting any of them, you should prepare a brief description of your firm which will introduce its capabilities to the prospective customer. Generally speaking, purchasing agents want to know the following right at the outset:

- name of firm
- date established
- size and location of each plant
- description of production facilities
- products and services
- number of employees
- transportation facilities
- approximate yearly volume
- current and representative customers.

It is probably better for the manufacturing company to make the initial contact itself, whether or not it intends to use its own salesmen. It may not always be strictly necessary to make an appointment beforehand but phoning ahead is a courtesy which is generally appreciated. There are cases, however, where an appointment is essential; some purchasing departments

set aside specific days and hours for seeing prospective suppliers. The Canadian Consulate General in New York would be pleased to guide you.

Almost all firms invite only previously approved suppliers to submit quotations. The larger firms tend to be more formal but all like to weigh these things up before inviting a prospective supplier to quote:

**Adequate capacity and facilities.** The prospective buyer wants to be satisfied that your firm has the kind of equipment and the facilities needed to produce the parts or assemblies he requires. He may want to visit your plant to discuss this.

**Technical capability.** In some cases, special metallurgical or engineering standards have to be met and the prospective buyer will want to discuss your technical capabilities in these areas.

**Satisfactory performance.** The supplier who can point to satisfied customers is always welcome.

**Price.** The purchasing agent's job is to buy at the most favorable price.

**Financial responsibility.**

### Appointing Representatives

Your firm may want to handle its own sales calls and followup visits. But if you wish to appoint a manufacturers' representative (who may work for a retaining fee and commission and perhaps switch to commission only later) the Canadian Consulate General in New York can put you in touch with those calling on the kind of accounts you are interested in. Several manufacturers' representatives in the automotive field are actively looking for new lines and have expressed an interest in Canadian firms.

The larger firms, such as divisions of the big three, normally issue blanket orders which are, in effect, an indication of intent to purchase certain parts. These blanket orders state the terms and conditions covering the supply of specified parts and the period to which the order refers. When the parts are required, releases are issued for the quantities needed with shipping instructions. Smaller firms usually operate on an order/repeat order basis.

## Where They Are and What They Make

### Buffalo

General Motors Corporation  
Harrison Radiator Division  
Lockport, New York

*Radiators, heaters, air conditioners*

General Motors Corporation  
Chevrolet Motor Division  
Tonawanda, New York  
*Engines for Chevrolet cars and trucks*

### Rochester

General Motors Corporation  
Rochester Products Division  
1000 Lexington Avenue  
Rochester, New York 14606  
*Carburetors, fuel injection systems*

### Syracuse

Brockway Motor Trucks\*  
Division of Mack Trucks  
106 Central Avenue  
Cortland, New York 13045  
*Class 7 and 8 highway tractors, buses*

Lipe-Rollway Corporation  
806 Emerson Avenue  
Syracuse, New York 13204  
*Heavy duty automotive clutches*

New Process Gear Division  
Chrysler Corporation  
6600 Chrysler Drive  
East Syracuse, New York 13204  
*Transmissions, differentials*

General Motors Corporation  
Ternstedt Division  
Town Line Road  
Syracuse, New York 13211  
*Automotive hardware and parts*

### Albany

Walter Motor Truck Co.\*  
School Road  
Voorheesville, New York 12186  
*Snow ploughs, fire trucks*

\*Bona fide vehicle manufacturer for the purposes of the Canada-U.S. Automotive Agreement.

### Other Cities near New York

Ward LaFrance Truck Corporation\*  
Grand Central Avenue & 11th St.  
Elmira Heights, New York 14903

*Fire trucks*

Garsite Products Inc.\*  
10 E. Grand Blvd.  
Deer Park, Long Island  
New York 11729  
*Aircraft ground support vehicles, fuel oil trucks*

### Northern New Jersey

Adam Black & Sons, Inc.\*  
270-300 Tonnele Avenue  
Jersey City, New Jersey 07306  
*Truck, bus bodies and trailers*

Bristol-Donald Co., Inc.\*  
50 Roanoke Avenue  
Newark, New Jersey 07105  
*Dump trucks*

Decker Tank Corporation\*  
118 Route 17  
Upper Saddle River, New Jersey  
07458

*Fuel oil trucks*

Jay Madsen Inc.\*  
132 S. 12th Street  
Newark, New Jersey 07107  
*Bus and other specialized chassis*

Eastern Tank Corporation\*  
290 Pennsylvania Avenue  
Patterson, New Jersey 07503  
*Tank trucks*

Fedders Corporation  
Woodbridge Avenue  
Edison, New Jersey  
*Radiators, heaters, air conditioners*

### Connecticut

Hobbs Equipment Co., Inc.\*  
Keeler Avenue  
Norwalk, Connecticut 06856  
*Power equipment for trucks*

New Departure-Hyatt Bearings  
Division  
General Motors Corporation  
Bristol Plant  
269 North Main Street  
Bristol, Connecticut 06012  
*Roller bearings*

### Ford and General Motors plants in the area buy non-production items

Ford Motor Company  
Green Island Plant  
Green Island, New York 12180  
*Automotive radiators, springs*

Ford Motor Company  
Automotive Assembly Division  
State Highway 25, P.O. Box 591  
Metuchen, New Jersey  
*Assemble automobiles*

Ford Motor Company  
Automotive Assembly Division  
State Highway 17  
Mahwah, New Jersey  
*Assemble motor vehicles*

Ford Motor Company  
Metal Stamping Division  
3660 Lake Shore Road  
Buffalo, New York 14219  
*Automotive stampings*

General Motors Plants  
General Motors Corporation  
Chevrolet Motor Division  
Grove Street  
Bloomfield, New Jersey  
*Automobiles, trucks and parts*

General Motors Corporation  
Buick-Oldsmobile-Pontiac Assembly  
Division  
1016 West Edgar Road  
Linden, New Jersey  
*Assemble motor vehicles*

General Motors Corporation  
Fisher Body Division  
North Tarrytown, New York 10591  
*Motor vehicle bodies*

General Motors Corporation  
Chevrolet Motor Division  
Beekman Avenue  
North Tarrytown, New York 10591  
*Motor vehicles*

General Motors Corporation  
Chevrolet Motor Division  
Delavan Avenue  
Buffalo, New York 14240  
*Axles*

To get the business, you must co-operate with the customer on specifications, routings, deliveries, and packing and on samples, tooling, and supplying of test quantities. Over the longer haul, a supplier's suggestions for product design and improvements help to build a good reputation and increase sales.

### Trucks Predominate

Many of the automotive firms that do their own purchasing in New York, Connecticut or New Jersey are involved in the production of trucks or specialty vehicles rather than automobiles. Changes in engineering and design are not as frequent as with automobiles, which incorporate new design and engineering changes each model year. Parts for trucks do not usually change materially in a three-year period; this means a more continuous flow of orders for the competitive supplier and helps him keep costs down.

Chrysler's New Process Gear Division in Syracuse produces transmissions, gears and differentials, mostly for trucks at present. However it will have a new three-speed manual transmission for passenger cars and three-, four- and five-speed truck transmissions ready during the next twelve months. Canadian firms should go after a slice of this business right away.

Most of those in the list who for the purposes of the Canada-U.S. Automotive Agreement are classified as bona fide vehicle manufacturers produce either specialty vehicles for which the market for any one model is limited or manufacture vehicles to customers' orders. For example, Garsite Products makes airport ground vehicles. Such firms present opportunities for sales of comparatively short-run items.

Many of the firms listed are involved in producing fuel oil trucks or other kinds of tank trucks. This is because a tremendous amount of oil refining is done in northern New Jersey. Purchasers of fuel oil trucks generally like to have delivery of new vehicles near the end of the summer so that their fleet can be in full operation during the colder months when fuel oil is in demand. The assembly of these vehicles and the supply of

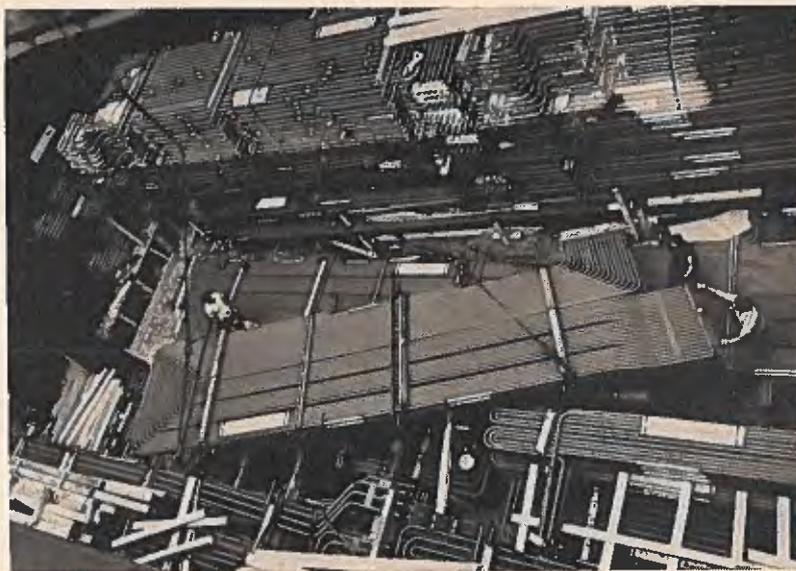
parts for them therefore have definite seasonal characteristics, production being concentrated in the late spring and early summer.

### Volume Castings, Auto Parts

The market for firms with modern high-production casting facilities deserves special mention. Lipe-Rollway and New Process Gear, both in the Syracuse area, are actively seeking competitive sources of both large and small castings. New Process Gear is the only Chrysler plant doing its own production buying; it has ambitious expansion plans under way for the next two years and therefore offers an attractive market for competitive Canadian foundries.

Three firms in the list are mainly concerned with passenger car requirements—Fedders Corporation, which purchases in New Jersey but also has a plant in Buffalo; Harrison Radiator Division, with two plants in Lockport and one in Buffalo; and the Chevrolet Tonawanda engine plant. All of them offer opportunities for high-volume sales.

You will certainly have specific questions to ask about these firms and how the market could fit in with your own firm's capabilities and ambitions. You may want to find suitable sales representation. Whatever advice you need, why not begin by getting in touch with the Canadian Consulate General, Commercial Division, 680 Fifth Avenue, New York City 10019?

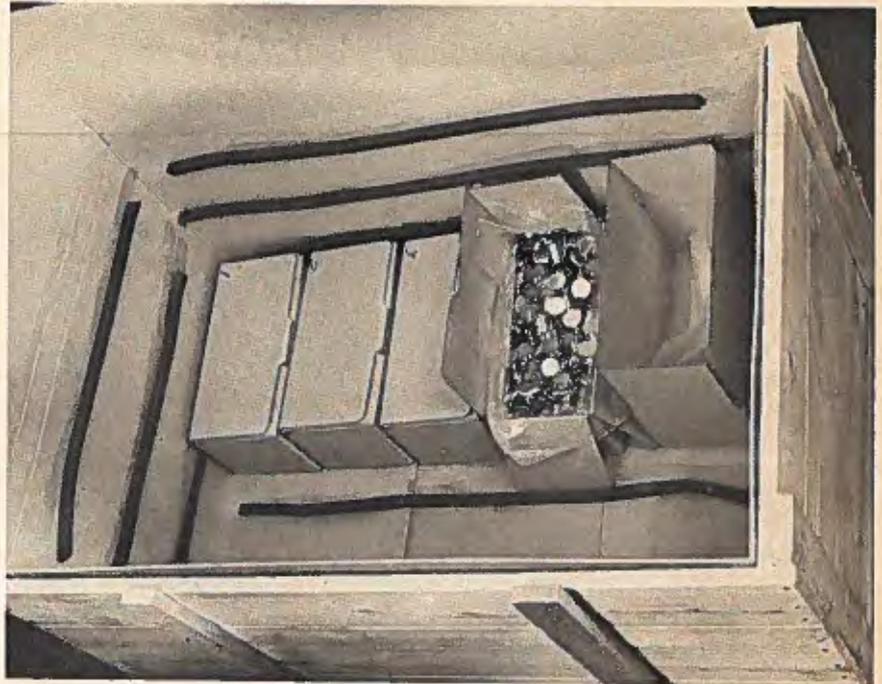


The picture shows superheater and reheater assemblies for the Liddell Thermal Station in New South Wales being put aboard ship at Montreal. They were manufactured in the Sherbrooke, Quebec, works of Combustion Engineering-Superheater Ltd. and are designed to raise steam temperature to 1,005 degrees F. The demand for

electricity in New South Wales has been doubling about every seven years since 1950 and by 1971 will exceed 5,500 mw. The Liddell Thermal Station will be the largest thermal plant in Australia with four 500 mw. units and a coal consumption of up to five million tons a year.

# They're Coining Business

Canadians, South Africans, Australians, Dutch, Brazilians and Lebanese all jingle in their pockets coins made from Canadian nickel—with the blanks supplied or the coins stamped out at Sherritt Gordon's Alberta plant.



O. MARY HILL  
*Editor, "Foreign Trade"*

"GREAT SCOTT! the beaver has its whiskers back!" The setting for this odd exclamation was the Royal Mint in Ottawa; the time was early in 1961. A group of experts, including the Master of the Royal Canadian Mint, was standing around a minting press comparing sample coins stamped from nickel blanks supplied by Sherritt Gordon Mines Limited with the regular supply made from blanks produced in England. Magnifying glass to his eye, one of the group discovered that once again the beaver on the Canadian five-cent piece had whiskers that showed.

That practical test provided the Canadian Mint with a new source of nickel coin blanks at the moment when its British source was cut off by strikes. (Canadian nickel was shipped to Britain and the blanks prepared and returned to Ottawa ready for stamping.) And it brought to the Sherritt Gordon plant at Fort Saskatchewan, Alberta, an initial order for 10 million blanks. This order was completed in April

1962 and in May the company received a new contract for 45 million blanks. Today it supplies all the blanks for Canada's five-cent and 50-cent coins and has also substantial blank orders for the 10- and 25-cent coins, all of them solid nickel, which Canada began using last year.

## **Wanted: Overseas Orders**

Technically, Sherritt Gordon holds a number of aces in this coinage game. It owns a nickel mine at Lynn Lake, Manitoba; this means that it can control its raw material supplies and maintain them in times of world shortage. It has developed a chemical-metallurgical process that produces in its Fort Saskatchewan refinery nickel in powder form that is 99.9 per cent pure. This powder can be rolled into nickel strip that is softer and more ductile than any competing product. This softer strip takes a better coining impression (whiskers on the beaver), with less wear and tear on the dies.

The large Canadian order turned the company's eyes towards possible foreign markets for coin blanks. A survey

of coins issued throughout the world showed several countries using nickel and many using silver that might be replaced by nickel. There seemed to be a market with growth potential. But selling blanks to be used as part of a country's coinage is a far cry from selling sports jackets or wire and cable. Rex Pearce, manager of metal sales for Sherritt Gordon, puts it succinctly: "It means reaching an extremely small and influential group and keeping your technical competence and your product before them against the day when changes in national coinage become necessary."

## **Keeping in Touch**

But what is the best way of keeping in touch with the small number of officials—perhaps a thousand at most scattered all over the world—who are directly concerned with coinage? Sherritt Gordon put this problem up to its advertising agency. The answer: use direct mail. Many minds worked on this proposal and eventually the "Coinage Information File" emerged. It is essentially a collection of articles and



(Above) This medallion, struck at The Sherritt Mint, commemorates the opening of a nickel mine at Kambalda in Western Australia. (Left) Coin blanks are packed in 50-pound cardboard boxes with a polyethylene liner and with tight covers; 36 of these boxes then go into a wooden case lined with cardboard and with rubber strips attached to absorb vibration and to prevent the blanks from rubbing together. This wooden case also is designed for quick and easy handling by a forklift truck.

interesting information about coinage, emphasizing the advantages of solid nickel coins. The CIF is prepared in English, French and Spanish and Sherritt Gordon makes a continuing effort to use technically correct words in each of these languages. The original three articles were sent out in 1965 to a carefully selected mailing list. The presentation was in line with the importance of the recipients—chiefly Ministers of Finance, Masters of Mints, Governors of Central Banks, other officials, and the Canadian Trade Commissioners. The articles were put into an individually numbered, attractive and permanent box with the name of each recipient printed on it. Forwarded by registered airmail, it was accompanied by a letter from Sherritt Gordon's president, E. L. Brown. The letter asked the recipient to let Mr. Brown know whether he found the information useful and whether he would like extra copies. Two or three times a year new material for the Coinage File is dispatched—such as the annual report of the Royal Canadian Mint, or a condensation of South Africa's definitive report on coinage, *Decision for a Century*. The File thus helps, to quote Mr. Pearce again, "to keep people aware that we exist."

The selling job is not left entirely to direct mail, however pertinent and well presented. Personal contact matters in

selling coin blanks as it does in selling everything else. Sherritt Gordon makes these contacts with its own executives, through agents it appoints, and last but not least, through the Canadian Trade Commissioners. (The latter can be helpful because they have access to officials who are often hard to reach.) Rex Pearce himself and other representatives of the company do a great deal of travelling; Mr. Pearce visited nearly every country in Latin America in 1967, for example, and nine countries in Africa in 1968. The agents that the company selects must be technically competent, with a first class reputation. In Europe (exclusive of Britain), Sherritt's Metal Marketing Division is represented by the Klockner firm of Duisburg, Germany; in North America, the Division, based in Toronto, looks after sales and for the rest of the world, British Metals Corporation holds the agency.

### Success in South Africa

In 1962 the British Metals Corporation office in Johannesburg sent Sherritt a report on South Africa, which only a year before had changed to decimal currency and was using coins of a 50 per cent silver, 50 per cent copper alloy. The alloy was not giving good results and the supply of silver was getting short. The Director of the South African Mint, Mr. Malan, was

instructed by his government to make a world tour to study coinage, visiting other Mints, banks, fiscal authorities, and so on. The BMC man suggested that he include Ottawa on his itinerary and Mr. Malan arrived at the Royal Canadian Mint just as the last shipment of the initial Sherritt Gordon order was received. He watched these blanks being minted into five-cent coins. The company then arranged for him to visit the Fort Saskatchewan plant. There he saw nickel powder made into metal strip, hot rolled, cold rolled, coin blanks punched out, edged and carefully annealed. He departed impressed with the plant. His report, submitted to the South African Parliament, stated that pure nickel makes a more attractive coin and one that is harder to counterfeit. It is also a better investment because old coins can be melted down and pure nickel recovered.

Eventually this promotion paid off. Months later South Africa called for tenders for the supply of blanks for its new 50-, 20-, 10- and 5-cent coins. Tenders came in from eleven bidders in ten countries, including Canada. Although Sherritt Gordon was not the lowest bidder, it won the major portion of the contract because it was able to guarantee to meet all the specifications and because it offered a softer metal. Late in 1964, the SA Mint ordered 65 million blanks for 5- and 50-cent coins; this was later raised to 85 million and the delivery schedule advanced. The first shipment went out from Fort Saskatchewan within 90 days; the total order was worth over a million dollars.

In 1968, Sherritt Gordon shipped 10 million pure nickel blanks to the South African Mint for its five-cent coin. The company also received an order from the Mint for special-quality blanks for the 10-, 20- and 50-cent nickel coins in the 25,000 proof sets that the Mint will sell.

In December 1967, the Royal Netherlands Mint placed a major order for Sherritt nickel blanks for the new one-guilder coin. Since 1948, Dutch 10- and 25-cent coins have been nickel, but the higher value coins were 72 per cent silver. Because silver is now too costly for coinage use, the authorities have decided to use solid nickel, (on which they have 20 years' experience) for the one guilder and the Mint se-

lected Sherritt Gordon as the supplier of a major portion of the blanks. These coins went into circulation in August 1968.

In December 1968 the first shipment of 20 metric tons of pure nickel coin blanks left Fort Saskatchewan for Vancouver en route to Rio de Janeiro. This represented the first instalment of a 500-metric-ton order for Brazil's new 50-centavo coins, which are just being issued. This order resulted from a first contact in 1966. Brazil had been using notes for some time and then issued a new coinage in which one new cruzeiro equalled 1,000 old cruzeiros. Sherritt Gordon got the order for the pure nickel 50-centavo coin blanks, and will be shipping these each month until the order is completed.

In its five years of actively seeking business, Sherritt Gordon has secured two big export orders for coin blanks—from the Netherlands and South Africa. Business of a slightly different sort has developed in Australia. For some time the company had been supplying the Royal Australian Mint with nickel briquettes for the production of cupro-nickel coinage. Then last year, Australia's first nickel mine came into production at Kambalda, Western Australia. Now 10,000 tons of Australian nickel ore a year come into

Fort Saskatchewan for refining and shipment back in the form of nickel briquettes (some going to the Australian Mint)—a business that will continue until the Australians build their own refinery.

### Medallions Too

The official opening ceremonies for the mine at Kambalda provided Sherritt Gordon with a sales opportunity of a different type. In 1965 the company had added to its facilities at Fort Saskatchewan a minting press and had begun turning out commemorative medallions and medals. Through its BMC representative in Australia, it suggested to the mine management that it strike a special commemorative medallion to be given to the guests at the opening. The order for 2,000 medallions duly arrived—medallions with an outline map of Australia on one side showing the location of the mine. These were specially embedded in clear plastic and loaded on a through plane for Sydney. So far, this has been the company's only overseas order for medallions but it does a brisk domestic business in them. During 1967, The Sherritt Mint struck four medals for the Canadian Olympic Association, tokens for the Calgary Zoo, and centennial medallions for ten

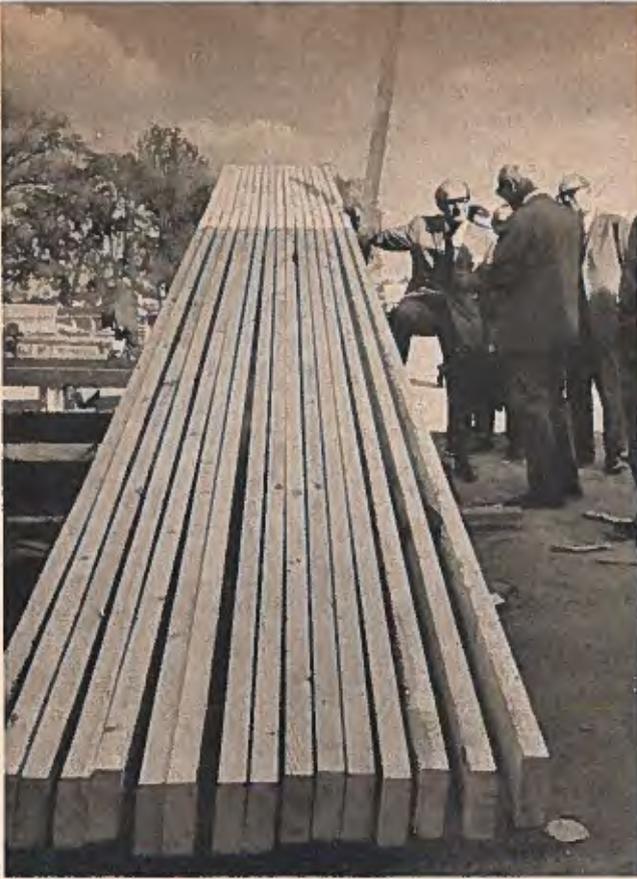
Canadian towns. In 1968, the first production order for the Mint was a solid nickel one livre coin for Lebanon, which that country issued in co-operation with the Food and Agriculture Organization of the United Nations, which proposed an international coin issue to draw attention to the growing food crisis in many countries. It will be legal tender for three years. This Lebanese coin was the first foreign one to be produced in Canada at The Sherritt Mint.

With a plant capable of producing three million pounds of pure nickel blanks a year and with the Sherritt Mint able to deliver coins ready for issue, Sherritt Gordon keeps looking for new customers. But, as Mr. Pearce emphasizes, "business is not steady because coinage is a consumer product that can't be sold until a country needs and wants it." It is also very competitive, with nearly a dozen producers who bid on every contract. But the mail received—letters that say, "We are thinking of changing our coinage. Have you some suggestions?"—testifies that the capabilities of this Canadian company are becoming widely known—the essential step in making sales. ●



### Canadian Cable Links Europe with Asia

Laying a cable a mile and a half long across the Bosphorus presented some tricky technical problems for both the Turkish Post, Telegraph and Telephone Administration and the cable manufacturers, Northern Electric. The cable had to be made all in one piece and heavily armored to withstand abrasion from the rocky seabed and strong currents. Handling the 63 tons of cable on its 12-ton reel during the various stages of production at Lachine, Quebec, called for very detailed planning and specially designed equipment. The Turkish PTT did the actual laying; our picture shows the start of the operation.

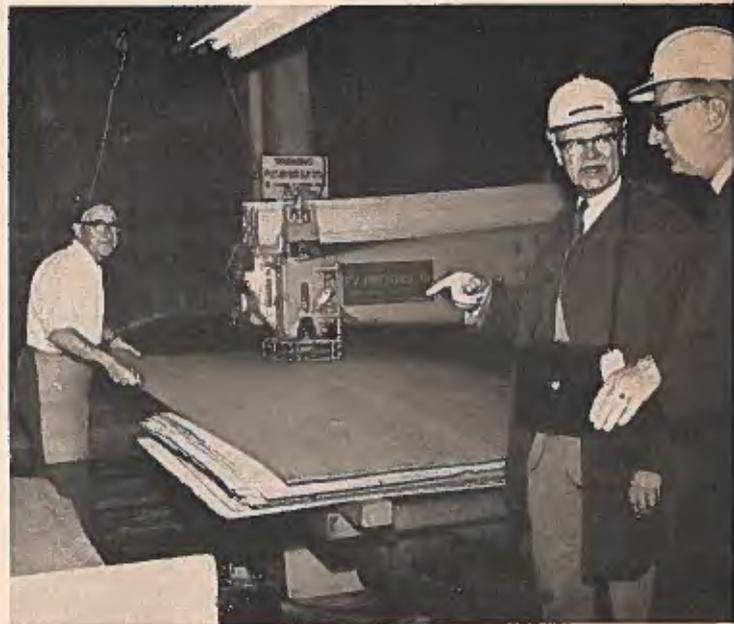
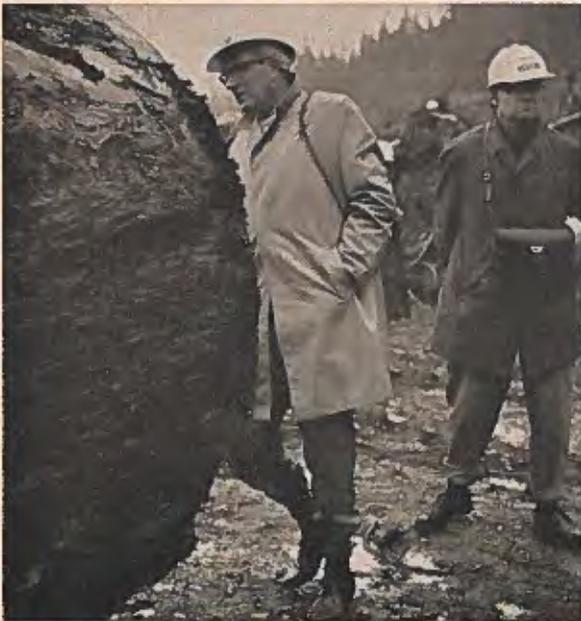


The Canadian campaign to introduce timber frame housing in the Netherlands that began in 1965 is today bearing fruit. Latest step in this continuing program was bringing to Canada last fall a Housing Mission composed of nine Dutch housing experts and headed by the Hon. W. F. Schut, Minister of Housing and Physical Planning in the Netherlands Government. In its two-week stay in Canada, the Mission studied logging methods, lumber and plywood manufacture, and large-scale home building methods in an itinerary that took them to Vancouver Island, Vancouver, Calgary and Ottawa. They also discussed housing techniques and problems with Central Mortgage and Housing Corporation and with the National Research Council in Ottawa before returning to the Netherlands.

*The Dutch Minister of Housing and Physical Planning, the Hon. W. F. Schut, (left) is deep in discussion of a technical point about the roof trusses in the foreground. The picture was taken during a visit to an Allied Building Supplies plant in Ottawa.*

## Dutch Housing Experts Visit Canada

*Two members of the Mission observe logging operations on Vancouver Island. The man on the left seems impressed by the size of the trees that flourish there.*



*This time it is the manufacture of plywood that receives close attention as the members visit the Plywood Division of MacMillan Bloedel in Vancouver. Later they also toured medium-density housing projects.*

# ELECTRONICS MARKETS

## Norway

Major purchasers are in both government and industry; imports of parts important.

B. G. R. BARTON, *Commercial Officer, Oslo*

■ In Norway as elsewhere, the dividing line between electronic and electrical manufacture is often not clear-cut and many firms are engaged in both fields. Total Norwegian production of signal, radio and other tele-equipment in 1960 was valued at only Cdn.\$34.3 million but by 1966 it had increased to Cdn.\$71.3 million. Major items produced by the 43 domestic manufacturers were:

	(Cdn.\$ million)
Television receivers and parts	21.9
Telephone and intercom. equipment	21.1
Radio receivers and parts	7.9
Radio telephone and broadcasting equipment	3.9
Radio navigational equipment	1.8
Loudspeakers and AF amplifiers	1.4

Tape recorders and echo sounders, for which no production figures are available, probably accounted for a further Cdn.\$13 million.

Norway's output of electronic equipment more than doubled between 1960 and 1966. The picture shows the Tandbergs Radiofabrikk plant which makes tape recorders. Besides small electronic parts, Norway imports substantial quantities of telegraphic equipment and statistical machines.



There is little or no manufacture of basic parts such as small condensers, resistors and tubes, but one manufacturer specializes in semi-conductors. There is limited manufacture of advanced data-controlled devices and of low-tension cable.

The table gives figures on foreign trade in electronic products. It is apparent that parts constitute a large part of imports and foreign sources of supply are well established, especially West Germany, the Netherlands, Denmark and Britain. A number of the larger Norwegian manufacturers are connected with foreign companies operating in the same field and prefer to do much of their purchasing through these channels.

### Major Purchasers

The following are the major authorities or sectors concerned with the purchase and operation of electronic communications material:

#### 1. The Telegraph Service, responsible for:

—Building, development and operation of the domestic telephone and telegraph networks and for communications with foreign countries, including radio communication.

—Building, development and operation of sound radio and television broadcasting networks. This includes all broadcast operations except in-studio work.

—In co-operation with the Civil Aviation Authority, the building and operation of ground/air communications, radio beacons, directional and navigational installations for civil aviation, etc.

—Building and operation of coastal radio stations for communication with ships in foreign waters and with the

fishing fleet, marine navigation stations and inter-island communications.

—Allotment and control of radio frequencies.

—Representation of Norway in all international matters relating to electronic communications.

—Licensing of private telephones; VHF equipment for such bodies as police, fire service, power authorities, taxis, ambulances, factories, etc.; airborne and marine radio stations.

Considerable public investment goes into the development of the domestic telephone network, the extension of the present automatic dialling system, and the completion of the countrywide television and FM radio networks.

The 1968 State Budget for the Telegraph Service allocated Kr.227 million to local telephones, Kr.101 million to national telephones, telegraph and telex networks, and Kr.23 million to radio equipment.

**2. The Norwegian Broadcasting Corporation**, responsible for all program and in-studio work for both sound radio and television and for the operation and development of its equipment. There are no commercial or private broadcasting companies in Norway. At present there are about 1.1 million radio and 600,000 television licence holders in Norway but a single licence entitles the holder to more than one receiver. Sound broadcasts are sent over AM and FM stations simultaneously. In 1966 about 5,500 hours of sound radio time were sent out over the national network and there were a further 2,400 hours of local station programs. Black and white television programs amounted to 1,500 hours. Color television will probably not be introduced in Norway for some years but the corporation has made test telecasts. The present 180 color TV sets in Norway can pick up the Swedish color test broadcasts in some locations and producers of domestic receivers are prepared to start full-scale manufacture when needed.

Many Norwegian sound receivers are also equipped for stereo FM reception in preparation for its introduction.

**3. The State Railways**, which operate their own long-line communications network and co-operate with the Telegraph Service; many of the large cable aggregates are financed jointly. The Railways also use electronic signalling and steering equipment and internal radio communication to a limited degree. They expect to continue purchase of bearer frequency equipment as the budget permits.

**4. The Civil Aviation Authority**, responsible for the planning and control of electronic devices for use in civil aviation. (Purchase and operation of pertinent radio equipment is the responsibility of the Telegraph Service.) In the 1968 Budget Kr.6.1 million was allocated for purchases of aerial navigation equipment. The building of a number of small feeder airports for STOL operation over the next few years will probably increase requirements for suitable equipment.

**5. Electric Power Stations**—Larger stations have their own inter-telephone connections and equipment for remote control and recording. High frequency telephony over power lines of 50 kHz to 150 kHz and fixed radio communica-

tion in the 460 MHz band have been employed as well as mobile VHF radio on the 80 and 160 MHz bands. The need for remote control equipment will continue as more generating plant is built.

**6. The Lighthouse Authority** is building a network of medium-wave radio beacons along the Norwegian coast in accordance with the Paris Convention of 1951. The

#### FOREIGN TRADE IN ELECTRONIC PRODUCTS

	Imports		Exports	
	1966	1967	1966	1967
	<i>(millions of Cdn.\$)</i>			
Telegraphic equipment	7.0	8.0	2.1	2.4
Radio-telephonic equipment	3.8	4.7	1.5	1.9
Broadcasting equipment	0.3	0.2	0.3	0
Radar and radio navigation equipment	4.1	3.0	0.2	1.1
Asdic and echo sounders	0.3	0.5	2.4	2.5
Radio receivers	2.1	2.4	1.7	1.4
Television receivers	1.5	1.8	2.0	1.6
Microphones, loudspeakers and AF amplifiers	1.6	1.5	0.9	1.2
Tape recorders	1.1	1.1	5.5	7.1
Automatic data machines	2.4	2.7	0.5	0.5
Statistical machines	6.2	9.0	0.2	0.2
Hearing aids for the deaf	0.3	0.3	—	—
<b>Parts</b>				
For radio telephony and broadcasting equipment	1.6	4.1	0.7	0.9
For radar and radio navigation equipment	1.4	1.6	0.03	0
For radio and TV receivers	4.0	3.5	0.3	0.6
Valves and crystals	7.6	9.1	0.1	0
Condensers	3.0	3.4	0.05	0
Resistors	1.5	1.8	—	—
Relays	2.1	2.6	0.02	0.1

#### CUSTOMS DUTIES ON ELECTRONIC PRODUCTS

The following rates of duty are applicable to electronic products as at July 1, 1968. All parts and equipment enter duty-free from member countries of EFTA.

	<i>Kr. per kilo</i>
Telex units	1.12
Switchboards	2.24
Other telephone apparatus	2.24
	<i>Per cent</i>
Loudspeaking telephonic apparatus	14.4
Loudspeakers and AM amplifiers	16
Microphones	4
Radio and TV receivers	23.8
Parts for the above	18
Radar and radio navigation equipment	19.2
Small fixed condensers	8
Variable condensers	16
Resistors, fixed and variable	16
Mounted piezo-electric crystals and parts	16
Asdic and echo sounders	9.6
Tape recorders	13
TV recorders	18
Electronic data and statistical machines	8
	<i>Kr. per unit</i>
Electron tubes, cathode ray tubes, mounted	
transistors and photo-electric cells	0.32
Hearing aids	Free

authority uses MF and VHF communications between certain beacons and land.

**7. The Pilot Authority** which operates a number of radar and radio stations along the coast for pilotage use. Pilot boats are also equipped with radio telephony.

**8. Civil Defence**, which operates a widespread net for advance warning and operations and has spent considerable sums on electronic equipment, especially for mobile and stationary communications. A contract will shortly be signed for delivery of new communication sets from a domestic manufacturer, who will develop the set in conjunction with the Signals Corporation.

**9. The Harbor Authority**—Local harbor authorities are employing VHF radio for ship/shore communication more and more. This follows international standards.

**10. Merchant and Fishing Fleets**—Installation of radio transmitters and receivers, amplifiers, direction finders, echo sounders, asdic and radar on board vessels of varying types has attracted considerable investment. By 1963 the annual value of such equipment was estimated at about Kr.300 million, of which Kr.220 million was used in the fishing fleet. In the merchant marine, about one-third of this equipment was domestic and in the fishing fleet about two-thirds.

A Decca navigation chain covering the Norwegian coast was officially opened in May 1968. Decca has granted manufacturing rights to a Norwegian crown company (Kongsberg Vapenfabrik) for marine receiver units for use in conjunction with this chain.

**11. Military Requirements**—The above Decca transmitter system is operated by the Norwegian Joint Services Signal Corps which has already built and operates a number of other navigation systems such as Omega, Loran A, Loran C and Consor. An improved Consor system developed by a Norwegian company is now being built to cover the islands of Jan Mayen, Bear Island and Andöya.

The three services have their own individual electronic requirements and a special office, FSBNEMD, is responsible for certain areas requiring co-ordination such as long-line communication, frequency allotment, communication materials, etc.

### General Standards

Any equipment operating on mains current must be approved by NEMKO (Norwegian Electrical Material Control Board) before it may be sold to the public. Approvals are only issued to resident representatives and foreign manufacturers must appoint local agents. Transmitter and similar equipment must be approved by the Telegraph Service.

The Norwegian Electro-Technical Committee works in close co-operation with the International Electro-Technical Commission (IEC) with head office in Geneva, and follows the requirements of this institution for environment testing and reliability of components. Canadian exporters, when offering equipment for sale to Norway, should give assurance that the equipment meets these requirements.

# Sweden

**Special and advanced electronic products will sell, if promoted patiently and skilfully.**

**NORMAN PARSONS**

*Commercial Assistant, Stockholm*

■ Sweden has the basic conditions for high electronics demand—technically advanced industries and a high standard of living. Labor costs are uniformly high—even the most unqualified employee's wage is a mere 10 per cent below the average factory worker's wage of \$5,000 a year. This high labor cost even for routine tasks puts pressure on industrialists to replace workers by automatic electronic machines.

There is also a nationally recognized need to develop technically advanced products that can meet international competition not on price but by being one step ahead. To develop and manufacture "innovation" products of this kind often requires complex electronic equipment and they incorporate a high proportion of electronic components and devices. Telephones, radio, television and telecommunications play a particularly important part in the development of the electronics market.

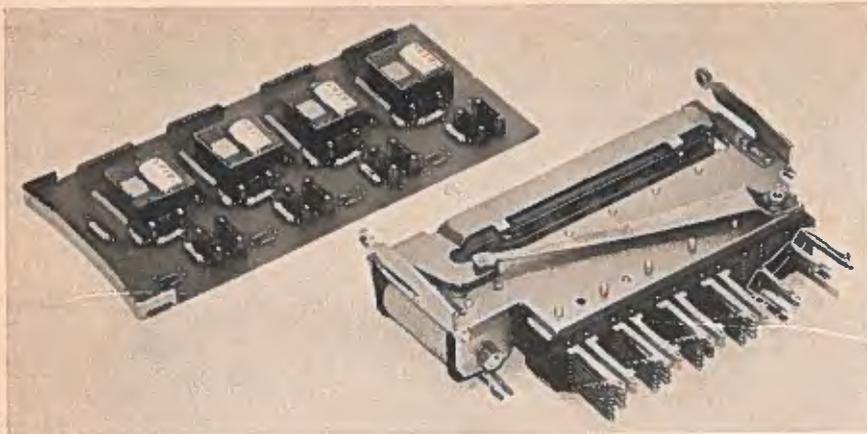
Finally, there is the policy of neutrality which in Sweden means "being so well prepared for war as to contribute towards maintaining peace". The Government has spent \$200 million in direct research for the Viggen aircraft and in the process has created highly qualified research, production and organization teams, collaboration between Swedish manufacturers, and a variety of spin-off and export products such as computers, medical apparatus and machine tool controls.

### Who Buys Electronics Equipment?

**1. Industry**—Manufacturers are the biggest and most open market for the foreign supplier. They fall into two main groups—electronics manufacturers who purchase mainly components, and major manufacturers who buy instruments and other complete apparatus.

In the first group, six Swedish manufacturers have an electronics production of \$20 million or more—L M Ericsson, IBM Svenska, Saab, Philips, Asea, and Standard Radio (ITT). Five others pass the \$10 million mark—Elema-Schonander, Aga, Facit, Arenco Electronics and Luxor. Others of importance are Gylling, Bofors, Billman, Satt, Jungner, Oltronix and the workshops of the Board of Telecommunications. With 25 to 30 key contacts in a dozen companies an agent should cover 95 per cent of possible component orders. (Where there is only one buyer in Sweden, however, he may wish to buy direct.) The 90 or so small manufacturers are also important and the newcomer will often find it easier to get a foothold in the market by approaching them. Licensing arrangements may also interest Swedish firms.

In the second group, Sweden has 100 manufacturing companies, each with a turnover exceeding \$20 million. There are potential buyers here for most kinds of elec-



High labor costs and therefore the need to keep a step ahead of competitors technically favored the growth of the Swedish electronics industry. In the picture, components for A-210 stored program control crossbar switching.

tronics equipment. A description of the most important of these companies appeared in *Foreign Trade* for October 14, 1967, in a report on "Selling to Industry in Sweden".

**2. Public Organizations**—There are four main departments buying large quantities of electronics products. The biggest is the Defence Department (Försvaret)—for more details, see below. The Board of Telecommunications (Televerket) is responsible for telephones and broadcasting and collaborates closely with L M Ericsson, Standard Radio and Svenska Siemens, and also has its own factories. The Board for Administrative Rationalization and Economy (Statskontoret) has co-ordinated the State's purchases of data processing equipment, mostly from IBM and Saab. Other government buyers are the Post Office, the State Railways, schools and universities, hospitals, and research institutions. Local authorities also buy for schools and hospitals.

**3. Military**—Defence expenditure in Sweden stands at 4½ per cent of GNP and \$300 million of this is spent on equipment and supplies. Two-thirds is for the Air Force. Since most of this buying is centralized and long-term, the military market appears to hold promise of substantial orders. There are, however, three factors making it a particularly difficult market.

The first is the strength of Swedish industry. Although the military's first principle is to buy from the lowest bidder who meets the specifications, in practice at least 80 per cent of requirements are bought from Swedish suppliers and the share has increased in recent years. Swedish manufacturers have the advantage of local knowledge and experience of special regulations; it is easier for them to form a consortium to produce what is required. Again, when a Swedish company supplies equipment there is no need for complicated arrangements to avoid making Sweden potentially dependent on foreign suppliers—for example, by keeping unwieldy stocks of spares or by arranging manufacture under licence. Five Swedish companies have a military turnover exceeding \$20 million, and nine more exceed \$2 million.

A second factor that makes the Defence Department a difficult customer is that it is big enough to dictate its terms. It has its own buyers in North America, Britain and elsewhere, ready to buy direct if it is cheaper to do

so and often bypassing agents. There is said to be a certain reluctance to see local agents, and an expectation that principals will themselves visit the Defence buyer to negotiate. Again, Defence has its own time-consuming tests carried out by its own teletechnical institute (FTL); lists are published not only of approved products but also of goods that have not made the grade.

Finally, there is the uncertainty of Defence orders—the threat of abrupt budget cuts and even of an entire change in national strategy. Thus the original Viggen order was for 800 aircraft but the figure is now 175; total spending took 22 per cent of budget expenditure in 1954/55, 19 per cent in 1962-65, but under 16 per cent currently.

Swedes say that Danes are born salesmen but that Swedes are born technicians. Take their word for it. You cannot supply them with too much technical literature and you cannot send it too often. Your quotations cannot have too many technical details and your representative visiting Sweden cannot be too well-informed technically. Illustrations are essential in presenting a product and if non-metric measurements are used, time will rarely be taken to convert them. English is acceptable as an international language at executive level but it would be a considerate gesture to supply a list of translations into Swedish of words not easily recognized.

A potential customer's first question in Sweden is likely to be: "Who else has bought one?" A testimonial means a lot and a contented customer in Sweden or Scandinavia is a trump card because your prospect can visit him and have a frank chat.

Don't sidestep the purchasing manager. He will make sure that you meet the right technical staff who recommend what is to be bought for the purchasing manager's approval. Literature may be sent to a technical man in the company with whom contact has been made but nothing is lost by sending a copy to the purchasing manager also who is likely to circulate it.

### Tests and Standards

FTL grading is necessary for all military electronics. The Board of Telecommunications issues its own specifications. Semko (similar to CSA) approval is required for electrical products used by the general public, including telephone equipment. The main Swedish companies also

have their own testing laboratories. All these tests take time. Detailed Swedish standards are available, including 100 SEN standard in English. Electrical supply is all 220/380v and frequency 50 cycles.

### Duties and Freight

Customs duties and freight are not decisive obstacles to the transatlantic supplier. Tariffs amount to 10 per cent of c.i.f. value on most electronic products, 17 per cent on capacitors and parts and radio and television receivers and parts, and 15 per cent on fused plugs of diazed and fixed resistances. These duties are recoverable on re-export as part of more complete equipment. There is no duty on X-ray tubes and rectifying valves on aircraft equipment. Preferential treatment of imports from EFTA countries has not altered sources of supply appreciably. Freight charges can even work to the advantage of the North American supplier if air cargo is used. British and Continental delivery seldom takes less than a week and often a month.

### Committees and Commissions

More than most people, the Swedish businessman rarely decides on his own and on the spot. Even the general manager will want to consult someone else before committing himself. And it is fairly certain that substantial orders will not be placed on a first visit from Canada.

A commission agent gets 5 to 10 per cent commission for components and at least 15 per cent for instruments, plus advertising and catalogue allowance. Some foreign instrument manufacturers allow 25 per cent gross to cover all expenses, including promotion. A distributor importing on his own account is likely to sell at a price 25 to 30 per cent above factory price, assuming that he takes 11 per cent profit, 18 per cent for warehousing and 25 per cent for selling costs, and that the supplier allows him a rebate of 33 per cent for quantity.

With 2,000 foreign electronics manufacturers recorded as represented in Sweden, there is a shortage of good agents with capacity for an additional principal and there is a danger that a prospective agent may already represent one of your competitors.

To get the best out of your representative, arrange a three-to-five-day visit at least once a year, with ample advance notice for him to prepare meetings with customers. Visits are essential to get the feel of the market, learn about developments in the offing, create goodwill among customers and convince your agent that you are backing him. It is worth remembering that technical staff only want visits to help with a particular problem, preferably one already set out in an exchange of technical literature and letters. The best way of creating goodwill is to send someone from the factory when the customer wants service either because he is thinking of installing something complex, or because something he has bought from you calls for attention.

Send a technical man. Let your agent decide whether there is any point in meeting the managing director. Invite your agent to a distributors' conference at your factory to discuss new products and projects and to ensure that he knows more about your product than his customers can tell him from your own technical literature.

### Promotion

The Swedish buyer needs to be familiar with a manufacturer's name, to feel that the product is in the Swedish market to stay, and that he can rely on it before he considers placing an order. Electronic equipment distributors reckon to spend at least \$3,000 a year on advertising a leading product—the cost of a full-page insertion in a technical journal each month for a year. There are three specialist electronic publications: *Elektronik* (8,000 printed), *Elteknik* (primarily for the 1,000 members of the professional association of electrical engineers) and *Radio och Television* (which goes to 17,000 dealers, service personnel and radio amateurs). Suitable publications in general engineering are *Teknisk Tidskrift* (audited circulation 16,000), *Verkstärkerna* (20,000) and *Industria* (50,000 comparable to *Fortune*). There are other specialized journals for defence, aviation, hospitals, computers (2), mechanical handling, research, etc., mostly with editions of 1,000 to 4,000. All these journals like to receive and publish technical articles and factual descriptions of new products, with photographs.

Exhibitions are as important as press advertising and the best are accompanied by technical conferences. Electronics and machine tools are the mainstay of the Technical Fair each October (attendance 70,000 buyers). Data 68 in April this year was the first exhibition in Europe devoted entirely to computers and filled 120,000 square feet gross (attendance 27,000 including 2,000 attending conferences on exhibition premises). Instruments and Measuring Techniques was a success in 1967 and will be repeated in 1970. All these fairs were in Stockholm. Large Swedish attendance at exhibitions on the continent and in Britain provides further opportunities for meeting Swedish buyers and agents—especially if an invitation has been extended in advance. Hanover, London, Paris and Munich all draw substantial numbers from Sweden.

Promotion is essential but sales depend first upon the technical qualities of the product, in particular the reliability of its performance, and second upon the distributor's record for service. Promotion comes third.

Technical conferences provide opportunities for contacts in Sweden. The language is Swedish, but visitors lecturing in English can find a place in them. They are arranged mainly by the Association of Engineers and Architects (Teknologföreningen) and the Academy of Engineering Sciences (IVA).

### Opportunities for Canadians

Imports from Canada have hitherto been small and sporadic, though wide-ranging. They have included various instruments for measuring and testing, some radio-communications receivers, computer equipment, line telephonic apparatus for carrier-current systems, diodes and piezo-crystals. The total value in 1966 was \$460,000 and in 1967 it was just over \$600,000, according to Swedish import statistics. This compares with Swedish imports of \$44 million from the United States, including \$8 million each for the three groups of components, RT receivers and instruments for measuring and testing, and twice this amount for data-processing equipment. The scale of operation of these U.S. companies is often sufficient to support

a Swedish or Scandinavian subsidiary with its own sales and service organization. At the same time, for firms with smaller ambitions but the right export attitude and product the right agent can usually be found.

Expansion in Swedish electronics is at present particularly marked in data-processing equipment for offices, shops, hospitals, and other administrative operations, and in numerically controlled machine tools. Sales of color television receivers, telephone transistorization, visual telephones, and data-processing equipment for industrial process control and education are expected to expand in the next few years.

There is, however, no sector of which it can be said that here is a market specially for Canadian manufacturers. The market is unusually free of trade restrictions and is open to any supplier who has a product meeting the technical specifications who is prepared to make the necessary long-term sales effort. Such an effort would probably not be justified in Sweden today for standard products, especially components. On the other hand, there is no country with greater interest in and need for special and advanced products.

## France

### Exhibiting at fairs provides best entrée

C. J. ST. PIERRE

*Assistant Commercial Secretary, Paris*

■ The French electronics industry compares favorably with its German and British counterparts, though these three European countries are outstripped by electronic production in the United States and Japan. In 1967, electronic production in France was valued at 9,064 million francs (8,607 million in 1966). Exports that year totalled 2,241 million francs (1,928 million in 1966) and imports 1,664 million (1,524 in 1966).

The French electronics industry is organized into a national federation (FNIE) which is active in defining with ever greater accuracy a field whose boundaries are still unsettled. Keen competition from the United States has spurred on electronic research; in 1966, some 5,400 researchers and engineers were engaged in this field and research and development expenditures totalled 960 million francs in 1965, with 113 enterprises involved.

The United States subsidiaries established in France specialize mainly in management computers (IBM France and Bull-General Electric), in telephone equipment (ITT) and in integrated circuits (Texas, SGS Fairchild, Motorola, etc.).

To supply its civilian and military requirements and to counter foreign competition, France created at the end of 1966 the "Plan Calcul", aimed at developing the computer industry. In April 1967, the Government signed an agreement with a private firm to build the medium-power computers which France needs. This agreement

established the terms of state financial aid to the private firm, which amounts to 450 million francs.

After the Plan Calcul, the Government took another step in technical policy: special credits will be granted for domestic development of micro-electronics. The component industry is one of the sectors in which France lags farthest behind the United States.

The French electronics industry is also consolidating. For example, Thomson-CSF and CGE, two groups with electronics business exceeding one billion francs, have joined forces.

Canadian exports of electronic equipment to France amounted to Cdn.\$1.9 million in 1967, still low compared with total French imports in this field.

The best way for a Canadian firm in this field to sell in France is to take part in the many specialized shows attended by businessmen from all over the world. The shows where electronic equipment is displayed are:

1. International Sound Fair (annual)
2. International Electronic Components Show (annual)
3. Electronic Equipment Biennial (every two years)
4. International Office and Data Processing Equipment Show (annual)
5. International Aerospace Show (every two years)
6. Measurement, Control, Regulation and Automation Show (every four years).

Of these shows the most important is undeniably the Electronic Components Show. One thousand exhibitors, half of them foreign, took part in this show in April 1968. More than 150,000 visitors (electronics trades people) from a great many countries attended. This exhibition is strictly reserved for displays of electronic equipment and is divided into various sections:

- passive components
- tube section
- semi-conductor section
- meter section
- relay section
- printed circuit equipment section
- general section for materials used in electronics.

In 1967, Canada was represented at this event for the first time. The five Canadian component manufacturers who participated under the auspices of the Department of Trade and Commerce achieved excellent results. Canada will again participate officially in April 1969 and a larger number of Canadian firms should go into this exhibition to gain a foothold or to consolidate their bridgehead in the European market.

The Commercial Division of the Canadian Embassy, 35 avenue Montaigne, Paris 8, will be glad to help you in your prospecting in the French market. Simply send us the necessary information and a price list and we will be happy to put you in touch with firms capable of distributing your products here.

# Your Business Visit to PERU



—Servicio Aerofotográfico Nacional  
*Huascarán, highest peak in Peruvian Andes, viewed from Yungay, 180 miles from Lima.*

Peru is one of Canada's major markets in South America and well worth visiting if you are looking for sales opportunities. The Commercial Secretary in Lima stands ready to assist visiting Canadian businessmen to find profitable business there. If you are planning a first trip to this country, here is some practical information that may help you.

A. T. EYTON, *Assistant Commercial Secretary, Lima*

## Before You Come

To make the maximum use of your time in Lima and avoid time-consuming delays, contact the Commercial Secretary at the Canadian Embassy in Lima as soon as your South American plans are firm. Hotels in Lima have an extremely high occupancy rate and the Commercial Secretary can more easily obtain and hold reservations for you. In your first letter to him you should state the exact objective of your visit, include several copies of product brochures if you have them, and list any contacts that you may have already established with Peruvian businessmen. With this information, he can map out a tentative itinerary and appointments which you can confirm upon your arrival.

The Peruvian Customs authorities require the incoming visitor to present a valid passport and an international certificate of vaccination against smallpox. In addition, Canadians coming to Peru must have a Peruvian Tourist Card which your travel agency or chosen air carrier can provide. It is not necessary for the businessman wishing to visit the country to study the market or to appoint an agent to mention this when he applies for a tourist card; he should merely describe himself as a tourist. If he states that the visit is for business purposes, he will have to fill out an income tax certificate at the Ministry of

Finance before he can legally leave Peru and waste at least half a day of valuable time.

## When to Come

January, February and March are the summer months in Peru and it is difficult to make contact with businessmen. Any other time of year is suitable to come. If you decide on October, when the bullfights are on, you may have trouble getting a hotel reservation. You should plan to spend a week here if possible—that will give you some time to do some sightseeing. On an initial trip, it is usually possible to do all your business right in Lima, unless you are interested in consulting engineering assignments that may take you to other areas of the country.

## What to Bring

In packing for your trip, remember that the months from June to November are quite chilly and you will need medium-weight clothing. From January to April, the Peruvian summer, men wear lightweight suits.

Do not carry a large supply of brochures in your luggage because the Peruvian Customs authorities may confiscate

them. Commercial samples are likely to run into similar customs problems. The best idea is to bring only a small number of brochures with you and no commercial samples. You can mail additional brochures directly to the Commercial Secretary by second class airmail three weeks before you leave Canada. Commercial samples, if you consider them absolutely necessary, should be consigned to the Commercial Secretary and dispatched by parcel post or air freight at least six weeks before you come to Lima. If the Peruvian Customs levies any charges on these incoming shipments the Embassy will pay these and charge them back to your company through the Department in Ottawa.

### How to Come

Your complete itinerary will naturally dictate your choice of airline. It is worth noting that Canadian Pacific Airlines has recently inaugurated a direct "same plane" service from Montreal to Windsor, Mexico City, Lima and Buenos Aires. Visitors from Western Canada can use the CPA Calgary-Vancouver-Mexico City-Lima-Santiago-Buenos Aires service. Other major international airlines offer direct service between Lima and New York City, Miami and Los Angeles.

### Counting the Cost

The return air fare from Montreal or Toronto to Lima is \$531 economy and \$799 first class; from Calgary it is \$688 economy and \$972 first class, and from Vancouver

\$688 economy and \$965 first class. Hotel rates following the devaluation in Peru average about \$20 a day, without meals; for meals, add \$10 to \$12 a day.

### Getting About

Lima International Airport is one of the most modern and best-designed airports in the world, an impressive beginning for the Canadian businessman visiting the City of Kings for the first time. Hotel buses meet all flights and whisk incoming passengers to the downtown hotels. The two most centrally located hotels are the Hotel Crillon and the Gran Hotel Bolivar and the businessman will probably find them the most convenient.

Business visitors who know Lima reasonably well often use the "colectivo" taxis to get from one appointment to another. "Colectivos" have determined routes which connect the various suburbs with downtown Lima and the fare is only the equivalent of five to eight cents for a ride along any section of any one route. All "colectivos" start and end their round-trip journeys at Plaza San Martin, directly in front of the Gran Hotel Bolivar.

The first-time visitor is probably better advised to hire one of the taxis which park in front of all major hotels. The Canadian Embassy is located approximately twenty blocks from Plaza San Martin and the one-way taxi fare for this trip is Soles 3.00 (Cdn.\$0.75). Taxis are not metered in Lima, and fares therefore vary and depend upon many factors. Fares in the Lima area range anywhere between Soles 15 and 40, depending on the newness of the car, length of journey, honesty of chauffeur and gullibility of passenger. Taxis can also be rented for



*Ornate fountains and the cool colonnades of City Hall in Lima remind the visitor to Peru of Seville in Spain from which the conquistadors set out for America.*

Soles 70 per hour; if a businessman has a tight appointment schedule, it is probably better for him to rent a taxi by the hour or even by the day at a much reduced rate.

### Keeping Appointments

The first call that the visiting Canadian businessman can make with profit is on the Commercial Secretary who, if he has received adequate advance notice, will have an itinerary ready and waiting. Where required and whenever feasible, he will have made arrangements with each of the companies listed on the itinerary to have an English or French interpreter on hand for the interview, thus minimizing any language difficulties. It is also a good idea for Canadian businessmen to stop in for a chat with the manager of the local branch of the Royal Bank of Canada, the only Canadian bank established in Peru at this time.

Business conversations are generally friendly but to the point and if it seems appropriate, you can extend luncheon invitations and these are usually accepted. Lunch hours are long—three hours is not uncommon. Office hours are 8.30 a.m. to 12.00 noon and 3.30 to 7.00 p.m. during weekdays, with some offices working an additional half-day on Saturdays. The visitor can usually handle four appointments a day, two in the morning and two in the afternoon.

Should you need statistics, credit reports, or call-for-tender documents, the Commercial Secretary can obtain these for you. Phone calls and telex messages can also be placed through the Embassy, and the cost will be billed back to your company through the Department in Ottawa.

### Time Off

When your two to three-day round of business calls is completed, try to see something of the country before continuing your South American journey. You will need only three days to visit the fabled Lost City of the Incas, Machu Picchu, perhaps the most worthwhile tourist excursion in all South America. A two-hour plane trip from Lima takes the Canadian businessman-cum-tourist to the capital city of the Inca Empire, Cuzco. The afternoon of the same day allows sufficient time to see the remains of the Inca ruins and the newer Spanish colonial buildings in and around Cuzco. The next day can be allotted to Machu Picchu, leaving by train early in the morning, and arriving at Machu Picchu at approximately 11.00 a.m., you can spend four hours touring this breathtaking mountain-top fortress of the Incas, and then catch the afternoon train back to Cuzco. When you have seen Cuzco and Machu Picchu, you can then catch the plane back to Lima on the morning of the third day.

There are many other worthwhile tourist attractions such as Iquitos (Peru's steamy jungle city on the Amazon River), Lake Titicaca (the highest navigable lake in the world at 13,000 feet and ringed by snow-capped mountains), and the cathedrals and colonial buildings in Lima itself. In short, Peru is a fascinating country and the visitor should devote at least three days to being a tourist.

You will receive an unexpected dividend if you do spend a few days as a tourist in this country. You will come to know a little of the history of Peru, which will help you considerably in your relations with Peruvian businessmen. They will realize that your interest in their country extends beyond the simply commercial, will like you the better for it, and will be more willing to work with you and your company.

Commercial Secretary  
Canadian Embassy  
Casilla 1212  
Edificio El Pacifico  
Corner Avenida Arequipa and  
Plaza Washington  
Lima, Peru  
Cable: CANADIAN Phone: 87420  
Telex: WLA 5323 (DOMCAN PX 5323)  
Territory: Bolivia



*A diesel-powered passenger train wends its way through the rugged Peruvian Andes. This is the kind of country you pass through when you visit Cuzco, the old Inca capital.*

# Canada's Trade Fair Program 1969 and 1970

■ Exploring new markets in which Canadian products can be sold is a worthwhile venture. One way of doing this is to make use of trade fairs. Some Canadian manufacturers use these to introduce new products in new markets, others to expand in established areas, and still others to assess market reaction. For both seasoned and first-time exporters the Department of Trade and Commerce is sponsoring exhibits at a number of key trade fairs throughout the world in 1969 and 1970.

The following paragraphs list 83 trade fairs in 17 countries in which Canada will participate during the period January 1, 1969, to March 31, 1970. In a number of these shows—eleven in fact—Canada will make its first appearance. If business conditions or circumstances change in certain markets, there may, of course, be some adjustments in this trade fair program.

The shows are aimed at consumers, importers and industrial purchasing agents. They open the door to new markets for Canadian firms and provide an opportunity for exporters to introduce their product lines both in the United States and overseas countries.

New York, Boston, Chicago and San Francisco seem to be favored trade-fair locations in the United States and are well known as centers for trade shows covering

such industries as clothing and textiles, electrical and electronic equipment, engineering products, educational and hospital equipment, sporting goods and giftware. Britain is an excellent market for Canadian suppliers of foods, and for timber used in timber frame house construction and for building materials. In France, Paris is the main marketplace for Canadian leather goods and aircraft. West German trade fairs offer Canadian manufacturers an opportunity to exhibit building materials and timber frame construction, food products, furniture and furnishings, furs and hospital equipment.

To assist exporters in developing markets in Eastern Europe there will be exhibits at three international trade fairs there—Brno, Czechoslovakia, Poznan, Poland, and Zagreb, Yugoslavia.

At the Second Asian International Trade Fair at Tehran, Iran, in October, 1969, (Canada participated in the first which was held in Bangkok, Thailand, in 1966) there will be a specially built Canadian pavilion to exhibit Canadian capital goods, industrial materials and consumer products.

Canadian manufacturers interested in exhibiting, under government auspices, in any of the following trade fairs, should write to the Director, Trade Fairs and Missions Branch, Department of Trade and Commerce, Ottawa.

1969	WHAT	WHERE	WHEN
<b>Agriculture</b>	<b>Pan-American Livestock Exhibit</b> Recent purchases by Brazilian buyers indicate their interest in Canadian cattle is growing. This could be stimulated by a Canadian exhibit in South America. Canada plans to show a selected herd.	Latin America	Fall
<b>Architectural</b>	<b>German Building Exhibition (DEUBAU)</b> The demand for new housing in Germany and the rapid increase in commercial and industrial construction provide a growing market for Canadian timber frame housing and related products. This will be Canada's first appearance. <b>American Institute of Architects Convention</b> The AIA annual convention, which is held in a different city in the United States each year, draws some 4,000 visitors from all parts of the country. It provides an excellent opportunity to display Canadian building materials. Canada participated in 1967 and 1968. Our first exhibit in 1967 won an award for excellent product presentation.	Essen, West Germany  Chicago, Illinois	February 1-9  June 22-26
<b>Automotive</b>	<b>SAE Automotive Engineering Congress and Exhibition</b> This is an annual fair oriented to the automotive manufacturing industry to promote the sale of parts and accessories used by original manufacturers. The Canada/U.S. Automotive Agreement has made it possible for Canadian makers of OEM parts to compete for a larger share of this market. We exhibited for the first time in 1967 and again in 1968; in 1967 some 26,000 business visitors attended.	Detroit, Michigan	January 13-17

1969	WHAT	WHERE	WHEN
<b>Clothing</b>	<p><b>Solo Apparel Show—Ladies' Outerwear</b></p> <p>The United States, because it is so close and because consumer tastes are similar, is the largest potential market for Canadian manufacturers of women's outerwear. The April and June shows will feature women's rainwear, suits and coats for fall and winter. The November 1969 and January 1970 shows will display rainwear for spring. New York is the ideal place for Canadian manufacturers to exhibit because buyers come from across the United States. Canada put on a successful exhibit of women's rainwear for spring in November 1968, with a follow-up this January.</p>	New York, N.Y.	<p>April 14-18</p> <p>June 1-13</p> <p>November 1969</p> <p>January 1970</p>
<b>Education</b>	<p><b>American Association of School Administrators Annual Convention</b></p> <p>This show takes place at the same time as the annual convention which brings together school administrators from across the United States. The displays offer many new and improved products used in schools and an opportunity to talk with experts. The public is admitted only on the first day. This will be Canada's second appearance.</p> <p><b>American Vocational Association</b></p> <p>This is an annual fair, with the location changing each year. It is open for three days during the seven-day convention. Closed to the public, the fair attracts manufacturers and distributors of vocational training equipment, teachers, school administrators and government officials. Canada participated for the first time in 1968.</p>	Atlantic City, New Jersey	February 15-19
<b>Electronics</b>	<p><b>Institute of Electrical and Electronic Engineers Conference and Exhibition</b></p> <p>This is the largest electronics exhibition in the world and a good place to exploit the excellent opportunities for Canadian electrical and electronic equipment in the United States. An annual show, it draws some 100,000 visitors. Canada participated in 1967 and 1968.</p> <p><b>Salon International des Composants Electroniques</b></p> <p>One of the largest and oldest exhibitions in the field of electronic components and accessories, it is highly specialized and provides an excellent medium for Canadian electronic firms. It is not only a center for displaying products but also a place where manufacturers and technicians from various countries can compare equipment and techniques. Canada first participated in 1968.</p> <p><b>Western Electronics Show and Convention (WESCON)</b></p> <p>Electronics buyers in the Western United States became acquainted with Canadian products at WESCON in 1964, 1965 and 1966. This is an important annual exhibition which is closed to the public. In 1967 there were 45,290 visitors and 610 exhibitors.</p> <p><b>Auckland International Trade Fair</b></p> <p>Canada will participate for the first time in a New Zealand exhibition, showing electrical and electronic products to both trade visitors and the public. In 1967, Wellington held a similar fair.</p>	New York, N.Y.	March 24-27
		Paris, France	March 28-April 2
		San Francisco, California	August 19-22
		Auckland, New Zealand	August 20-September 6

**Third Meeting of the Pan-American Congress of Mechanical and Electrical Engineers and Related Disciplines**

There is a growing opportunity in Central and South America for selling Canadian electrical and electronic equipment. Canada will participate in the 1969 biennial meeting for the first time. The first two congresses were held in Mexico City and Caracas; more than 800 engineers from Central and South America attended in 1967.

San Juan, Puerto Rico

September 5-13

**Engineering****London International Engineering and Marine Exhibition and International Welding Exhibition**

This biennial fair, exhibiting engineering and related machinery, is the largest industrial one held in London. Products range from complete installations of capital equipment to the smallest component in the field of mechanical and electro-mechanical engineering. The exhibition covers some 90,000 square meters. Canada has participated in the last four fairs. In 1967 on-site sales by Canadian companies amounted to some \$500,000 and potential sales were estimated at over \$1 million.

London, England

April 22-30

**Salon International de l'Aeronautique et de l'Espace**

The Paris Air Show is the largest fair on the continent showing aircraft, aircraft parts, controls, instruments and products of the aerospace industry. A biennial event, Canada has participated in the last three fairs.

Paris, France

May 29-June 8

**Melbourne International Engineering Show**

Marketing opportunities for Canadian engineering products in Australia are considered excellent. This fair has expanded and should be a good showcase for Canadian products. Other exhibitors include the United States, Italy, Britain, Japan, Poland, the U.S.S.R., Czechoslovakia and New Zealand. This will be Canada's first appearance.

Melbourne, Australia

August 4-9

**Materials Engineering Exposition and Congress**

Previously known as the National Metals Show or the American Society for Metals (ASM), this is a major annual fair held at the same time as the largest technical congress on metalworking in the United States. The location changes each year. Canada participated from 1959 to 1963 and 1965 to 1967. In 1967 there were 336 exhibitors and some 20,000 visitors—from the trade only.

Philadelphia, Pennsylvania

October

**Packaging Machinery Show**

This biennial exhibition is one of the best media for introducing Canadian manufacturers of packaging machinery to the United States market. Canada will participate for the first time in 1969. The fair is closed to the public. Some 250 exhibitors are expected to display products at the show and attendance is estimated at 20,000.

Detroit, Michigan

October 27-30

**Fisheries****American Commercial Fish Exposition**

The United States is a good market for Canadian fish and this annual fair provides an excellent opportunity to promote larger fish exports to the U.S. Exhibits cover all aspects of fisheries and the allied industries. It attracts some 17,000 people who see the products of 200 exhibitors. Canada participated in 1968.

Boston, Massachusetts

October

1969	WHAT	WHERE	WHEN
Food	<b>Processed Foods Exhibit</b> This annual event held in Tokyo and Osaka is the most important fair in Japan, Canada's third largest export market. The Japanese buy Canadian basic food products such as wheat, barley and oilseeds, and raw materials required by rapidly expanding industries. Canada participated at Osaka in 1954, 1956 and 1958 and in Tokyo in 1955, 1959 and 1965. Usually over a million people attend this exhibit.	Tokyo and Osaka, Japan	Tokyo, April 14-16 Osaka, April 21-23
	<b>Pacific Fine Food and Beverage Fair</b> Canadian products are well received in the Los Angeles area, a highly developed gourmet food market. In 1967 over 2,000 buyers from 20 states and several foreign countries visited some 100 booths to see displays of fine foods and wines from all over the world. Canada participated in this annual fair in 1963 and 1964.	Los Angeles, California	July 13-16
	<b>International Exhibition of Fine Foods and Provisions (ANUGA)</b> ANUGA is the most important food fair in Europe. Held every two years, it attracted exhibitors from 59 countries in 1967. Of the 250,000 who attended, 16,000 were from outside Germany. Canada has exhibited food products at each fair since 1959. The show is open to the public.	Cologne, West Germany	October 4-10
Forestry	<b>Southern Pine Machinery and Equipment Exhibition</b> This fair, which represents a large portion of the U.S. forest products industry, is considered an important one. It is a biennial exhibition featuring all types of equipment used in the forest industries. In 1967 it attracted some 8,000 business visitors. Canada will participate for the first time in 1969.	New Orleans, Louisiana	April 12-14
	<b>National Office Products Association Convention and Exhibition</b> This exhibition is international in scope, drawing many visitors from abroad as well as from the United States. It is open only to business visitors. In 1967 some 15,000 attended. Canada participated with good results in 1964, 1965 and 1967.	Chicago, Illinois	September 24-27
Furniture and Furnishings			
Furs	<b>International Fur Fair</b> An annual show, this fair is important to the fur trade. Canada has exhibited each year since 1958 a full range of furs; the purpose is to encourage buyers to purchase at Canadian auctions or through fur brokers rather than direct.	Frankfurt, West Germany	April 23-27
Gifts	<b>Boston Gift Show</b> Held semi-annually, this show is open to the trade only. There are opportunities for both the small Canadian manufacturer producing quality work and the larger exporter who can handle volume purchases because some 40,000 buyers attend, representing small gift shops as well as department stores. An average of 300 exhibitors take part. Canada participated in 1967 and 1968.	Boston, Massachusetts	March 2-6
	<b>San Francisco Gift Show</b> This fair is held each year in early February and August. Canada will participate for the first time in 1969 in the August fair. Usually some 8,000 visitors attend to view products such as giftware and handicrafts.	San Francisco, California	August 10-13

**1969****WHAT****WHERE****WHEN****Homes,  
Builders'  
Materials****National Association of Homebuilders Convention**

Since 1958, Canada has participated in this fair every year with an industry-type exhibit of Canadian woods. Considered one of the most important shows for the industry, it is part of the Association's national convention and draws some 40,000 visitors and 400 exhibitors.

Houston, Texas

January 13-17

**Utrecht Building and Heating Exhibition**

The Utrecht Fair is one of the largest of its kind in Europe, with a good trade attendance from the Benelux group, France and West Germany. In 1967 it included outdoor exhibit space and attendance numbered some 160,000. Canada participated in 1956, 1957, 1964 and 1967.

Utrecht, Netherlands

April 10-19

**London International Building Exhibition**

Held every two years in London, this exhibition usually runs for two weeks. It covers all aspects of the building industry and is directed to architects, contractors and municipal engineers. In 1967 there were some 250,000 visitors and 756 exhibitors. Canada has participated regularly with an institutional display. The Canadian exhibit will emphasize timber frame construction techniques and the use of timber for decoration and finishing.

London, England

November 13-17

**Salon International du Bâtiment (BATIMAT)**

This biennial fair is open to the public as well as the industry. In 1967 there were 207,000 visitors; some 60 per cent were housing authorities, contractors, architects and engineers from France and 23 countries in Europe, Africa and the South Pacific. Of the 1,488 exhibitors, 527 were from outside France. Products from 37 Canadian firms were exhibited for the first time in 1967 in an industry-type display plus an institutional display on timber frame construction.

Paris, France

November 23-  
December 3**Hospital  
and  
Medical  
Supplies****New England Hospital Assembly**

Canada will participate in this annual fair for the first time, exhibiting medical instruments, scientific apparatus for laboratory use and hospital and operating room equipment. Attendance averages 11,000 from the medical profession and those connected with the administration and operation of hospitals. Some 200 exhibitors participate.

Boston, Massachusetts

March 24-26

**International Hospital Exhibition**

Held every three years in Germany, this trade fair is international in scope. It features medical and hospital equipment and supplies and the trade and profession from across Europe attend. The last exhibition was held in Stuttgart in 1966 and there were 5,600 visitors and 443 exhibitors. Canada will participate for the first time in 1969.

Duesseldorf, West Germany

June 19-23

**International****38th Poznan International Fair**

Lectures and conferences are featured at this fair, where everything from leather luggage to sophisticated electronic instruments may be displayed.

Poznan, Poland

June 8-17

**Zagreb International Autumn Fair**

The Zagreb fair is Yugoslavia's largest and only international samples fair. It usually runs for ten days and is held each year in April and September. Some 6,500 exhibitors participate and attendance runs to over 1.7 million. Canada participated in 1960, 1967 and 1968.

Zagreb, Yugoslavia

September

**Brno International Trade Fair**

As an international trade fair attracting both Western and European manufacturers, Brno enjoys world repute. Primarily a technological exhibition, the products displayed include machine tools, optical equipment, textile machinery, medical supplies and electronic apparatus. In 1968 some 1,400 exhibitors showed products from 34 countries and 700,000 people attended. Eight Canadian companies participated, with on-site sales worth \$34,000 and pro forma invoices adding up to another \$213,000.

Brno, Czechoslovakia

September

**International Watch and Jewellery Trade Fair**

Britain is Canada's largest individual jewellery market, importing \$1 million worth of jewellery in 1968 alone. Canada will participate in this trade fair for the first time. Exhibitors must display products handled by jewellers.

London, England

September

**International Nuclear Industries Fair (NUCLEX)**

NUCLEX is the first industry-oriented nuclear fair of world importance. Held for the first time in 1966, its purpose is to bring together exhibits and representatives of major government and industrial organizations interested in peaceful uses of nuclear energy. In 1966, there were some 250 exhibitors from 16 countries, including national exhibits from Canada, France, the United States and Britain. There were 12,000 visitors from 49 countries, primarily businessmen and engineers.

Basel, Switzerland

October 6-11

**Sixth Pacific International Trade Fair**

This biennial fair has excellent market potential for Canadian manufactures. Canada participated in 1959, 1961 and 1967. In 1967 close to half a million people viewed 1,715 exhibits put on by 32 foreign countries; Canada built a new pavilion for the fair in which 45 Canadian firms displayed products. On-site sales totalled \$420,000 with estimated future business of some \$4 million.

Lima, Peru

November 14-30

**Second Asian International Trade Fair (all space booked)**

Twenty-six Canadian companies will display industrial machinery, electrical and electronic equipment, transportation equipment, industrial materials and consumer products in a pavilion built by Canada in Tehran. This will be Canada's second appearance at the Asian fair; the first was held in Bangkok in 1966.

Tehran, Iran

October 5-24

**Leather****Semaine Internationale du Cuir**

This annual leather fair is the largest in Europe and one of the most important in the world. It attracts more than 500 foreign exhibitors. Canada participated in 1964, 1965, 1966 and 1968. Exhibits are divided into three categories: tanned leathers, leather products, and machinery and equipment for the leather industry.

Paris, France

September

**National Shoe Fair of America**

Held three times a year—in Chicago in October and in New York in March and November—this shoe fair is the largest in the United States. The Chicago show attracts over 10,000 buyers and retailers. Canada participated in 1956 and 1957 in New York and in 1965 in Chicago.

Chicago, Illinois

October 5-8

1969	WHAT	WHERE	WHEN
<b>Lumber</b>	Northeastern Retail Lumbermen's Association Convention*	New York, N.Y.	January 17-19
	Carolina Lumber and Building Material Dealers' Association Convention and Building Products Exhibition*	Charlotte, North Carolina	February 4-6
	Annual Convention and Building Industry Trade Show*	Columbus, Ohio	February 18-20
	Mid-America "69" Hardware, Houseware and Building Products Show*	Kansas City, Kansas	February 19-21
	Nebraska Lumber Merchants Association Convention*	Omaha, Nebraska	March 5-6
	Lumbermen's Association of Texas Annual Convention and Exposition*	Fort Worth, Texas	April 18-20
	Florida Lumber and Building Material Dealers' Association Annual Convention*	Tampa, Florida	April 30-May 3
<b>Merchandising</b>	Oklahoma Lumbermen's Association 23rd Annual Convention*	Oklahoma City, Oklahoma	October
	<p>These regional lumber conventions are held in important marketing areas of the United States. Each show is held in conjunction with the annual convention of the regional building supply association. Canada has participated in a number of these shows with a portable lumber exhibit.</p>		
<b>Sporting Equipment</b>	Supermarket Institute Show	Atlantic City, New Jersey	May 11-14
	<p>Exhibits at this show, held at the same time as the Institute's annual convention, include food and food-dispensing equipment. All aspects of supermarket merchandising are covered at trade workshops. Canada participated in 1967 and 1968.</p>		
<b>Toys</b>	Mid-America Boat Show	Cleveland, Ohio	January 17-26
	<p>Held annually for the past ten years, this trade fair is considered to be one of the most important for the boat and marine products industry. It is open to both the public and trade visitors. Canada will participate for the first time in 1969.</p>		
<b>Trade Information Offices</b>	National Sporting Goods Show	Houston, Texas	February 2-6
	<p>This annual show is national in scope and covers a wide range of sporting goods for both winter and summer. Open only to trade visitors, some 19,000 attended in 1967; nineteen Canadian firms had on-site sales of \$147,000. Canada first participated in 1957.</p>		
	Sydney International Toy Trade Fair	Sydney, Australia	March 16-20
	<p>Held for the first time in 1966, this annual trade fair represents the largest gathering of toy manufacturers and buyers from Australia and New Zealand, and is an effective medium for merchandising and promotion. Canada will participate for the first time in 1969.</p>		
	German Industries Fair	Hannover, West Germany	April

\*Institutional exhibit only

	<b>WHAT</b>	<b>WHERE</b>	<b>WHEN</b>
<b>1970</b>	January 1 to March 31		
<b>Clothing</b>	Solo Apparel Show—Men's Suits	New York, N.Y.	January
<b>Education</b>	American Association of School Administrators Annual Convention	Atlantic City, New Jersey	February
<b>Electronics</b>	International Electrical and Electronic Engineers Conference (IEEE)	New York, N.Y.	March
	International Electrical Engineers (ASEE)	London, England	March-April
<b>Engineering</b>	Western Metal and Tool Exposition and Conference (WESTEC)	Los Angeles, California	March
<b>Food</b>	Regional Food Shows (2)	Britain	No date
	In-Store Promotion—Food Products (2)	Glasgow, Scotland	No date
	In-Store Promotion—Food Products	Britain	No date
	In-Store Promotion—Meat Products	Boston, Massachusetts	No date
	In-Store Promotion—Cheddar Cheese	Boston, Massachusetts	No date
	In-Store Promotion—Cheddar Cheese	Los Angeles, California	No date
	Honey Promotion	Britain	No date
<b>Furs</b>	International Fur Fair	Frankfurt, West Germany	March
<b>Homes, Builders' Materials</b>	International Building Exhibition (Constructa III)	Hannover, West Germany	January
	National Association of Homebuilders Convention	Houston, Texas	January
	Special Housing Exhibits	Europe	January
	New England Hardware and Housewares Show	Boston, Massachusetts	February 10-12
<b>Hospital and Medical Supplies</b>	New England Hospital Assembly	Boston, Massachusetts	March
<b>Lumber</b>	Northeastern Retail Lumberman's Association Convention*	New York, N.Y.	January
	Carolina Lumber and Building Material Dealers' Association Convention and Building Products Exposition*	Charlotte, North Carolina	February
	Ohio's 88th Annual Building Products Industry Trade Show*	Columbus, Ohio	February
	Mld-America "70" Hardware, Houseware and Building Products Exposition*	Kansas City, Kansas	February
	Iowa Retail Lumbermen's Association*	Des Moines, Iowa	March
<b>Merchandising</b>	International Hotel and Catering Exhibition	London, England	January
<b>Sporting Equipment</b>	National Sporting Goods Association Convention	Chicago, Illinois	February
	Boston Herald-Traveler New England Boat Show	Boston, Massachusetts	March

\*Institutional exhibit only

# Keeping the Air Clean

... has become a major problem in North American cities. If your company makes equipment to help with this job, this article is for you.

JOHN N. GRANTHAM

Vice-Consul and Assistant Trade Commissioner, Philadelphia

■ Air pollution has become a pressing problem in a number of countries. In the United States alone the incidence since 1950 of respiratory ailments such as bronchitis, emphysema, asthma and lung cancer has increased tenfold—and all these are linked in some degree to air pollution.

Although many local governments have laws to control pollution, few of these are rigidly enforced. Two areas where legislation is strictly enforced are Allegheny County, Pa. (Pittsburgh), and the State of New Jersey. Recently more teeth were added to New Jersey's regulations to the point that authorities may now place an injunction upon a production facility and then confer afterward on why prosecution should not proceed.

Today, there is concern about many types of contaminants. As the table shows, these come from a variety of sources, foremost of which is transportation equipment. Stringent laws now apply to the use of emission controls on newly produced motor vehicles, reducing their output of carbon monoxide. Although this may not be the whole answer to this part of the problem, it is a step in the right direction.

## Three Billion for Clean Air

With the growing concern over the detection and control of air pollutants, there is a huge potential market for this type of equipment. According to a report published by Frost and Sullivan, Inc., New York, entitled *The Air Pollution Equipment Market*, approximately \$3 billion would be required to give the U.S. adequate clean air, with \$1 billion for industry (including installation), \$800 million for automobiles, \$600 million for the

removal of sulphur dioxide from flue gases emitted by utilities, and \$350 million for improved rubbish disposal.

## Detecting Pollution

Equipment used in the fight against air pollution is basically of two types—first, to detect pollution and second, to control it. Allegheny County in Pennsylvania has long been a leader in both detection and control in this country. Its Bureau of Air Pollution Control intends to install a sophisticated electronic detection system. In this, several sensors will be connected to each of many remote stations. These stations will be hooked up via telephone facilities to a central point and there information will be fed into a computer. This information will be combined with meteorological data to determine what control action is required in specific locations.

Detection devices are basically of two types. One type follows the "West-gaek" technique and this seems to be fairly standard. The other uses electroconductivity techniques.

The market for detection and monitoring devices is decidedly smaller than that for control equipment, but it is nevertheless important. Frost

and Sullivan estimate that during the next five years \$10 million will be spent on particulate samplers, \$16 million on SO<sub>2</sub> analyzers, and \$13 million on SO<sub>2</sub> stack samplers.

## Controlling Pollution

An estimated \$235 million was spent in 1966 on industrial air pollution control equipment. Of this amount, \$70 million was spent for collection equipment, exclusive of structural and other equipment to assist with the job of collection. According to current figures, this market is growing at the rate of 10 per cent per year.

Various types of control equipment are used. Techniques range from electrostatic precipitators to "bag houses" and to wet scrubbers, depending upon the specific need.

Of the \$70 million spent for collection equipment, 33 per cent was for electrostatic precipitators, 28 per cent for fabric filters, 20 per cent for mechanical collectors, and the remainder for scrubbers.

## Selling Equipment

Detection equipment (monitors or sensors) is normally sold to government control agencies and industrial companies, particularly power utilities. These sales can be made by salesmen employed by the manufac-

MAJOR SOURCES OF AIR POLLUTANTS

Source	Carbon Monoxide	Sulphur Oxides	Hydrocarbons	Nitrogen Oxides	Particulate Matter	Other Misc.	Total
	(millions of tons per year)						
Transportation	66	1	12	6	1	1*	86
Industry	2	9	4	2	6	2	25
Generation of electricity	1	12	1*	3	3	1*	20
Space heating	2	3	1	1	1	1*	8
Refuse disposal	1	1*	1	1	1	1*	4
<b>Total</b>	<b>72</b>	<b>25</b>	<b>18</b>	<b>12</b>	<b>12</b>	<b>4</b>	<b>143</b>

\* less than

Source: U. S. Public Health Service.

turer or through distributors or manufacturers' representatives.

In selling control equipment to small- or middle-size plants, vendors usually act as consultants, making recommendations about the type of equipment best suited to the particular situation. Sales to a large plant usually require the services of a professional consulting engineer. A close tie is maintained between vendors and potential customers through paid advertising and articles on developments which appear in trade magazines in such areas as power, steel, and incineration.

Because the equipment may be complex, it is difficult to be definite about the rate of U.S. duty which would apply without a full description of the product. However, most air filtering and purifying machinery would attract an 8 to 9 per cent rate of duty. Incinerators would generally be classified according to the material of chief

value; in the case of iron or steel, the rate would be 15 per cent. Detection equipment is classified under a number of provisions carrying duties from free to over 40 per cent. For further information, contact the United States Division of the Office of Area Relations, Department of Trade and Commerce, Ottawa. You should provide catalogues or descriptions of the equipment which you are interested in selling.

A company which plans to enter the air pollution control market in this country can obtain valuable information through meetings with officials of local government regulatory agencies. Normally, the approval of these agencies is required before detection and monitoring devices or control equipment are installed. We recommend, however, that a company first contact this Consulate if they wish to investigate the market in the mid-Atlantic states: New Jersey

(nine southern counties), Pennsylvania, Delaware, Maryland, Virginia and West Virginia.

The 1968 edition of the *Product Guide* which is published by the Air Pollution Control Association lists only three Canadian manufacturers although the Association has four Canadian sections—in Ontario, Quebec, Niagara Frontier, and the Pacific Northwest (which includes the lower mainland of British Columbia and parts of the United States). The Association is a valuable point of contact. The address to write to is: Air Pollution Control Association, 4400 5th Avenue, Pittsburgh, Pennsylvania 15213.

There are many products on the market already for the detection, monitoring, and control of air pollution, but more are needed—of new types with added sophistication. The sky is the limit—a clean blue one, that is.

# Prospects for Argentine Steel

Plans are afoot to bring blast furnace and steelmaking capacity into line but Argentina will continue to import some steel products.

J. M. VINCENT, *Assistant Commercial Secretary, Buenos Aires*

■ Until 1937, Argentina imported all its raw steel, rolled steel and semi-manufactured products. It only started producing its own pig iron in 1945. A national steel program was inaugurated two years later but the time was not ripe for building a large integrated steel mill in Argentina. Conditions, however, changed in the late 1950's. The state-supported Sociedad Mixta Siderurgica Argentina (SOMISA) brought its 1,500-tons-a-day blast furnace on stream in 1960 and in the following year began operating its steel furnaces and rolling mill. Raw steel output has increased sixfold since 1960 to 1.35 million metric tons, some 14 per cent of total Latin American production. Only Brazil and Mexico now make

more steel than Argentina and the plan is to bring capacity up to between four and five million tons by 1974.

## Two Large Units

Any description of the Argentine steel industry must begin by describing the two integrated plants. Altos Hornos Zapla is the older of the two and by far the smaller. It is in the northwestern province of Jujuy close to the iron ore deposits and is managed by the Argentine Army. Pig iron was first cast in 1945. Production in 1967 was 87,600 tons of pig iron and 82,100 tons of raw steel. Incidentally, the armed forces play quite an important part in the metals industries in Argentina. The Air Force is re-

sponsible for the exploitation of and exploration for aluminum ores. The Army is responsible for iron ore. The Direccion Generale de Fabricaciones Militares (DGFM), rather similar to our Crown Corporations, was set up in 1941 and built the Altos Hornos Zapla plant. Later it had the job of getting the SOMISA plant under way. DGFM also acts as the Government's agent in the steel industry and advises on customs duties on finished products and raw materials.

SOMISA, which is a mixed economy corporation, is Argentina's principal steel manufacturing enterprise and operates the country's only large blast furnace. Its facilities near the city of San Nicolas on the River Parana include a 640,000-tons-a-year blast furnace, four open-hearth furnaces with an annual capacity of

850,000 tons, and a rolling mill producing blooms, slabs, billets, rails, channels and "I" beams, hot and cold rolled plates and, most recently, a 200,000-ton tinplating plant. SOMISA produces 90 per cent of the country's pig iron, 55 per cent of the raw steel, and 30 per cent of the finished hot-rolled products.

### Unexploited Ore Reserves

The other important steel producers are ACINDAR (88,600 tons in 1967), DALMINE SIDERCA (163,000-tons), and Santa Rosa S.A. (110,000 tons).

Raw materials are largely imported although several parts of the country have iron reserves. In 1967, iron ore imports totalled 632,000 metric tons and came mainly from Brazil, Chile and Peru. The largest known (as yet unexploited) reserve in Argentina is in the Sierra Grande about 700 miles south of Buenos Aires and has some 200 million tons of ore with a 50-60 per cent iron content. In 1961, MISIPA S.A. (Minera y Siderurgica Patagonia Sierra Grande S.A.) was established to mine the ore but little was done until comparatively recently. The new economic reforms and the mining law which provides for a 100 per cent income tax deduction on mining investments should, however, attract capital to open up the Sierra Grande deposits.

MISIPA's plan consists of three stages: the first will require an investment of U.S.\$50 million for a smelting plant handling a million tons of pellets a year and auxiliary services including a bulk loading terminal. The

other two stages, not yet projected, consist of an iron and steel mill and a plant to produce seamless tube for the petroleum industry.

Near Zapla in the extreme north there are reserves of some 110 million tons of ore with an iron content of 40 to 46 per cent. The Altos Hornos Zapla plant uses the entire output.

Although Argentina has nearly 450 million tons of coal reserves, it is of low quality and not very suitable for use in blast furnaces. Some of it, however, mixed in the ratio of 15:85 with imported Pennsylvania coal, provides satisfactory results. Altos Hornos depends more on coking charcoal from nearby forests. Limestone and manganese are found in abundant quantities close to most of the iron mines.

### Production

The development of Argentina's steel industry has been very uneven. Pig iron production rose from 32,000 metric tons in 1959 to 520,000 tons in 1966. Steel production in the same period increased six-fold from 214,000 to about 1,765,000 metric tons and pig iron had to be imported to keep the mills supplied.

The periodic imposition of import controls on steel products and government inducements aimed at encouraging a local fabricating industry have led to many plants being established or enlarged since 1947. This has resulted in a highly developed steel fabricating industry in Argentina comprised of two integrated and eleven semi-integrated steel mills, almost 50

rolling plants, one seamless pipe plant and over 180 foundries. The production of seamless and welded pipes, wire and wire rod, structural steel and other iron flats satisfies the local market and provides a surplus for export. Steel sheet and tinplate are the only important areas of deficiency. Argentine facilities can supply only 50-60 per cent of the local consumption of about one million tons.

The shortfall between the actual production of 1.3 million tons (installed capacity is 1.8 million tons) and consumption of 3 million tons is made good by imports of raw steel and steel products at a cost of some U.S.\$90 million in foreign exchange.

### Plans for Expansion

The National Development Plan emphasizes the need for more plant for the production of pig iron, raw steel and specialty steels with lesser emphasis on the development of fabricating facilities. The principal obstacle to increasing local output is the general lack of capital in Argentina and in foreign markets, particularly in the light of the present world over-production of steel. None the less, Argentine plans are well advanced for increasing steel capacity from the present 1,828,000 metric tons a year to over four million tons by 1974. Briefly, the National Plan is:

1. SOMISA is to complete the installation of an Eximbank-financed oxygen furnace in 1969 which will increase its production of steel ingots to 1.1 million tons annually. A second

TABLE I

#### PRINCIPAL ARGENTINE IRON AND STEEL IMPORTS

	1966	1967
	(metric tons)	
Iron ore	1,020,021	632,170
Wire	898	890
Pig iron	171,224	104,110
Scrap iron	9,817	79,770
Pipes	6,527	8,190
Steel sheets	139,748	168,910
Tinplate	105,447	113,770
Steel billets	168,468	152,730
Steel slabs	.....	33,700

Source: Economic Survey

TABLE II

#### CANADIAN STEEL EXPORTS TO ARGENTINA

	1965	1966	1967
	(Cdn.\$)		
Pig iron	24,950	.....	20,098
Blooms, billets, slabs	129	.....	.....
Steel forgings	244,294	.....	367
Bars, steel, hot-rolled	218	6,382	767
Bars, steel, cold-rolled	750	1,061	.....
Sheet and strip	5,785,538	5,200,566	5,103,089
Structural shapes and sheet piling	22,730	.....	.....
Pipes and tubes, iron and steel	65,371	39,626	1,357
<b>Total</b>	<b>6,143,980</b>	<b>5,247,635</b>	<b>5,125,678</b>

Source: DBS

stage, to be completed by 1973, will raise steel output to over 2 million tons. New coke ovens and a second blast furnace are to be built. Improvements and additions are to be made to the rolled products plant. SOMISA's first priority, however, is to increase steel production to take up rolling mill capacity. Financing of the second stage is presently under negotiation.

2. ACINDAR (Industria Argentina de Aceros S.A.) is the most important private steel producer and also a principal exporter of steel products, especially wire rods and pipes. Until recently, it was contemplating a steel plant including a blast furnace with a capacity of 600,000 tons a year. Financing had been arranged with three European banks (U.S.\$45 million), the World Bank (U.S.\$45 million) and U.S. Steel Corporation (U.S. \$15 million investment in shares) but the proposal was rejected by DGFM which felt that U.S. Steel was imposing conditions which might be detrimental to the local steel industry's growth. The project is now in abeyance until DGFM presents its alternative plan to the Government, expected within the last part of 1968.

3. Propulsora Siderurgia S.A. is a new venture backed by the Italian Techint. The plan is to construct an integrated steel plant at Ensenada on the River Plate near the City of La Plata. Financing will be with joint U.S., Argentine and European funds and the total cost is estimated at U.S. \$230 million. Work is now proceeding on dredging a deep sea port. Construction will be in three stages. The first stage envisages a cold-rolling mill by mid-1969 and the second, a hot-rolling plant by the end of 1972. By 1974, a blast furnace with a capacity of 1.28 million tons and steel furnaces with a capacity of 1.3 million tons annually should be in production. Almost all the raw materials and supplies will have to be imported.

### Imports

Pig iron imports of 104,000 tons in 1967, although down from previous years, are expected to continue at their present level because SOMISA has the only large blast furnace and it has to be stopped for maintenance.

The principal sources for pig iron are the United States, Brazil, West Germany, Finland and the U.S.S.R. which supplied 60 per cent of pig iron imports in 1966 (see Table I). Scrap comes mainly from the United States, with smaller quantities from Brazil.

Steel bars, billets, slabs and sheets are imported in large quantities for re-rolling into sections, flats and structural steel. (Incidentally, structural steel is not extensively used in Argentina because the construction industry is largely based on a concrete technology.) The principal sources have been Brazil, West Germany, Japan, France, Britain, Sweden, the Netherlands and, recently, the U.S.S.R. These imports are expected to continue at least into the 1970's.

Tinplate is being imported in increasing quantities as the canning industry expands. Argentina is Canada's second largest overseas market for tinplate. In 1967, Canada exported tinplate worth Cdn.\$5 million to Argentina, roughly 15 per cent of its tinplate requirements (see Table II). Other major suppliers were Britain, Japan and the United States. Nearly all the local requirements for tinplate are imported but in 1967 SOMISA produced a small quantity and plans to produce 2,000 tons per month but in limited sizes of sheet. It is unlikely that there will be any significant increase in local output until well into the 1970's when SOMISA may have surplus steel sheet.

Steel consumption in Argentina is only 125 kilos per capita compared with 475 in Canada and 280 in Australia. As Argentina emerges from a long period of slow growth, it will require increasing quantities of steel. Present projections for 1974 may prove to be too low, leaving room for imports, especially of traditional items such as pig iron, raw steel, steelplate and tinplate as well as specialty steels.

Canadians interested in this market are advised to conduct their sales through a local agent. A well established and active representative has the necessary experience and contacts, plus up-to-date knowledge of local requirements, conditions and official regulations. Canadian manufacturers who want information or assistance should contact the Commercial Counsellor in Buenos Aires.

# More Hotels for Argentina

L. D. BURKE  
*Commercial Counsellor  
Buenos Aires*

■ At present Argentina is short of hotel accommodation. This holds true for both the capital, Buenos Aires, and the interior of the country. The main reason is that only a limited number of new hotels have been built in the past 15 to 20 years. The Argentine authorities have realized that to overcome this situation and to develop the tourist trade, hotel and resort facilities must be expanded and improved.

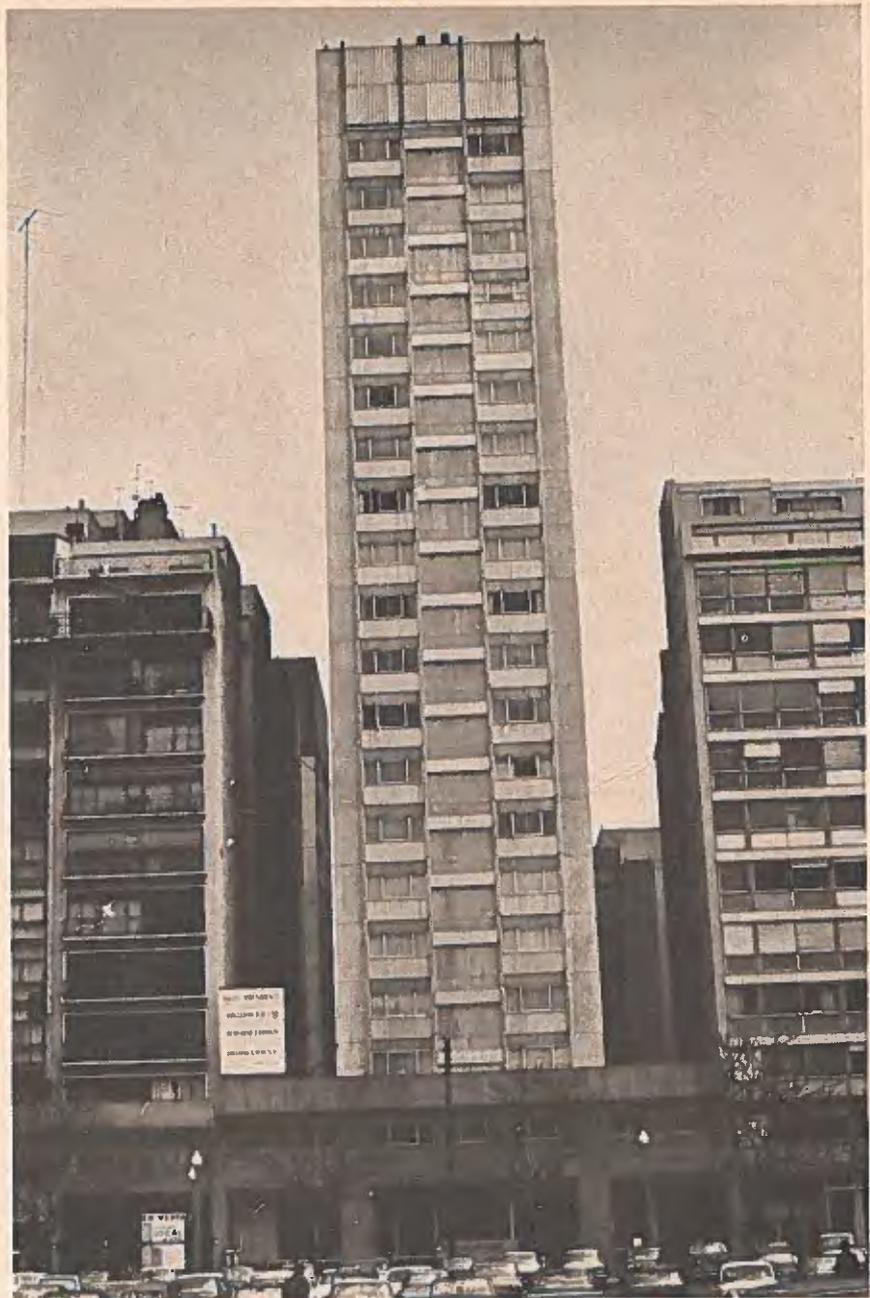
With this in mind, the Government recently passed legislation (the International Tourist Hotels Act), which provided important tax exemptions to groups of individuals prepared to engage in constructing, equipping and managing new hotels. The legislation stipulates, by localities, the minimum size of hotels that may be built in order to receive the exemptions. For example, in Buenos Aires a hotel must have at least 400 rooms; in Bariloche, a resort area in the south, the minimum is 200 rooms. In addition, there are detailed specifications to regulate the quality and standard of hotels and hotel installations. For example:

- all rooms must have telephone, radio, air-conditioning, central heating and wall-to-wall carpeting
- eighty per cent of all rooms must have an outside view
- the hotel must have a convention room of a certain minimum size, and also a swimming pool.

A company constructing a new hotel under this law will be allowed to deduct for income tax purposes the amount (within certain limits) that it invests in the purchase of land,

the construction of buildings and the installation of equipment. The deductions became effective in June 1968 and under the present legislation, will remain in effect until the end of 1972. An additional tax advantage is granted to taxpayers who invest in the formation of companies which have the sole object of constructing, equipping and developing new international tourist hotels. These investors can deduct for income tax purposes up to 100 per cent of the amount paid into the companies, provided the payments are made within one year of subscription to the shares and the investments are maintained in the company for at least three years. This deduction is also effective until the end of 1972. The law also provides that companies operating new hotels designed to encourage Argentina's international tourist trade are exempt until the end of 1972 from the stamp tax normally paid on the formation of corporations and partnerships. The Government is authorized to sell at special prices or to distribute as capital to new companies land in Buenos Aires and also to donate land for the same purpose in Argentina's National Parks.

As a result of this new legislation there already is a considerable amount of activity in the hotel industry. The Municipality of Buenos Aires recently called tenders for the sale of a hotel site in the center of the city, with the purchaser undertaking to build a large hotel within a certain time. It received offers from two organizations: Sheraton Hotels, a subsidiary of ITT, and a newly formed company, the Argentine Network of Quality Hotels (Red Argentina de Grandes Hoteles). The latter is a consortium just formed consisting of the Argentine National Airline (Aerolineas Argentinas), the Intercontinental Hotel Corporation (a Pan American World Airways subsidiary) and a local subsidiary of the National Lead Company of the U.S. The offer received from Sheraton Hotels for the hotel site in Buenos Aires was valued at U.S.\$3.2 million and from the Argentine Network of Quality Hotels U.S.\$2.8 million. A decision on which of these firms will receive the concession is expected shortly. The vice-president of Sheraton Hotels is quoted as saying that he estimates that within the next five years Buenos Aires will require 2,000



The new Hotel Presidente, Buenos Aires. Argentina is trying to provide more hotels.

new hotel rooms and suitable facilities for congresses and conventions. Another consortium, Hotel Associations S.A., which is made up of Braniff International, Western International Hotel Company, and two international investment firms, has recently been formed in the Argentine hotel industry.

Because of the size of Argentina and the variety of climate and scenery (ranging from the tropical regions

in the north to the pampas of Patagonia) a large part of tourist trade currently comes from Argentines travelling within the country and tourists from the neighboring countries of Brazil, Uruguay, Paraguay and Chile. It is hoped that the creation of new facilities will increase Argentina's tourist trade even further and also lead to a substantial increase in the number of visitors from areas such as North America and Europe.

What's the market for . . .

## Agricultural and Fisheries Products in Denmark

W. R. HICKMAN, *Commercial Counsellor, Copenhagen*

■ Denmark is becoming more and more industrialized, yet agriculture still plays a vital role. Agricultural production in 1967 was estimated at Cdn.\$1,364 million, or over 10 per cent of gross national product. Approximately 14 per cent of the working population is engaged in farming some 7.3 million acres. Production exceeds domestic requirements and in 1967 Danish agricultural exports amounted to Cdn.\$952 million or 70 per cent of total production. Canadian consumers may be familiar with Danish products such as canned meat, meat preparations and cheese, which in 1967 represented 29.9 per cent of Danish agricultural exports to Canada.

Canadian exports of agricultural and fisheries products to Denmark exhibited a remarkable increase of 55 per cent in 1967, reaching a total of over Cdn.\$5.4 million. Barley, rye, tobacco, seeds, especially flaxseed, and fisheries products accounted for 70 per cent of this total (see table). Though it is a food-producing country, Denmark offers a market for high quality specialty foods, pickles and relishes, frozen and canned corn, fresh apples and pears, whole dried peas, and others. Canadian exports to Denmark in these fields have been rising in recent years.

### Grains

For some years, Denmark has had an excess production of bread grains and Danish mills were not permitted to mill imported wheat and rye for human consumption. The situation has changed, however, and during the past two years the obligatory milling percentage for Danish rye has been lowered from 70 to 50 per cent. As a result, Denmark in 1967 imported 52,684 metric tons of rye, including 21,743 metric tons from Canada and 23,704 from the United States. Although the milling percentage for Danish rye in the current harvest year had been 100 per cent owing to the

good 1968 crop, it was lowered to 85 per cent on December 1, 1968, opening the possibility for limited imports of Canadian rye.

The obligatory milling percentage for Danish wheat has remained constant at 100 per cent for several years. Nevertheless Canada in 1967 sold

554 metric tons of wheat to Danish mills for use in export products.

Barley is the main grain sown in Denmark and in 1967 covered 71.4 per cent of the total area sown to grain. Barley production in 1967 totalled 4.39 million metric tons. Denmark remains a barley importer and imports during 1967 totalled 375,170 metric tons, including 40,989 from



—Royal Danish Ministry for Foreign Affairs

These happy little pigs will have the best of care and a gourmet menu which might include Canadian barley. Danish breeders have succeeded in producing baconers ideally suited to the market—long-backed, lean, and with good hocks and gammons.

**PRINCIPAL AGRICULTURAL EXPORTS  
TO DENMARK**

Commodities	1966	1967
	(Cdn.\$)	
Live mink	110,650	50,200
Barley	—	1,167,226
Rye	—	467,592
Fresh apples and crabapples	47,289	105,919
Frozen corn	8,248	8,738
Whole dried peas	2,616	8,323
Canned corn	—	11,433
Pickles and relishes	10,896	21,654
Maple sugar	119,896	119,410
Raw and prepared rennet	113,068	93,050
Flue-cured bright Virginia tobacco	799,937	856,266
Raw cattle hides	8,330	11,839
Alsike clover seed	10,564	1,598
Red single cut clover seed	25,549	8,631
Meadow fescue grass seed	79,437	—
Timothy grass seed	65,737	36,479
Seeds for sowing n.e.s.	19,600	8,581
Flaxseed	—	365,015
<b>Total of above</b>	<b>1,421,817</b>	<b>3,341,954</b>

**PRINCIPAL FISH EXPORTS TO DENMARK**

Commodities	1966	1967
	(Cdn.\$)	
Frozen whole dressed Atlantic salmon	216,012	171,987
Frozen whole dressed cbum salmon	43,043	114,238
Frozen whole dressed coho salmon	132,487	25,824
Frozen whole dressed spring salmon	129,879	133,909
Frozen whole or dressed whitefish	21,214	37,065
Frozen sole, flounder filets	34,139	171,574
Canned pink salmon	110,254	105,566
Fresh or frozen lobster in shell	8,433	34,910
Fresh or frozen scallops	—	7,750
Fresh or frozen shellfish n.e.s.	1,632	5,790
Canned lobster and products n.e.s.	81,086	44,466
Shellfish and products n.e.s.	—	6,500
<b>Total of above</b>	<b>778,179</b>	<b>859,579</b>

Canada. Britain was the largest supplier with 134,256 metric tons, followed by the United States with 109,039.

**Skim Milk Powder**

Denmark in 1967 imported 11,734 metric tons of skim milk powder for feeding purposes. Although Canada was not in the market that year for price reasons, our shipments in the first half of 1968 reached 2,642 metric tons valued at \$916,000. Other leading suppliers are Britain, the U.S.S.R., New Zealand and Sweden. Imports are subject to licence but licences are freely granted. Under Danish regulations, however, all imports of skim milk powder are subject to the Storch test and can be cleared only if shipments pass this test.

**Tobacco, Maple Sugar**

Despite high prices because of heavy taxation (a pack of twenty costs over Cdn.\$1), the tobacco industry last year produced over seven billion cigarettes. Canadian exports of flue-cured bright Virginia tobacco to Denmark have shown a satisfactory increase from Cdn.\$200,000 in 1965 to nearly Cdn.\$900,000 in 1967.

The Danish tobacco industry imports maple sugar from Canada and in recent years these imports have remained steady at an annual figure

of approximately Cdn.\$120,000. There have been only small imports of maple syrup, mainly for diplomatic supply houses, because this product is not yet popular with local consumers.

**Seeds**

Canada has been a major supplier of flaxseed since 1966 when exports totalled 5,697.8 metric tons; flaxseed exports last year totalled 4,341 metric tons. There are fluctuations from year to year in Canadian seed exports, which include clover seeds, meadow fescue grass seeds, timothy grass seeds and unspecified seeds for sowing.

**Honey**

Denmark's honey production averages approximately 2,000 metric tons in a good year but this is insufficient to meet market requirements. Denmark in 1967 imported 1,604 metric tons of honey, mostly bulk; main suppliers were Argentina, Chile, Mexico, People's Republic of China, and Australia. Danish importers appreciate the high quality of Canadian honey but find it difficult to market because it is more expensive than both domestic and other imported honey. The fact that Danish regulations require that imported honey be packed in glass containers for retail sale but Danish honey may be and is packed

in plastic containers further widens the price difference. There is interest in Canadian honey nevertheless and small shipments have come in. Imports of honey are subject to import licensing requirements. The quota for 1968 was increased to 3.5 million Dkr. (Cdn.\$500,000).

**Apples and Pears**

Denmark has a considerable apple growing industry and protects local growers by permitting imports only during the period April 1 to July 15, yet these imports reached 15,283 metric tons in 1967 and 11,314 in 1968. Australia and Argentina are the largest suppliers. However, Canada has gained an increasing share of the market, with McIntosh apple exports rising from 80.6 metric tons in 1964 to 474 during the period April 1 to June 30, 1968. The principal difficulty that Canadian growers encounter is the timing and the shortness of the period during which apple imports are permitted.

Denmark also imports pears, mostly from Italy. Imports in 1967 totalled 5,307 metric tons, with 2,434 metric tons brought in during the period February 1 to June 30, 1968. Canadian exports are small, averaging 18 to 20 metric tons a year, except for 1966, when they amounted to 42 metric tons. Here again, the period

during which imports are permitted has an adverse effect on export potential and by June 30, 1968, Canada had not made any sales. Most purchases of apples and pears are effected through export brokers, although in some instances they are made directly from producers. Distribution to the wholesale and retail trade follows the arrival of shipments at the importer's warehouse.

### Frozen Bovine Semen

As exporters of milk, milk products, beef and veal, the Danes are naturally interested in improving their cattle breeds. In 1966 the Danish Holstein-Friesian Association imported some Cdn.\$11,000 worth of Canadian frozen bovine semen. The association wishes to assess the results of the second lactation period before deciding on further imports. Following discussions with the Association, the Veterinary Directorate of the Ministry of Agriculture has decided that imports of Canadian frozen bovine semen will not be permitted during the next four years. Favorable results may, however, lead to Denmark's becoming a regular market for this item. The Holstein-Friesian Association has imported bulls from the Netherlands, Sweden, and West Germany, but local regulations pose some problems for export success in this area.

### Other Products

Denmark also imports considerable quantities of feed grains, oil cakes, and fertilizers, and provided prices are competitive, there is ample scope to increase Canadian exports to Denmark in these areas. There is also a market for such things as raw and prepared rennet and raw cattle hides.

The Danes are a food-conscious people and importers are interested in frozen corn and canned whole kernel corn, specialty canned food products, gourmet seafoods, edible oil products, and whole dried peas. Food imports are usually handled through import agents, who are always pleased to consider Canadian offers. Competition is severe, however, and the firms are prepared to study only offers which are accompanied by samples and descriptive literature, c.i.f. Copenhagen prices, terms of payment and delivery, agent's commission, and other relevant data. This material may

in the first instance be sent to the Commercial Counsellor in Copenhagen, who will be pleased to establish contact with potential outlets in this country.

### Fisheries Products

Canadian fish exports to Denmark have increased from Cdn.\$100,000 in 1962 to Cdn.\$1.1 million in 1967; the latter figure represented 20 per cent of the total value of Canadian agricultural and fish exports to Denmark. Although exports of the various fisheries products fluctuate from one year to another, depending on Canadian supplies and on local requirements, this is an active market, particularly for frozen whole dressed salmon. Canada is the largest supplier of frozen salmon, and our sales during 1967 amounted to Cdn.\$500,000, with Atlantic salmon, chum salmon, and spring salmon comprising the largest groups.

Exports of frozen sole and flounder fillets more than quadrupled from 1966 to Cdn.\$172,000 in 1967. There is some interest in frozen, whole or dressed whitefish, mainly for re-export, and in point-headed silver eel for smoking. Local importers prefer the eels frozen alive because this process draws the blood up under the skin and gives the colour preferred in this country.

Exports of canned salmon have remained steady at approximately Cdn.\$120,000 a year during the past two years, with canned pink salmon the preferred quality. Exports of canned lobster products in 1967 totalled nearly Cdn.\$45,000, and there is considerable interest in fresh or frozen lobster in shell, exports of which quadrupled from 1966 to Cdn.\$35,000 in 1967. Denmark also offers an interesting market for canned and frozen crabmeat and shrimp, and for scallops.

## Packaging Materials in Germany

D. S. McCracken  
*Consul, Hamburg*

■ Packaging and wrapping is almost as old as man himself; the first person to wrap the family's meat supply in damp leaves was the packaging expert of his age. Primitive methods were used for hundreds of years with very little variation and survived in one form or another up to the present century. Some of us still remember the country store where apples, flour and crackers came in rough wooden barrels and provided the village philosopher with his favorite seat. Those days are past in Germany as well as in Canada. The German housewife today buys her four bananas cello-wrapped, her six (Canadian?) apples packed in transparent film on a porous paper tray, and her 25 household nails encased in a plastic bubble.

The emphasis has shifted from production to the problem of selling what the factories can turn out. Business, in other words, has become consumer-oriented. Packaging in retail

stores today must combine eye-appeal and intensive advertising with its primary function of protecting the contents.

In 1967, German industry spent nearly \$3 billion on packaging material, which makes packaging the country's third largest industry. It was the "economic miracle" in the '50s which forced Germans to examine North American experience in materials handling in order to improve transport efficiency and cut costs. The introduction of the self-service shop in Germany (there are now 40,000 throughout the country) is another reason for the consumer packaging explosion. Finally, spiralling exports have created a big demand for export packaging materials. The paragraphs that follow examine the market for various types of packaging in more detail.

**Paper and Board**—Let us take a look at 1966 statistics because there was a recession in 1967 and figures for that year may not be typical. Paper and board continued to be of prime im-

portance in 1966 and the German paper and board industry manufactured Cdn.\$1.4 billion worth, which was 49 per cent of the total packaging materials the country produced.

The most significant development is the trend towards self-service which accelerated the introduction of folding boxes. The popularity of packs with single and multiple portions for direct off-the-shelf sale and the introduction of deep-frozen food has also pushed up demand. Improvement of forming and filling machines has been another important factor. The net result of all this is that the value of folding box production has doubled in the last six years.

There have been major increases in the other sub-categories of paper and paperboard in the last few years but because of the inroads that plastics have made, gains have been less than for the category as a whole. These days even the lowly shopping bag is more likely to be made of plastic than paper.

**Cans, Foil and Tubes**—The production of metal packaging materials in 1966 was worth approximately Cdn. \$500 million. The most promising sub-category is packing materials made from light metal (such as aluminum foil). Foils are frequently processed together with paper or plastics and so are not always in direct competition. Light metal tubes also showed a dramatic increase. Of course, the largest sub-category is still sheet metal containers.

**Glass Containers**—The glass container industry's output was worth Cdn.\$200 million in 1966. The industry is growing at the same rate as the packaging industry as a whole, despite competition from plastics, thanks to self-service and the German preference for a see-through container. Attention is focussed at the moment on the non-returnable bottle which still meets with resistance here.

**Plastic Packaging Materials**—The increase in plastic packaging has been between 20 per cent and 30 per cent annually in recent years. The main interest continues to be in thermoplastics, such as polyethylene and polyvinyl chloride. The rapid acceptance of the plastic bag has been one of the principal factors in the ex-

pansion. A host of minor uses has also contributed to the increase; an example is the use of plastics to package goods for shipment by air.

**Crates and Pallets**—Output of wood packaging materials has decreased, mainly because of competition from materials such as paperboard in the form of corrugated containers. The largest market for wooden packing material is the crate and pallet industry. Wood will continue to be used on a major scale for as far ahead as we can see but it will be restricted essentially to industrial packing and large crates to consolidate other boxes.

### Prospects for Canadian Goods

The German packaging industry is large and growing but per capita consumption of packing materials is still only about 60 per cent of what it is in North America. Further growth will stem mainly from advances in self-service methods in the retail food trade. By 1975 self-service is expected to account for 80 per cent of the food trade's turnover compared with the present 65 per cent. The packaging material is frequently the advertising medium as well and this is of considerable importance to Canadian producers of high quality bleached kraft.

Canada's best prospects lie in supplying industrial packaging materials—kraft liner board, corrugating medium, lumber and plywood. Kraft liner board and corrugating medium show special potential and Canada is already a well-known source for both. In 1967, our liner board exports amounted to Cdn.\$2.6 million and sales of corrugating medium to \$400,000. Both could be sold here in much larger quantities.

Scandinavian producers will probably begin to play a decreasing role in the production of kraft and corrugating medium as they reach the maximum sustained yield of their forests. Wood from the U.S.S.R. might delay this somewhat but the final outcome is certain. The Scandinavians will probably go further into the production of high quality papers and move away from such items as liner board. Taking this and growing German consumption into account, Canadian producers should have progressively better chances in this market.

The other sector of industrial packaging which is of interest to Canada is plywood. Plywood from British Columbia has already found a market and in 1967, despite a recession in Germany, exports reached Cdn.\$1.4 million. Volkswagen is a major importer of B.C. plywood, which it uses to box the famous Beetle for export to certain markets. There will also be good chances for Maritime plywood producers when the industry develops. However, this type would be in direct competition with European production and would have to sell on price as well as on quality.

### The Industry's Fair

One method of penetrating the German market for packaging machines or packaging materials is to exhibit at the industry's own trade fair, Interpack. The last Interpack was held in Duesseldorf in 1966 and a complete range of packing machinery, equipment, mechanical accessories, packaging material and supplies was displayed. There was also a special display of confectionery machines. A total of 687 firms exhibited, 226 of them from foreign countries. Approximately 90,000 visitors attended the fair, mainly businessmen.

If you are a Canadian manufacturer with an interest in this market, you should at least visit the next Interpack which will be held in Duesseldorf from May 10 to 16, 1969. The Canadian Consulate General in Duesseldorf would be pleased to give you every assistance in your investigations. If you are a machine manufacturer, you would do well to enter the fair as an exhibitor because it would give your product exposure to the whole of the German packaging industry.

### The First Step

The German packaging machine industry, comprising some 70 firms, is strong and efficient. The foreign producer has to offer something novel or with a technical advantage in order to get business. The same is true of packaging materials. Why not start now to explore the German market? The first step is to tell us about your product, sending us catalogues and c.i.f. prices, so that we can make a preliminary assessment of your chances of selling in Germany.

## Ski Equipment in Britain

M. R. BELL, *Assistant Commercial Secretary, London*

■ There is a growing market for ski equipment in Britain. Although about 300,000 British winter sports enthusiasts flocked to the Continental ski areas of Austria, France, Switzerland and Scandinavia during the past season, large numbers of English skiers were found on the slopes of the many new developments in Scotland, in addition to an estimated 100,000 home-grown skiers there. The 1968 Winter Olympic Games in Grenoble were widely reported and televised and have given an added impetus to the growth of the sport, particularly in view of the better than expected performance by the British skiers. Informed sources in the trade predict that the British skiing population will double by 1972. With demand for ski equipment and accessories increasing, a sizeable portion of which is met by imports, Canadian firms may find opportunities.

### What Will Sell

The actual market for ski equipment in Britain is, of course, not as large as the figures on the skiing population indicate. Rentals take a large share of the business and a significant number of those who buy their equipment wait until they get to the Continent. Still, it is estimated that approximately 15 per cent of the skiers in Britain own skis, bindings and poles and about 40 per cent are believed to own boots. The rest rent their equipment at a resort, often as part of a package tour. With the British traveller now allowed to take a yearly maximum of only about \$175 in foreign exchange out of the country, the attractiveness of renting at home has increased. For the same reason, many of those who previously purchased their equipment abroad will now have to consider buying in Britain.

Basic ski equipment comprises skis and bindings, boots, poles and goggles. Skiwear and accessories include boots, anoraks (ski jackets), ski pants, gloves, sweaters, underwear and socks. Almost all the equipment and a large part of the clothing and accessories

are imported. The supplying countries in order of importance are Austria, Switzerland, Germany, France, the United States and Sweden. Unfortunately, detailed import statistics are not available on ski equipment and accessories, as they are lumped in the general classification of "sporting goods and equipment".

**Skis**—On the basis of Austrian Chamber of Commerce estimates of Austrian exports to Britain, plus local trade estimates, it appears that total imports of skis ranged from 8,000 to 8,500 pairs in 1967. Local production of skis probably does not exceed 200 pairs per year, so import figures give an approximation of market size.

The majority of skis sold in recent years are made of either plastic or metal. Wooden skis, although they account for about 40 per cent of ski sales, are losing ground and are confined to the cheap market. A breakdown of ski sales by material is given below.

Type of Ski	Share of Market (per cent)	Price Range
Wooden	40	£10-£18 (Cdn.\$25-\$45)
Plastic (all or part)	35	£24-£80 (Cdn.\$60-\$210)
Metal	25	£28-£95 (Cdn.\$70-\$250)

Leading makers of plastic and metal skis include Fischer, Kästle, Kneissel and Blizzard from Austria, Head from the United States, and Attenhoffer from Germany. Swiss and French skis are also sold in Britain. Yugoslavian models have lately made an impact on the low price market.

**Ski bindings**—Tyrolia, Nevada, Attenhoffer and Marker are the names most often mentioned for bindings. Prices for complete units (both toe and heel pieces) range from £6 to £17 (Cdn.\$15-\$45) with the bulk of the market between £6-£11. Total sales of bindings are estimated at 40,000 per year.

**Ski Boots**—Imports are estimated at 14,000 pairs per year and again

domestic production is negligible. Prices range from £13 (Cdn.\$35) to £20 (Cdn.\$50) on standard lines, with certain luxury models priced as high as £35 (Cdn.\$90). Boot-makers represented include Henke of Switzerland and Koflach, Raichle and Kestinger of Austria.

**Ski Poles**—Three-quarters of ski pole sales in Britain are controlled by five manufacturers—Sandvik, Montana, Kohla, Compadel and Cober. Estimates of yearly sales range between 8,000 and 10,000 (less than one would expect considering the number of skis sold). Sales of steel-shafted poles account for about 75 per cent and alloy poles for 25 per cent. Steel poles are priced between £3.5s. and £6 (Cdn.\$8.50 and \$15.50) while alloy poles cost from £1.15s. 0d. (Cdn.\$4.25) to £5.0s. (Cdn.\$13) for top class models.

### Retailers and Agents

The sale of ski equipment in Britain is concentrated in the hands of about 50 retailers, mostly sports equipment specialists. Where the turnover is big enough, the larger specialist stores and large department stores that have ski shops import directly from the manufacturer. Apart from this, the market is serviced by agents and/or distributors, of which five or six control the top lines and the major share of the business. Most agents are associated with firms of distributors who have warehouse space; even independent agents generally maintain stocks in order to service retail outlets, many of which operate on a sale and reorder basis with only the smallest stock on hand. Several of the larger retail outlets such as Lillywhites and Pindisports are also linked with wholesale distributors and agents to form a complete vertical chain in the distribution network.

Markups on ski equipment are 25 to 30 per cent at wholesale and 50 to 60 per cent at the retail level. Where an agent books orders for direct shipment to retailers, he charges a commission of from 7 to 12 per cent, depending upon the degree of service and repair facilities available.

Taking into account transportation (10 per cent) and British purchase tax (33½ per cent), we get a factor of 2.8 to apply when estimating the retail price in Britain from the f.o.b. Canadian port price.

#### CALCULATING PRICES FOR THE BRITISH MARKET

Price f.o.b. Canada	100.0
Add transportation	10.0
<i>Subtotal</i>	110.0
Add wholesale markup 25 per cent	27.5
<i>Subtotal</i>	137.5
Add purchase tax 33½ per cent	45.8
<i>Subtotal</i>	183.3
Add retail markup 55 per cent	100.9
<b>Total</b>	<b>284.2</b>

Among the media for promoting skiing products are two ski magazines published in Scotland. *Ski Britain* comes out six times a year in Edinburgh and contains news, views, features and reports on all aspects of British and international skiing. *The Skier*, also published in Scotland, appears eight times a year with snow skiing articles and regular features

on travel, accommodation, equipment and clothing. In addition to these two magazines, the well-known American ski publications also appear on the newsstands and are widely read by both the public and the trade.

Although there are no British trade fairs of importance in the ski equipment trade, several of the Continental fairs are on the British buyers' list. Most important among these are the fair at Wiesbaden, Germany, and exhibitions at Vienna, Austria, and Grenoble in France. These fairs are held early in the year (March or April) and the British buying season begins almost immediately afterwards with shipments scheduled for September and October delivery.

#### Canada's Competitive Position

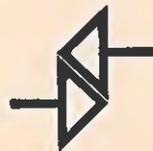
Canada's only success in this market has been with ski jackets and ski gloves although some boots and plastic skis were displayed in stores last winter and will hopefully increase their share of the market. Ski jacket sales have been hurt in recent years

by the gradual reduction of tariffs on competing imports from such major EFTA skiwear producers as Switzerland, Austria and Sweden.

Across-the-board Kennedy Round tariff reductions will reduce the differential somewhat, but the tariff advantage to EFTA producers on any garment containing artificial or man-made fibres will remain significant. Canadian ski gloves have done better in this market as they are free of duty from both Commonwealth and EFTA countries. (The new import deposit system may of course affect market prospects.)

In view of the concentration of the British skiwear market in the hands of a small number of agents/distributors, it is particularly important for Canadians to make advance inquiries before launching any sales promotion. The Trade Commissioner office in London is well placed to make good contacts at agent, wholesale and retail levels and welcomes inquiries from seriously interested Canadian exporters.

## trade lines



### Norwegian lumber firms join forces

A group of Norwegian lumber firms have formed a new company to promote lumber exports. Based in Oslo, it is called the Norwegian Timber Export Company A/S (NORTECO)—Oslo.

### Venezuelan drydock project receives credit

The Venezuelan Congress has approved a \$20 million credit to complete the drydock facilities at Puerto Cabello. A Venezuelan mission recently toured Canada and the U.S. and was favorably impressed with Canadian installations—Caracas.

### Egypt's cotton crop smaller

Egypt exported agricultural products worth E£176.8 million in the 1966/67 season, a slight rise over the E£172.9 million of 1965/66. Raw cotton accounted for E£127.6 million compared with E£144.5 million

in the previous year. The 1966/67 cotton crop declined 12.1 per cent from 1965/66 because of attacks from insect pests (which also affected quality) and also because it yields less income per acre than other crops—Cairo.

### Franco-American furnace company formed

Stein & Roubaix and Midland Ross Corporation of Cleveland have joined in a new venture, Stein-Surface. It will have a capital of Fr.21 million and make heat-treatment and melting furnaces—Paris.

### Greece undertakes biggest highway project

The Macdonald Construction Company of the U.S. has won a contract to build a 740-kilometer highway from Igoumenitsa in Western Greece to Thrace and the Turkish border. It will be Greece's biggest highway project and will cost \$150 million; foreign credit institutions will finance 70 per cent of this. The project will

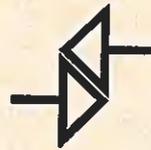
be completed by 1973 and the port of Igoumenitsa will become a new export center—Athens.

#### **Le Havre studies project for manmade island**

The port of Le Havre, which handles 29 million tons of petroleum a year (80 per cent of French petroleum

imports) will soon be required to step this up to 50 to 60 million tons because of expansion of the Compagnie Francaise de Raffinage's plant and new refineries at Porcheville, Valenciennes and Vernon. Le Havre is studying a Fr.600 million project to build a manmade island with facilities to discharge a 500,000-ton tanker in 12 hours—Paris.

## **foreign tariffs and trade regulations**



### **Australia**

**FASTER CUSTOMS CLEARANCE**—The Australian Department of Customs and Excise recently introduced new procedures which will allow the immediate clearance from Customs control of certain imports.

Under this scheme, immediate release without examination of the specified commodities will be made on presentation of an entry and payment of duty. Permits will still, however, be required for goods subject to quarantine or other restrictions.

The procedures were introduced initially at Sydney and Melbourne. Later the scheme will be extended to other ports in Australia.

For the time being, the following goods only are included in the new clearance scheme but it has been indicated that the procedures may be extended to cover a significant proportion of Australian imports.

Fertilizers—chapter 31 of the Tariff

Newsprint and paper pulp

Coffee and tea

Sheet glass—tariff items 70.04 to 70.08

Hessian

Carbon black

Copra

Meat and edible offals

Fish, crustaceans and molluscs

Dairy produce

Edible vegetables

To participate in the scheme, Australian importers should apply at the Customs Houses in Sydney and Melbourne. It has been explained that only those considered to be regular importers will be authorized to participate and if errors in documentation are found in random physical checks, the importer may lose the opportunity to participate.

### **France**

**FOREIGN EXCHANGE RESTRICTIONS**—The recent monetary crisis in France has resulted in a number of government decrees affecting the business sector. Among the measures adopted were restrictions on the movement of foreign exchange. Payments for imports are not affected by the regulations.

On the taxation side, the Government abolished the payroll tax and increased the rates of the TVA (tax on value added). This tax applies to domestic production and to imports. It is rebated on exports. The tax increases which came into effect December 1, 1968, will involve the following changes in rates:

(a) Most imported products from 16.66 per cent to 19 per cent.

(b) Products subject to maximum rate (radios, tobacco, etc.) from 20 per cent to 25 per cent.

(c) Products subject to reduced rate (grains, fruits, meat, and a variety of other food products) from 6 per cent to 7 per cent.

### **West Germany**

**BORDER TAXES CHANGED**—On November 30, 1968, the German Bundestag approved a bill providing for certain changes in the German border taxes. Imports which were subject to a tax of 11 per cent will benefit from a 4 per cent rebate; 4 per cent will be levied on German exports. Those imported goods subject to a 5.5 per cent tax will receive a 2 per cent rebate, with German exports carrying a tax of 2 per cent. For most agricultural products of interest to Canadian exporters there will be no change in the rate of the TVA, i.e., no rebate of tax on imports and no tax on exports from Germany. The rates of tax (TVA) applicable to domestic production remain unchanged.

# Trade Commissioners on Tour

## In Canada

If you wish to meet the officers whose itineraries are listed below, get in touch with—

Ottawa—Department of Trade and Commerce

St. John's, Halifax, Montreal, Winnipeg, Edmonton and Vancouver—Regional Office, Department of Trade and Commerce

Toronto—Canadian Manufacturers Association

Windsor, Ontario—Greater Windsor Industrial Commission

Fredericton, New Brunswick—Department of Industry

All other centers—Board of Trade or Chamber of Commerce

Hong Kong—R. G. Godson, Trade Commissioner in Hong Kong:

Montreal—January 13-17

Thetford Mines, Valcourt—  
January 20

Quebec City, Levis—  
January 21

Toronto—January 22-28

Ajax, Port Perry—January 29

Acton, Stratford—January 30

Sarnia—January 31

Niagara Falls, Welland—  
February 3

Hamilton, Oakville—Feb-  
ruary 4

Winnipeg—February 5-6

Edmonton—February 7

Lethbridge—February 10

Calgary—February 11

Kelowna—February 12

Vancouver—February 13-14

## Temporary Duty in Ottawa

The following will be on temporary duty in Ottawa and may be contacted through the Trade Commissioner Service, phone 992-9930 (area code 613).

R. G. Godson, Trade Commissioner in Hong Kong, January 6-10.

## In Territory

Austria—C. R. D. Kelly, Assistant Commercial Secretary, and L. Decrinis, Commercial Officer, in Vienna, will visit the western provinces of Tyrol and Vorarlberg January 16-24.

Barbados—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Bridgetown January 13-16.

Britain—Trade Commissioners in the Liverpool office will make periodic visits during January to business centers in their territory, including Birmingham, Leeds and Manchester.

Bulgaria, Hungary, Romania—Trade Commissioners in the Vienna, Austria, office make frequent visits to these countries, but often there is not time to publish their itineraries in advance. Therefore, Canadian businessmen who would like the Trade Commissioners to undertake assignments for them in these East European countries are advised to write to the Vienna office immediately.

French West Indies—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Martinique and Guadeloupe February 24-27.

Guyana—D. J. McJanet, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Georgetown February 4-6.

Leewards—J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit Antigua, Montserrat and St. Kitts January 20-24.

Pakistan—B. Northgrave, Assistant Commercial Secretary in Islamabad, will visit Karachi January 6-10. J. E. G. Gihson, Commercial Secretary in Islamabad, will visit Dacca January 22-31.

Surinam and French Guiana—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Paramaribo, Surinam, and Cayenne, French Guiana, January 27-30.

Taiwan—R. A. Fairweather, Vice Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Taiwan January 20-24.

Thailand—A Trade Commissioner from Singapore will be making a monthly visit to Thailand throughout 1969. Correspondence should normally be addressed to the Singapore office although contact can also be made through the Canadian Embassy in Bangkok, P.O. Box 2090 (telex: 2277; cable: DOMCAN, Bangkok; phone 32-956).

Trinidad—D. Hohson-Garcia, Commercial Officer, Port-of-Spain, will visit South Trinidad January 28.

J. M. C. Lavoie, Assistant Commercial Secretary in Port-of-Spain, will visit South Trinidad February 6-7.

Turkey—Trade Commissioners in the Athens, Greece, office visit Istanbul and Ankara approximately every six weeks.

United States—R. M. Dawson, Consul and Trade Commissioner in San Francisco, will visit Denver, Colorado, Salt Lake City, Utah, and Wyoming January 20-31.

Businessmen who would like the above to undertake assignments for them should write to the post as soon as possible.

## Spanish Aluminum Industry Grows

■ According to the Spanish press, aluminum production rose from 49,600 metric tons in 1964 to 78,000 in 1967 and was expected to reach 90,000 in 1968. The Second Development Plan envisages 120,000 tons by 1971. The transportation industry takes 35 per cent of production, electrical utilities 17 per cent, and over 9 per cent goes into packaging.

Imports are declining. They fell by 10,000 tons in 1967 and are expected to settle down to between 20,000 and 25,000 tons a year. The Plan hopes that exports, principally of cable and semi-fabricated products, will be 30,000 tons a year.

Investment in the industry during the First Development Plan was U.S.\$26 million and a further U.S.\$14 million will be provided in the Second Plan. The search for bauxite in Spain will be intensified and financial participation in foreign bauxite production by the Spanish industry will be encouraged.

# Markets in Brief

## FINLAND

**Area:** 130,165 square miles.

**Population:** 4,675,000.

**Climate:** moderate, with short warm summers and long cold winters.

**Language:** mainly Finnish but also Swedish. English and German main foreign languages used in business.

**Currency:** markka; one Finnmark (Fmk) equals Cdn.\$0.2554 (December 1968).

**Foreign exchange and import controls:** tariff and import restrictions have been removed except for some specific products such as solid and liquid fuels and certain fertilizers and passenger cars.

**Weights and measures:** metric system.

**Capital:** Helsinki.

**Chief ports:** Pori (Mäntyluoto), Hamina, Hanko, Helsinki, Kemi, Rauma, Oulu, Vaasa, Turku.

**Marketing centers:** Helsinki (population) 525,000, Tampere 150,000, Turku 148,000, Lahti 83,200, Pori 69,900, Vaasa 47,900.

**Economy:** based on the principles of private ownership and free enterprise. The State has a monopoly in certain sectors such as railways and the sale of alcohol.

**Total Finnish imports:** 1967—Cdn.\$1,486 million; 1966—Cdn.\$1,417 million.

**Chief imports:** (Cdn.\$ million) 1967—raw materials 653, manufactured capital goods 375, manufactured consumer goods 287, fuels and lubricants 171.

**Chief suppliers:** (per cent) 1967—West Germany 16.0, U.S.S.R. 15.7, Sweden 14.2, Britain 12.9, United States 4.9, Netherlands 3.8, France 3.2, Canada 0.5.

**Value of imports from Canada:** 1967—Cdn.\$4.7 million; 1966—Cdn.\$7.1 million.

**Chief imports from Canada:** (Cdn.\$'000) 1967—wheat except seed 660, polyethylene resins 344, papermakers felts 300, chain saws 237, tobacco 234.

**Total Finnish exports:** 1967—Cdn.\$1,341 million; 1966—Cdn.\$1,235 million.

**Chief exports:** (Cdn.\$ million) 1967—paper products 611, metal and engineering products 277, wood products 222, agricultural products 67, forestry products 14, other goods 150.

**Chief markets:** (per cent) 1967—Britain 20.3, U.S.S.R. 17.5, Sweden 8.9, West Germany 8.6, United States 6.8, Netherlands 5.1, France 4.2, Canada 0.2.

**Value of Canadian purchases:** 1967—Cdn.\$3.3 million; 1966—Cdn.\$3.5 million.

**Chief Canadian purchases:** (Cdn.\$'000) 1967—pig iron 438, fur skins 366, hardboard 239, cranes and derricks 231, and cheese 202.

**Prices:** quote in U.S. dollars, c.i.f. whenever possible.

**Usual terms of payment:** sight and 30, 60, 90 to maximum of 180 days.

**Samples:** samples of no commercial value, duty-free; other samples may be imported into Finland without paying



customs duty or a deposit providing the importer has a carnet, but must pay duty if the samples are sold or if they are retained in Finland for more than one year. Alternatively, samples may be imported into Finland even without a carnet on payment of a deposit, which will be repaid providing the samples are taken out of Finland again within a year.

**Visas:** no visa required. **Inoculations:** none.

**Trade agreements:** most-favored-nation agreement with Canada.

**Import controls, documentation, customs tariff, marking and labelling:** consult the Office of Area Relations, Department of Trade and Commerce, Ottawa.

**Correspondence:** preferably airmail; letters 15 cents per half ounce.

For more detailed information on this market write to: European Division, Office of Area Relations, Department of Trade and Commerce, Ottawa.

or

Commercial Counsellor, Canadian Embassy, P.O. Box 14042, S-104 40 Stockholm 14, Sweden.

# FRANCE

**Area:** 220,416 square miles.

**Population:** 50,000,000 (October 1968).

**Climate:** temperate, high humidity.

**Language:** French.

**Currency:** franc; one franc equals Cdn. \$0.2158 (December 1968).

**Foreign exchange and import regulations:** foreign exchange available for imports. Import licences required only for a number of agricultural products which are subject to quantitative import restrictions.

**Weights and measures:** metric system.

**Capital:** Paris.

**Chief ports:** Le Havre, Rouen and Dunkirk on English Channel, Bordeaux and Nantes on Atlantic Ocean, Marseilles on Mediterranean.

**Marketing centers:** Paris (1968 population, greater) 8,182,000, Lyons 1,083,000, Marseilles 964,000, Lille 881,000, Bordeaux 555,000, Toulouse 440,000, Nantes 394,000, Nice 393,000, Rouen 370,000, Toulon 340,000, Strasbourg 335,000, Grenoble 332,000, St. Etienne 331,000, Nancy 258,000, Le Havre 247,000.

**Economy:** highly developed and balanced. Ample capital, steady expansion.

**Total French imports:** 1967—Cdn.\$13,475 million; 1966—Cdn. \$12,869 million.

**Chief imports:** (per cent) 1967—manufactured goods (including machinery and transportation equipment) 56.4, food and live animals 15.1, petroleum products 14.5, crude materials 13.8.

**Chief suppliers:** (per cent) 1967—West Germany 22.3, United States 10.4, Belgium and Luxembourg 9.7, Italy 9.6, Netherlands 5.4, Britain 5.0.

**Value of imports from Canada:** 1967—Cdn.\$80.6 million; 1966—Cdn.\$84.5 million.

**Chief imports from Canada:** (Cdn.\$ million) 1967—asbestos 11.7; copper 11.4; wood pulp 7.6; fish, fresh, frozen or canned 6.8; lumber, all types 4.5; zinc 3.5; molybdenum 3.4; pulpwood 1.7; synthetic rubber 1.6; wheat 0.8.

**Total French exports:** 1967—Cdn.\$12,363 million; 1966—Cdn. \$11,832 million.

**Chief exports:** (per cent) 1967—manufactured goods (including machinery and transportation equipment) 74.7, foods 15.5, crude materials 6.7.

**Chief markets:** (per cent) 1967—West Germany 17.3, Italy 9.6, Belgium and Luxembourg 9.5, United States 6.0, Britain 5.3, Switzerland 5.3, Netherlands 5.0, Algeria 3.7, Spain 3.5.

**Value of Canadian purchases:** 1967—Cdn.\$130.1 million; 1966—Cdn.\$106.7 million.



**Chief Canadian purchases:** (Cdn.\$ million) 1967—wines, alcoholic beverages 12.8; textiles, textile products and clothing 12.3; motor vehicles and parts 11.6; iron and steel products 11.2; newspapers, magazines, books 10.9; tires and tubes 3.6; electrical equipment and appliances 3.0; chemicals and allied products 2.5; glass and glassware 1.8.

**Prices:** should be quoted in either Canadian or U.S. dollars, preferably f.o.b. or c.i.f. whenever possible.

**Usual terms of payment:** all periods from sight to 120 days; occasionally 180 days.

**Samples:** practically no restrictions on imports of samples, but they are subject to customs duties and domestic taxes if of commercial value.

**Visas:** no visa required. **Inoculations:** none.

**Trade agreements:** most-favored-nation agreement with Canada; equal tariff treatment of imports from all GATT countries, but no duties since July 1, 1968 on imports from countries of European Economic Community.

**Import controls, documentation, tariffs, marking and labelling:** consult the Office of Area Relations, Department of Trade and Commerce, Ottawa.

**Correspondence:** preferably in French, but English generally acceptable; air mail recommended; letters 15 cents per half ounce.

**For detailed information on this market write to:** European Division, Office of Area Relations, Department of Trade and Commerce, Ottawa, or

Minister-Counsellor (Commercial), Canadian Embassy, 35, avenue Montaigne, Paris 8e, France.

# Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the Office of Area Relations, Department of Trade and Commerce, Ottawa.

The mid market rates only are quoted, except when buying and selling rates are specified. The buying rate is that at which banks purchase exchange from exporters; the selling rate is that at which banks sell exchange to importers.

Rates used exclusively in non-merchandise trading are *not* included in this table.

For conversion of column one to the U.S. dollar equivalent, multiply by .93. To convert column two, divide by .93.

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at December 18			at December 18	
Algeria Dinar	.2167	4.61	Denmark Krone	.1432	6.98
Argentina Peso (free)	.0031	322.58	Dominican Republic Peso	1.073	.93
Australia Dollar	1.194	.8340	Ecuador Sucre (official) (free)	.0596 .0534	16.50 18.45
Austria Schilling	.0415	23.98	El Salvador Colon	.4290	2.35
Bahamas Dollar	1.051	.9506	Fiji Pound	2.463	.41
Belgium and Luxembourg Franc	.0213	46.25	Finland Markka	.2554	3.91
Bermuda Pound	2.567	.39	France, Monaco, etc. <sup>3</sup> Franc	.2167	4.61
Bolivia Peso	.0901	10.97	Franco-African Republics <sup>4</sup> Franc	.0043	235
Brazil Cruzeiro (official free)	.2808	3.56	French Pacific <sup>5</sup> Franc	.0119	84.24
Britain Pound	2.558	.39	Germany D Mark	.2683	3.71
British Honduras Dollar	.6395	1.56	Ghana New Cedi	1.051	.95
Burma Kyat	.2252	4.43	Greece Drachma	.0358	27.93
Ceylon Rupee	.1802	5.54	Guatemala Quetzal	1.073	.93
Chile Escudo (bank rate) (free)	.1413 .1244	7.07 8.01	Guyana Dollar	.5363	1.85
China, Republic of New Taiwan Dollar (official)	.027	37.04	Haiti Gourde	.2145	4.65
Colombia Peso (fixed)	.064	14.95	Honduras Lempira	.5363	1.86
Congo, Republic of <sup>1</sup> Franc	2.149	.4653	Hong Kong Dollar	.1770	5.64
Costa Rica Colon	.1619	6.12	Hungary Forint (official)	.0921	10.86
Cuba <sup>2</sup> Peso	.....	.....	Iceland Krona (official)	.0122	81.96
Czechoslovakia Koruna	.1489	6.70	India Rupee	.1421	7.02

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at December 18			at December 18	
<b>Indonesia<sup>6</sup></b> Rupiah			<b>Paraguay</b> Guarani (free)	.0086	116.28
<b>Iran</b> Rial	.0142	70.42	<b>Peru</b> Sol (free)	.0241	41.66
<b>Iraq</b> Dinar	3.003	.33	<b>Pbilippines</b> Peso (free)	.2748	3.63
<b>Ireland</b> Pound	2.558	.39	<b>Poiand</b> Zloty (fixed basic rate)	.2685	3.72
<b>Israel</b> Pound	.3064	3.23	<b>Portugal &amp; Colonies<sup>7</sup></b> Escudo	.0373	26.80
<b>Italy</b> Lira	.0017	581.86	<b>Saudi Arabia</b> Riyai	.2066	4.84
<b>Jamaica</b> Pound	2.558	.39	<b>Sierra Leone</b> Leone	1.502	.66
<b>Japan</b> Yen	.0030	333.33	<b>Singapore</b> Dollar	.3504	2.85
<b>Kenya</b> Shilling	.1526	6.55	<b>South Africa</b> Rand	1.502	.66
<b>Lebanon</b> Pound (free)	.3325	3.00	<b>Spain &amp; Dependencies</b> Peseta	.0154	64.25
<b>Malaysia</b> Dollar	.3504	2.85	<b>Sweden</b> Krona	.2073	4.81
<b>Mexico</b> Peso	.0858	11.64	<b>Switzerland</b> Franc	.2497	4.00
<b>Morocco</b> Dirham	.2119	4.72	<b>Syria</b> Pound (free)	.2812	3.55
<b>Netherlands</b> Florin	.2977	3.35	<b>Thailand</b> Baht (free)	.0520	19.19
<b>Netheriands Antilies</b> Florin	.5687	1.76	<b>Trinidad &amp; Tobago<sup>8</sup></b> Dollar	.5392	1.85
<b>New Zealand</b> Dollar	1.197	.83	<b>Tunisia</b> Dinar	2.043	.48
<b>Nicaragua</b> Cordoba	.1532	6.51	<b>Turkey</b> Lira	.1192	8.38
<b>Nlgerla</b> Pound	2.990	.33	<b>United Arab Republic</b> Pound (official)	2.467	.40
<b>Norway</b> Krone	.1502	6.64	<b>United States</b> Dollar	1.073	.93
<b>Pakistan</b> Rupee	.2252	4.43	<b>Uruguay</b> Peso (free)	.0043	232.55
<b>Panama</b> Balboa	1.073	.93	<b>Venezuela</b> Bolivar (official free)	.2391	4.18
			<b>Yugoslavia</b> Dinar (official)	.0858	11.64

1. Additional rates are in effect.

2. There is no trading in Cuban pesos in U.S. or Canadian banks at present.

3. Franc is also used in French Guiana, Guadeloupe and Martinique.

4. Cbad, Centrai African Republic, Congo, Dahomey, Gabon, Ivory Coast, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.

5. New Caledonia, New Hebrides, French Polynesia.

6. Because of the complexity of the Indonesian exchange rate system, it is impractical to quote a single representative rate for the rupiah.

7. Approximately same rate for Portuguese territories in Africa.

8. Also used in Barbados, Leeward and Windward Islands.

# Ohio

## OEM Manufacturers

### ... your market?

JAMES C. BRADFORD

*Consul and Assistant Trade Commissioner, Cleveland*

■ The Ohio transportation equipment industry is of particular interest to Canadian manufacturers. First, their customers in this area are no farther away than many domestic accounts. Second, they can often service them faster than competitors in New York and Chicago. Third, the Automotive Agreement and the Defence Production Sharing Agreement exempt many parts from customs duties.

The manufacture of transportation equipment is the most important industrial group in Ohio. It provides employment for 163,000 workers and produces goods worth U.S.\$2.5 billion. The motor vehicle parts and assembly sectors account for 64 per cent of this work force and are concentrated around the cities of Cleveland, Dayton, Toledo and Columbus. The aircraft and aerospace industries employ about 45,000.

Non-electrical machinery comes next, with output worth U.S.\$2 billion. This is made up largely of machine tools (Cincinnati is known as the machine tool capital of the world), bearings, construction and mining equipment, and office machines. The electrical machinery industry produces U.S.\$1.5 billion in value added.

Clearly this is a big market for a wide range of components and semi-finished materials—castings, stampings, forgings and machined parts are bought in large volume. Price, quality and the ability to meet delivery dates are most important but the first hurdle the manufacturer has to cross is getting the order.

Purchasing officers in large U.S. companies are highly trained men and part of their job is to make sure that their suppliers are dependable. Not only do they check the individual manufacturer's capacity and reliability carefully, they also see that they have several sources for the same item. This unwillingness to put all their eggs in one basket often provides the way in for Canadian suppliers.

Purchasing agents prefer to start by talking to prospective suppliers or their representatives. Usually this is followed by an engineering team visiting the Canadian plant and giving it a thorough inspection. If engineering advice is needed, it is often provided free. The purchasing agent may then ask for a quotation on a trial order before he places a volume order. At this stage, the purchasing officer likes to have the prospective supplier call at his office at intervals of not more than two weeks. This is standard follow-up procedure and many opportunities have been lost simply because of inadequate follow-up after the trial order quotation.

It is often difficult for the Canadian manufacturer to go to the United States frequently enough. A local manufacturers' representative is a good way to get round this. (Incidentally, many Cleveland firms use manufacturers' representatives to sell on commission to other Cleveland firms.) The good representative has a thorough knowledge of the market in which he specializes. Sometimes he is a lone salesman working from his home and using an answering service;

sometimes he is part of a large organization with its own staff of engineers, market research specialists and salesmen. The size of the operation and the number of accounts are not necessarily the best guides; experience has shown that both kinds of representatives can get business for their principal.

Most manufacturers' representatives covering the OEM market do not work on a retainer basis but receive a previously agreed straight commission. A good representative won't take on a line unless he feels that it will sell. In this way, the representative as well as the principal has a direct interest in the product's success. Representatives have a strict code of ethics and expect fair treatment in return; attempts to bypass the representative once sales have been built up may lead to unexpected and very damaging consequences.

The Canadian Consulate in Cleveland maintains extensive directories of manufacturers' representatives. If you want references, we can obtain them. When appointing a representative, remember that there is no substitute for a personal interview. In many instances, trial calls on purchasing departments can be carried out jointly by principal and potential representative. This lets you see for yourself what type of contacts he has and what reception he gets before you negotiate the actual appointment.

The Canadian manufacturer who prefers to go direct to end-users of his product must be prepared to build up the buyer's confidence in him and make frequent calls to service the account.



## Would These Statistics Help You?

Statistics of Canadian exports to the United States on a regional basis are now being prepared by the Dominion Bureau of Statistics. The tabulation will be made quarterly and show the cumulative totals of exports for the calendar year to date, cross-classified by:

Commodity group — 230 in all

U.S. Census subdivision to which the goods are consigned — 18 subdivisions, each consisting of two or more contiguous U.S. states

Region of lading in Canada — Atlantic, Quebec, Ontario, Prairies, Pacific

Price: \$100 a year. Companies who want several copies pay \$100 a year for the first and \$25 a year for each additional set.

For more information: write to G.A. Richardson, Director, External Trade Division, Dominion Bureau of Statistics, Tunney's Pasture, Ottawa.

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