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Doing Business in Australia

JOHN VINCENT, Consul (Commercial), Sydney

Australia is a Federation of six states with a land area slightly less than the Continental United States. Unlike the United States, however, and more similar to Canada, the population of more than 13 million is largely concentrated in a narrow belt extending along the coast from Adelaide in South Australia, to Brisbane in Queensland. More than 5 million people live in the cities of Sydney and Melbourne alone. Contrary to the popular image of Australia as being essentially an agricultural country, 85 per cent of the population live in urban centres, one of the highest ratios in the world.

Because it is a highly urbanized society with one of the highest standards of living, the Australian market for imported products is a very sophisticated one. Because of the expanding range of manufacturing industries, the recently announced resource developments, the expansion of service industries and increasing public expenditures on health and education, it offers opportunities for Canadian suppliers of capital equipment and technology, high quality consumer goods and industrial raw materials.

Australia is already one of our best markets for processed and fully manufactured products; more than 80 percent of our sales are of this type. Australia has been Canada's second largest market for manufactured goods, next only to the USA, and the trend appears to be continuing. For many years, Canada has accounted for about 3 percent of Australia's total imports and ranks as its fifth largest supplier after the United States, Japan, Britain and West Germany. In 1974, total merchandise exports to Australia amounted to a record $299 million. However, sales figures for 1976 will likely be less.

Like other industrial countries, Australia experienced a downturn in economic activity during 1975. This slowing of the growth rate has been reflected in a reduced import level and in the imposition by the Australian government of temporary quotas and restrictions on a selected range of imports. These restrictions have been placed not only on the more sensitive products such as apparel and textiles, motor vehicles and domestic appliances, but on dozens of other products as well. However, Australian authorities view these as temporary measures only, and as such they do not represent a reversal of the government's long term policy of improving resource allocation through the process of lowering tariffs.

There is reason to believe that the worst may be over and that the economy will revive during 1976. In addition, there is a feeling that the government may have acted with undue haste in limiting imports and that serious shortages may be developing as a result.

Although in the short run Canada's sales to Australia will be affected, Canadian exporters should not be discouraged. Over the longer run, a number of factors suggest there will be many opportunities. Australia has a strong resource sector providing underlying strength which is supported by a variety of agricultural exports. It has also been isolated from the recent oil crisis by significant domestic reserves of oil and gas. With shortages in many goods developing, there will be pressures to relax restrictions and, as has happened already, to bring in products at penalty rates.

In most cases, Canadian manufactured goods qualify for preferential rates of duty, giving an advantage over other industrialized nations. Despite the slackening of Canadian sales in 1975, there is little doubt that Australia will continue to be at attractive, easily penetrable market for Canadian exporters over the next few years. It is essentially an open market, and any exporter whose product is sold in the United States would likely find acceptance in Australia.

Vigorous selling and careful attention to the particular needs of the Australian buyer are essential. Of particular importance are adequate representation and after sales service, good communications, and reliable delivery, although extremely long distances sometimes make this difficult to attain. Regular visits to the market are strongly recommended.

Merchandising and distribution channels

Imports into Australia are handled mainly through commission or indent agents or stocking distributors. In some cases, where volume of sales is high, local sales subsidiaries have been established. Agents are usually the most common way, and the best are normally headquartered in either Sydney or Melbourne, with branch offices in each state. Care should be taken to verify the quality of representation in other states. Except where demand is mainly confined to one area, it is advisable for a Canadian exporter to have coverage in each of the state capitals.

Other distribution channels include:

- Imports by merchant houses or trading companies for resale;
- Direct imports by manufacturers. These generally comprise raw materials, machinery and equipment to be used in industrial operations, or goods to be further manufactured;
- Direct imports by governments, public utilities and similar entities;
- Direct imports by retailers. In recent years, chain and department stores have substantially increased their direct imports of consumer goods; they often bypass wholesalers, whose functions have tended to be limited to selling to the smaller retailers in the capital cities, and to country stores. Because volumes are relatively high, many Canadian exporters deal only with one or two department store chains, which makes for trouble-free marketing. Almost all major Australian chain stores have buying agents in Canada or affiliations with Canadian chains.

Subsidiaries, branches and joint ventures

High freight rates, tariff walls and mounting overseas competition have made it difficult for some Canadian export products to compete in Australia. In answer to this situation, a number of Canadian firms have set up manufacturing facilities in Australia that not only supply the local market but export to neighbouring countries and South Pacific Islands. Others have found it merely more expeditious to establish a local subsidiary rather than to export, particularly where it seemed certain that their product would otherwise be produced in Australia by a competitor. Over 40 Canadian companies have set up manufacturing operations in Australia. Another dozen engineering consultants have branch offices here, recognizing that Australian government entities prefer to deal with local consultants.

For much the same reasons, a licensing arrangement with a local manufacturer is often an effective method of penetrating the Australian market.

Advertising and promotion

Although Australia and Canada share a common language, and consumer tastes are similar, advertising methods successful in Canada do not work in Australia. Potential advertisers should seek the advice of the resident Canadian Trade Commissioners and local advertising agencies. There are approximately 200 advertising agencies in Australia which offer a wide range of services including public relations and market research facilities.

Packaging

Labelling and packaging, particularly of consumer goods, should be imaginative and attractive. Customs regulations prohibit the import of many products unless they are marked with the country of origin. Exporters of food products and apparel should note that Australia's conversion to the metric system will be substantially completed by 1976. The sole use of imperial measures is now illegal.

In summary, Australia is a relatively trouble-free market for Canadian exporters and, despite the current slowdown, will continue to offer an attractive outlet for Canadian products. Canadian prices are competitive which, combined with tariff preferences and a keen Australian interest in Canadian products, gives Canadian exporters a special advantage over other countries. Canadian exporters not already established in this market are urged to consider opportunities in Australia.

The Australian Mining Industry

E.J. DAVIS, First Secretary (Metals, Minerals & Energy), Canberra
PAUL DESBIENS, Vice Consul (Commercial), Melbourne

The mining industry, one of Australia's main source of export revenue, has grown enormously over the past 15 years, but it is now affected by recession. Many minerals are in the doldrums, causing exploration to decline. But not all minerals are equally affected. Coal — particularly black coal for export — is enjoying a boom, and the economic prospects for uranium are exceptionally good. The market for beach sands is depressed but medium-term prospects are good. Iron ore mining has suffered much less than most other metallic ores.

It is important to distinguish between minerals with immediate or short-term development prospects, and those whose expansion is unlikely to occur until the recession is over. The following table lists the major minerals in order of value (year 1973/74), together with the quantities produced. Figures for bauxite and nickel concentrates are not available, so their positions in the table are purely speculative.

PRINCIPAL MINERALS PRODUCED 1973/74

	A$000	Quantity
Black coal	449,855	59.3 million tonnes
Iron ore	427,518	91.5 million tonnes
Petroleum	380,168	23 million cu metres crude oil, plus gas*
Copper concentrate	267,873	938,235 tonnes
Construction materials	196,611	over 125 million tonnes
Bauxite	n/a	18.5 million tonnes
Nickel concentrates	n/a	323,142 tonnes
Lead concentrates	110,875	563,036 tonnes
Zinc	97,122	768,753 tonnes
Gems	47,262	n/a
Tin concentrate	43,448	20,040 tonnes
Rutile concentrates	36,750	308,050 tonnes
Gold bullion	26,839	13,906 kgs
Limestone	20,794	11.3 million tonnes
Zircon concentrate	16,726	347,014 tonnes
Salt	16,410	4.7 million tonnes

*4,360 million m3 of natural gas, 8,181 m3 of natural gas condensate, 46,176,000 m3 of ethane, and 2,054,000 m3 LPG

Short-term development prospects:
Coal

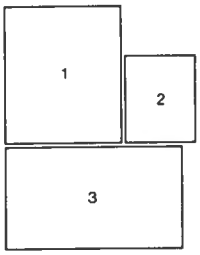
Blessed with abundant reserves of coal, Australia has become an important supplier to other countries. There are three major coal areas: New South Wales, source of underground black coal; Queensland, which has seen a rapid expansion of open-cut coal production; and Victoria, where huge seams of low-grade brown coal are worked by open-cut methods, primarily for the fuelling of state-owned electric power stations. In the wake of the oil crisis, coal prices rose rapidly, and the prospects for expanding exports of both coking and steam coal are excellent.

Port and coal handling facilities must be improved, railway carrying capacity increased, and new mines developed. Additions to the labour force will not be large. Most of the developments will be in open-cut mining, so that the induced demand for housing and social infrastructure will not be major.

An understanding reached between the Australian government and the Japanese steel industry in July 1975 will increase exports of black coal by 20 million tons a year over the next five years. Australia has been supplying black coal to Japan at an annual rate of about 27 million tons a year.

While most of the new developments will be open-cut mines, underground mines are also planned. Uncertainty exists about some mining projects in view of the declared intention of the Australian government to reduce the level of foreign ownership of energy resources.

Already announced is a $50 million project to build a new coal berth at Port Kembla, NSW, which now



handles 4.5 million tons a year. Exports are expected to double during the next few years and a new stockpiling area will be constructed at Port Kembla to hold up to 1.2 million tons of coal. Expanded port facilities are planned at Newcastle, NSW, and at Botany Bay, where a new loading terminal has been proposed. The doubling of coal facilities at Hay Point, Queensland, is in an advanced stage of construction.

Iron ore
Despite an easing in shipments of iron ore, the two largest producers — Mount Newman group and Hamersley — plan to raise their annual production rates from less than 35 million tons to 40 million tons in the next 12 months or so. New projects are not likely to move in the short term, but there will be some development in the not-too-distant future.

Uranium
Australia, which has some of the largest known deposits of uranium in the world, has not mined the mineral for some time. One mine (Mary Kathleen Uranium in Northern Queensland) has been in moth balls for years but should resume production this year. There is strong foreign demand for the development of other uranium mines in Australia, but plans have been delayed — one reason is the government wants to ensure that deposits are developed for the maximum benefit of the Australian people.

A ministerial statement (at that time government was held by the australian Labor Party) with respect to Northern Territory uranium was issued on October 30, 1974. This provided that the Australian Atomic Energy Commission would mine ore from the Ranger deposits, in conjunction with the Ranger partners (Peko Mines Ltd. and Electrolytic Zinc Company of A/asia) and, at the appropriate time, similarly from the other deposits. Provision was made for the Australian Atomic Energy Commission to finalize all future uranium exploration in the Northern Territory.

A preliminary framework of an agreement for production between the partners in the Ranger deposits and the Australian Atomic Energy Commission was written on the basis of financing being provided by the Commission and the Ranger partners in the proportions of 72½ percent and 27½ percent respectively, and with the Ranger partners receiving the net proceeds from the sale of 50 percent of the uranium oxide produced. In October 1975, a Memorandum of Understanding between the then Labor Party Prime Minister and the Ranger partners was signed to elaborate on and supplement the earlier framework. In this document it was made clear that contracts of sale to give effect to the Memorandum of Understanding would not become effective until the Australian Government affirmed them following consideration of:

(a) the report of the Ranger Uranium Environmental Inquiry; (b) a report by the Interim Aboriginal Land Commissioner on any claims by aboriginals in respect of land within the Ranger Project area.

On December 13, 1975, elections were held for both Houses of the Federal Parliament and government was won by the Liberal/National Country Parties coalition. Policies of the new government so far announced incorporate the principle that governments should not, except in exceptional circumstances, become directely involved in mineral exploration or development. So far as uranium is concerned, the government has indicated that the mining and exporting of uranium oxide from commercially viable deposits will be permitted and that marketing will continue to be subject to controls to protect Australia's own requirements and for national and international security reasons. The government will also await the report of the Ranger Uranium Environmental Inquiry before making decisions on mining the deposit.

Reserves at the Ranger project are estimated at 100,700 tons. Noranda Australia Ltd., the wholly owned subsidiary of the Canadian firm, Noranda Mines Ltd., holds mineral tenements over the Koongarra deposit (15,000 tons) some miles southwest of Ranger. Ther terms of production which are applied to the Ranger deposit are expected to hold good for Koongarra.

Medium-term development prospects:
Bauxite
Australia has the largest known reserves of bauxite and is a leading exporter of this mineral and its refined derivative, alumina. Large bauxite mines are in production at Weipa, Northern Queensland; Gove, Northern Territory; and at Jarrahdale and Pinjarra in South Western Australia. A new major project in South Western Australia — "Alwest" — will probably be developed when world demand is again expanding.

The Alwest project envisages an alumina refinery of 1.6 million tons in addition to the bauxite mine. A similar venture is the Pacminex project in the Upper Swan area of South Western Australia. Each of these projects would involve capital expenditures in excess of $300 million. Should they proceed in the medium term, other projects, such as the Amax Project in the North-West, are likely to be developed only in the longer term.

Nickel
There is a large nickel-bearing belt in Western Australia stretching from Widiemooltha in the Eastern Goldfields Division to Mount Keith. A number of mines are already in production and, together with output from Greenvale in Queensland, they have made Australia a major producer of nickel. The development of Australia's nickel is likely to proceed

1. A 105-ton Euclid truck being loaded by a P.&H. electric shovel.

2.3. Iron ore en route from the Paraburdoo mine, Western Australia, to the Indian Ocean port of Dampier. Canada supplied the "GT" hopper cars — a $10.3 million order in 1971.

as soon as world demand revives.

The project considered most likely to proceed next is Agnew Nickel, sponsored jointly by Western Selcast and MIM Holdings. A manager has been appointed, but the commencement date for the project has been deferred until further notice, mainly because of inflation. The project envisaged a capital investment of at least $200 million to mine ore at an initial rate of 1 million tons a year, rising to 2.5 million tons a year at the end of 10 years, and the establishment of a concentrator and flash smelter at the mine site with an initial output of 20,000 tons of nickel matte.

Petroleum

Australia now produces 69 percent of its crude oil requirements (80 percent of its gasoline) and is self-sufficient in natural gas. The bulk of those supplies come from the Bass Strait area.

Large deposits of natural gas have been found off the North-West Shelf. Estimates vary, but a commonly quoted figure is 16 trillion cubic feet. Development of reserves is delayed because the government has been considering how this gas could be used to Australia's best advantage.

While decisions on this matter are unlikely to be made quickly enough to permit development to enter into the short-term prospects, it is hoped that they will be made soon enough for the development work to fall into the medium term prospects. A preliminary study (the Pilbara Study) carried out jointly by the governments of Australia and of Western Australia visualized the development of a large industrial complex in the Pilbara based upon the supply of offshore gas. Total capital expenditures discussed amounted to $8 billion, including infrastructure.

It is too early to judge whether the industrial complex — principally petro-chemical industries — will mature. The gas is there, and exploration is proceeding in adjacent offshore areas, which may discover additional reserves. However, even if steps were taken at once to bring the gas ashore, this could not be accomplished before the early Eighties.

Equipment procurement

Due to its sudden and accelerated mining activity, coupled with a limited industrial base, Australia had to count on some other industrial nations for the supply of adequate mining equipment.

Listed below are the most current items imported by the mining industry. This list is not exhaustive. In recent years, the Australian mining industry has imported in excess of Cdn. $100 million a year of directly related equipment. Individual contracts of $10 million or more have been awarded to foreign firms (for rail cars, large capacity trucks, draglines etc.). The United States, Japan, Canada, Sweden and West Germany are among the largest suppliers. Prospects for supplementary sales of Canadian equipment, therefore, seems excellent, in either the larger items, such as trucks and rail cars (to a lesser extent), and smaller equipment, such as rock drills, quarrying machinery, excavating and dredging equipment, and material handling equipment. More than 100 Canadian firms are known to be exporting mining equipment to Australia and half of them have hired local representatives (agents, distributors, licensees, etc.).

On top of that, in many instances, there is a need to create completely new towns and the necessary infrastructure. This could be worth exploring by suppliers of manufactured housing (decision making in the purchasing of mining equipment is covered in the article on Western Australia).

Wanted

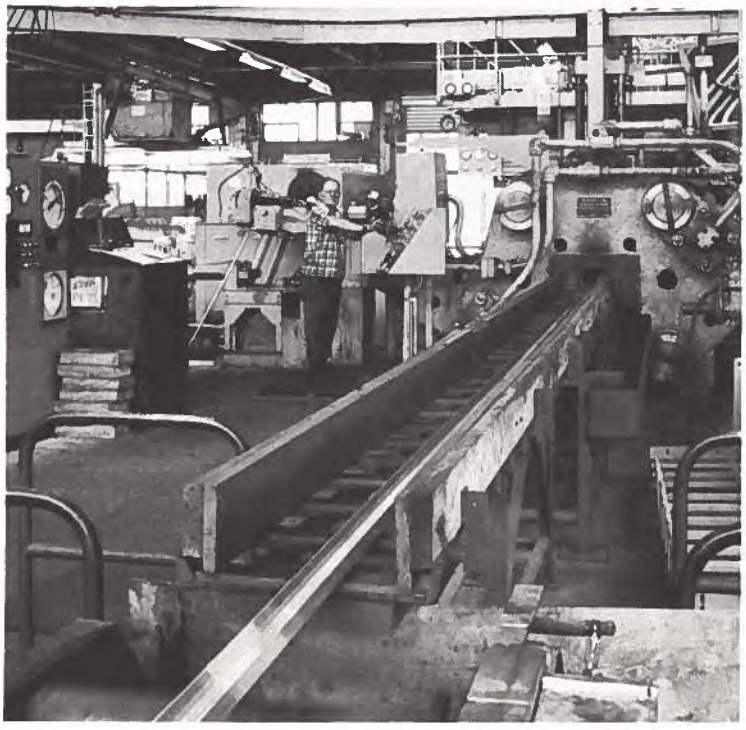
Locomotives — rail cars — rail car dumpers
Rotary drills
Draglines
Ore shovels
Large capacity ore trucks
Boat loading facilities (conveyers, etc.)
(Crushers (primary, secondary, tertiary)
(Grinders and grinding media (rods and balls)
Underground equipment (drills, trucks, ore carriers, etc.)
Electrical generating equipment
Telecommunication equipment
Various motors, pumps, conveyers, etc.

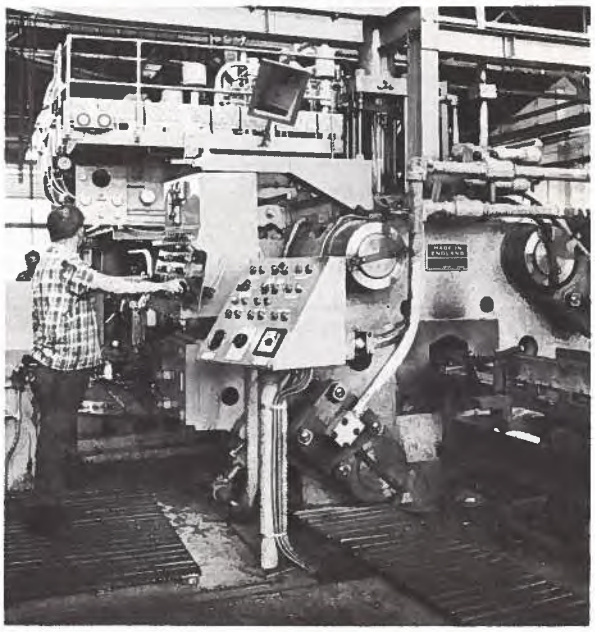
SELECTED EXISTING AND POSSIBLE MINERAL DEVELOPMENTS IN AUSTRALIA
MINERAL AND LOCATION

Aluminum			A$ million
Mitchell Plateau, WA	Bauxite Mine, 1.2 MTPA Alumina Amax Consortium.	Could be re-activated 1976 or 1977 to supply Iran.	350
Darling Ranges, WA	Bauxite Mine 1.2 MTPA Alumina Alwest.	Plans well advanced but no starting date.	200
Murchea, WA	Bauxite Mine 0.6 MTPA Alumina Pacminex/Hainwright	Plans well advanced but no starting date.	200
Gladstone, Qld.	250,000 TPA Shelter, Comalco; complement to firm's alumina refinery — world's largest.	Plans well advanced but no starting date.	250

Pinjarra, WA	Expansion alumina refinery 1.5 to 2 MTPA Alcoa Australia; construction of Port Bunbury and rail line from Pinjarra.	Expected completion 1976.	?
Darling Range, WA	Bauxite mining expansion Alcoa.	Project starting.	?
Coal			
Hail Creek, Qld.	5 MTPA coking coal now under development; associated group — CRA, Marubeni & Sumitamo.		200
Riverside, Qld. (Nebo area)	9 MTPA coking coal, Thiess-Peabody-Mitsui.	Should be early starter and will use Hail Creek railway and Hay Point new port facilities; held up by demand for sale of Peabody to Australian interests	300
Norwich Park, Qld.	5 MTPA Utah Development Co.; firm just completing Hay Point coal port, one of world's largest.	Awaiting new political developments	100
Blair Athol, Qld.	10 MTPA Blair Athol Co.	Should be early starter as will use Hail Creek railway and Hay Point port. Co. still looking for contracts for economical operation of mine	?
Iron Ore (all WA)			
Marandoo	10 MTPA Texasgulf, Hanwright	Ready to go; Japanese have bulk samples but no contract yet, although they have received a letter of interest from the Japanese Mills.	300
Rhodes Ridge	10 MTPA Texasgulf, Hanwright	Will follow, and be linked to Marandoo when latter fully established	200
Area C	10 MTPA MIM, Goldsworthy, Hanwright.	Ready to go; Japanese have bulk samples but no contract yet.	400
Mount Whaleback	Expand mine capacity to 40.6 MTPA 1976. Mount Newman.	Project underway; more ore cars, new rail car dumpers, tertiary crusher, etc.	100
Mt. Tom Price Paraburdoo	Expand mines capacity to 40 MTPA — Hamersley	Project near completion; more rail cars, increase pellet plant	100
Cape Lambert	Second pelletising plant — Cliff Western Australia		100
Copper			
Bougainville, PNG.	Mine expansion — Bougainville (CRA)	Project underway	
OK Tedi, PNG.	Establishment of new copper mine Kennecott, PNG Govt plus two partners	Project under study; construction could begin in 1978; reserves 150 million tonnes	500

Steel			
Kwinana, WA	10 MTPA Steel, BHP Consortium	Active studies but nothing definite	2,000
Gladstone, Qld.	Possible alternative site for large steelworks — CRA, ARMCO		?
McArthur River, NT	Mount Isa Mines	Very large deposit, pilot plant under construction	300
Nickel			
Agnew, WA	30,000 TPA nickel matte; Australian selection (MIM — Western Selcast)	Open cut & underground mines, concentracor, smelter, township, etc.	300
Kwinana, WA	Refinery expansion from 20,000 to 30,000 TPA Western Mining Corp.	Project underway	?
Uranium			
Ranger, NT	Peko, EZ, AAEC. Production of 3,000 tonnes of uranium per year.	To be developed as soon as environmental studies have been completed.	100
South Australia	Uranium enrichment plant.	Project under consideration by Commonwealth government; financing will be critical problem	2,000
Jabiluka III, NT	Largest high grade deposit in the world; Pancontinental Mining/Getty Oil.	Partners are awaiting government approval to start; reserves 104,325 tonnes	?





The Granville Works of Alcan Australia Limited. This 2,000-ton extrusion press is handling architectural sections.

Western Australia: The resource-rich state

D.S. ARMSTRONG, Consul General, Melbourne

Commonly called a "state within a state", Western Australia can be likened to Western Canada. The capital Perth is to Melbourne and Sydney what Vancouver, Calgary and Edmonton together are to Toronto and Montreal. Its area is 100,000 square miles greater than that of British Columbia, Alberta and Saskatchewan — with a population roughly equal to that of Manitoba.

Western Australians hold attitudes toward the rest of their country that are surprisingly similar to those held by Western Canadians. They regard eastern business with much the same suspicion and there has been at least one serious secessionist attempt.

Prior to 1960, the economy of the state depended chiefly on agriculture and its fortunes fluctuated with the weather and the changing overseas market for wheat and wool. Following the mining boom of the Sixties, agriculture, along with fishing and forestry, declined in relative importance but still accounts for one third of Western Australia's total production (1972-1973). Manufacturing contributes just over a third to the total and, since its second boom, mining makes up the remainder.

The resources boom was sparked by the lifting in 1960 of the export embargo on the iron ore that had been in force since 1938. Development brought population growth and heavy capital inflow from major Australian and overseas companies, often in consortia. As the multiplier effects spread throughout the state, the manufacturing base and tertiary services widened considerably.

The most spectacular development occurred in the region known as the Pilbara where some $2.2 billion has been spent on mine construction and equipment, port and transport facilities and infrastructure associated with new towns and buildings. Production in 1973-74 was 83 million tons of iron ore (Canada 53 million) and current outstanding contracts are in excess of 700 million tons of ore and pellets.

Significant nickel deposits were discovered in 1966 and by 1974 production commenced in 1963 and in a value of $177 million. Alumina production commenced in 1963 and in 1974 reached a value of $175 million. Production of oil from Barrow Island began in 1967 and of gas, from a field near Perth, in 1970. Salt, mineral sands and gold have been mined for as long as 75 years.

Trends

According to the Australian Bureau of Statistics, the annual growth rate in every important sector of the Western Australian economy in the last five to 10 years exceeds the national average. However, during the next one to three years there will be a levelling off in the growth rate due to a downturn in economic conditions internally and internationally.

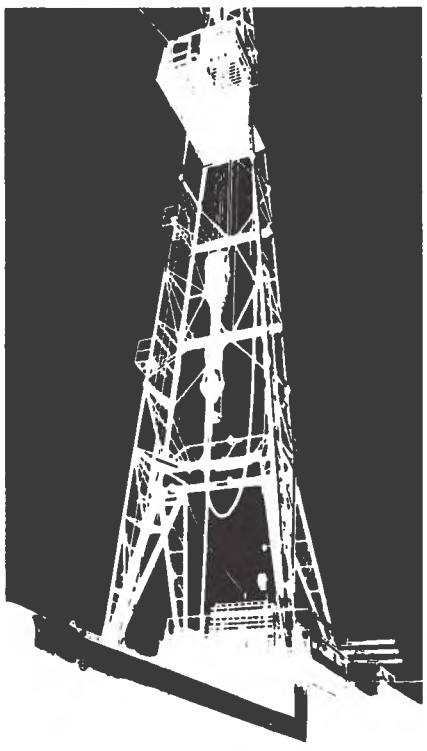
In the past five years few mining ventures have begun, although many existing producers have undertaken expansion projects. Preparatory work has continued on a number of projects planned to start in the next 10 years which will involve expenditure of an estimated $2.5 billion. This excludes development of the North West Shelf (oil and gas fields larger than the North Sea deposits) and industrial projects within the Pilbara Feasibility Study which would transform Western Australia into a major industrial state (one steel plant will cost almost $4 billion).

Canadian Participation

Canadian firms have supplied ore cars to a major iron ore producer, construction site mobile homes and offices, hoisting equipment, and rock drilling machinery. When development slowed after 1971-72, major Canadian sales were limited to two traditional commodities — sulphur and newsprint. It is worth noting that an undetermined number of Canadian mining engineers were employed in the various Western Australian resource development projects of the Sixties.

Because of the remoteness of Western Australia, manufacturers' representatives based in Sydney and Melbourne are unlikely to have an office in Perth. Similarly, few of the eastern Australian importers/distributors are established in the West. Therefore, import (and indeed domestic) trade is conducted through sub-agents of separate agents. Perth buyers shop in Melbourne, where the engineering is done and where the financial offices are located. Decisions requiring director's approval will be made in Melbourne or, in the case of multinational companies, referred to boards in London or the United States. In any event, company executives in Perth will be involved in preparatory work prior to decisions.

Decisions to purchase equipment for major expansions of producing mines, for major replacement of additional items (e.g. ore trucks), and for totally new industries based on an indigenous resource (e.g. a steel mill) will be made on the spot at the mine or plant; the office in Perth simply carrying out the instructions of the mine or mill manager.



Forest equipment opportunities in Australia

LEON B. STRYKER, Commercial Officer, Melbourne

The Australian forest industry is recognized as a growth area and Canadian manufacturers of forestry equipment are poised to take advantage of future capital developments.

The products of 10 Canadian companies were exhibited at the 1975 Forest Industries Machinery Exposition (FIME) held at Myretleford, some 200 miles north east of Melbourne. Although eight countries, including the United States, Sweden and West Germany took part, Canadian products accounted for an estimated 25 percent of the C$40 million worth of equipment shown and demonstrated to 15,000 visitors.

Canada was strongly represented at the working sites, which included a hardwood location for debarkers, sawmilling equipment and skidders. Softwood areas were set aside also for demonstrations by chippers, delimbers, slashers, log loaders and tree harvesters.

FIME was sponsored and organized by the *Australian Forests Industries Journal,* whose pre-show survey predicted that the 1970 output of 4,450 million super feet of Australian pulpwood and saw logs would increase to 10,000 million super feet by 1990.

A second survey projection concerned the new equipment market at the logging level. For the period ending in 1990, it was estimated at A$290 million above that which existed on a replacement basis in 1970.

Another growth area will be Papua New Guinea, according to the Journal, which set out estimated sales of forestry machinery in tabular form:

Much of the optimism about future trends is based upon the performance of several woodchipping projects in Australia, and especially in Tasmania. Woodchipping as a viable industry was unknown in Australia until the late Sixties and significant sales momentum dates only from April 1971, when the first consigment of woodchips went to Japan.

In the fiscal year 1972-73, overseas sales totalled 1,553 tons and earned A$24,040,000. During the following 12 months shipments increased to 2,664,000 tons (A$39,748,000). The tonnage for 1974-75 dropped slightly (by 78 tons), but the monetary value of woodchip exports climbed to A$46,437,000.

The Bank of New South Wales, in a survey of Australia's forest resources in October 1974, forecast that exports of woodchips to Japan between 1970 and 1988 would total A$460 million. However, that estimate was based on the premise that the Japanese pulp and paper industry would import chips at the rate envisaged in the late Sixties. Since then, the massive pollution problems facing this industry in Japan could cause it to rely more heavily on imported pulp rather than on woodchips. On the other hand, Japan has a very substantial holding in the woodchips operations in Australia and consequently, may not wish to reduce imports from this source.

Another factor that has to be considered in examining the potential for forestry equipment in Australia is the rising wave of conservationism. Many Australians are now actively attempting to halt what they regard as the "rape" of their natural resources, particularly indigenous eucalypt forests. Where proposed woodchip operations rely on public-owned timber reserves for their licences, the promotors find that it is becoming increasing difficult to secure, or

Forest Machinery Sales Potential (Bush only)

Australia	**1971-75**	**1976-80**	**1981-90**	**Total Sales** (units)	**Value**
Skidders, rubber tired forwarders	355	595	1655	2605	$78 million
Crawler tractors	125	185	370	680	$34 million
Log trucks	775	1285	3500	5560	$122 million
Log loaders (bush only)	100	150	300	550	$22 million
Chain saws (bush only)	2342	4957	16154	23453	$7,600,000
Truck or forwarder mounted cranes	215	450	1815	2480	$17 million
Industrial tractors, rubber tired	122	226	958	1296	$8.5 million
TOTAL					**$289 million**

Papua New Guinea	**1972-75**	**1976-80**	**1981-85**	**Total Sales** (units)	**Value**
Skidders, rubber tired	48	133	133	314	$9.5 million
Crawler tractors	100	275	275	650	$32.5 million
Log trucks	164	454	454	1072	$23.5 million
Chain saws	150	568	732	1450	$500,000
Log loaders	20	60	60	140	$5.6 million
TOTAL					**$71.6 million**

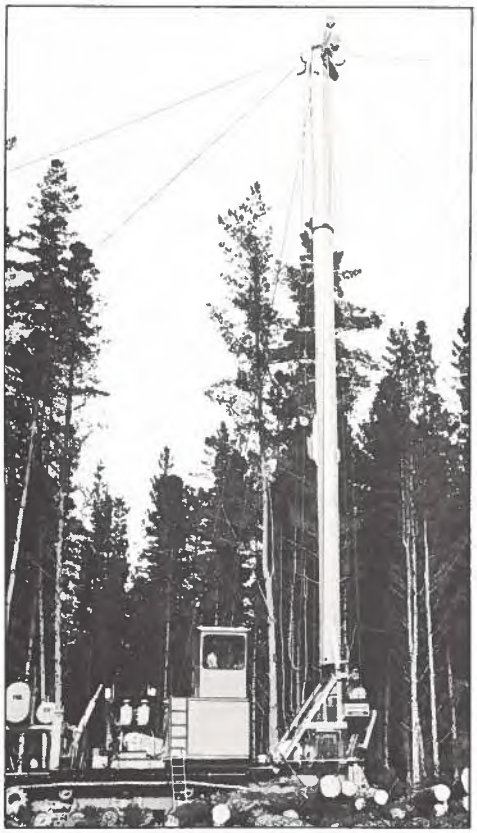
justify, rights to harvest from the relevant state government. It is noted that the Australian government issues an export licence for all woodchips operations, but only on the basis of a "fair" price for the raw material.

The 1974 Forestry and Wood Based Industries Development Conference (FORWOOD), held in Canberra, discussed "technological developments in harvesting and their likely influence on resource management". Predictable developments in marketing and harvesting equipment over the next 10 years included:

1) Chain saws with improved power/weight ratios and reduced noise and vibration levels:
2) Mechanized felling devices using shears or kerf cutting tools;
3) Harvesters to fell and convert standing trees into short or long lenghts:
4) Processers to convert felled trees into short or long lengths or chips;
5) More powerful wheeled forwarders and skidders;
6) Cable systems for logging steep terrain;
7) Larger, more powerful road haulage vehicles.

Although it is true that the economic and political climates of Australia have changed dramatically in recent months, the future prosperity of the country is soundly based upon tremendous natural resources of all types. Many Canadian suppliers of forestry equipment are already effectively represented on the Australian market. Through their distributors, these companies are well placed to take advantage of the growth in the local forests industry.

If your equipment is not yet available to end users in Australia, why not send full details to the Consulates General in Sydney and Melbourne. A comprehensive market study will be carried out.



Forestry equipment of Canadian manufacture is widely used in Australia and New Zealand. This is an expanding market area, worthy of investigation by those who have yet to do business in the Pacific Southern hemisphere.

Selling to Australian department stores

KAYE M. DARBON, Commercial Officer, Sydney

In 1974, major department store groups in Australia imported an estimated $15 million worth of Canadian merchandise — for the following reasons:

1) Distinctive quality and design of goods offered;
2) Strong commercial relationships through, either direct association with Canadian department stores who buy on their behalf, or;
3) Appointed Canadian buying agents;
4) Overseas trips by Australian store buyers who invariably include Canada;
5) Direct contact with Australian stores through our Canadian trade offices here.

Another attributable fact, and one not to be overlooked, is that most Canadian manufactured goods qualify for Preferential Tariff rates upon entry into Australia. For instance, terry towels, which draw a 13 percent Canadian Preferential Tariff, hold a General Duty rate of 41 percent from, say, the United States and other General Tariff countries.

After an over-reaction to imports following dollar revaluations and a 25 percent tariff cut on all goods by the Australian Government in an attempt to curb inflation, a fairly severe backlash has been the experience over the past 12 months, with temporary quotas and other restrictions being placed on a broad range of imports. While this has caused some curtailment, there is still strong interest by department store groups in a wide variety of consumer merchandise, as they feel these problems can be overcome.

Retail sales have been buoyant and some shortages are expected by the trade, although statistics recently released indicate there may be a levelling-off of the apparent strong rise in retail sales in the early part of 1975.

The troublesome business period and inflation have increased the demand for better-quality merchandise. Many items from Asian sources, which had been regarded as low-cost merchandise, are now being excluded from inventories in favour of better quality products from Europe, the US and Britain. There is, too, a growing number of enquiries directed towards Canada.

Indicative of the variety of Canadian exports in the Australian consumer retail sector are: toys, games, sporting and recreational equipment (Cdn. $3.5 million exported to Australia during 1974); household items, including stoves, refrigerators, freezers, room air-conditioners, shelf appliances ($5 million); foodstuffs ($17 million, including canned fish $7.4 million, canned hams $1 million); towels ($1 million); carpets ($3.9 million); kitchen cooking utensils ($1.3 million); wallpaper ($2.1 million). Other Canadian products include furnishings, fabrics, tableware, woodware, silverware, cutlery, apparel and accessories, jewellery and giftware.

Before seeking retail contacts, Canadian exporters should remember that the seasons in Australia are reverse to those in Canada and a year-round temperate climate is experienced here.

Two to three months should be allowed for shipping by sea. Samples with export prices — c.i.f. or f.o.b. (preferably the latter for import duty purposes) should be provided at all times for quick initial assessment by store buyers.

Another point worthy of mention — Australia is in the process of converting to the Metric System. Up to 70 percent of the conversion is expected to be substantially completed by the end of 1976. Canadian suppliers therefore are advised to adhere to Australian metric labelling requirements and provide either Imperial *combined* with metric weights and measures or sole metric system only. Use of Imperial only is illegal.

The close relationships between the majority of Canadian and Australian department store groups hold many advantages for the Canadian exporter. Here are your contacts:

Woolworths Limited
Woolworths Variety and Supermarket is the largest group, with approximately 825 stores operating under various names throughout Australia. Not all are connected with Woolworths in North America.

They are active in all aspects of retail trading and maintain large food retailing operations. Approximately 7 percent of Woolworths' annual sales are imports. Variety items handled tend to be in the low-price category.

Overseas buying is centralized under: Director of Buying, Woolworths Limited, 540 George Street, Sydney, New South Wales.

The following firm acts as buying agent for Woolworths in Canada: Sigman & Jones Limited, Commerce Centre, Point Claire, Quebec.

G.J. Coles & Company Ltd.
G.J. Coles control 240 Variety Stores, 197 New World Supermarkets, 116 Food Markets, six Country Department Stores and 16 S. S. Kresge K-Mart Stores throughout Australia, bringing their total number of locations to 575. All buying is centred at Head Office in Melbourne and should be directed to: Overseas Buying Controller, G.J. Coles & Company Limited, 236 Bourke Street, Melbourne, Victoria or: The State Manager, G.J. Coles & Company Ltd., 127 Liverpool Street, Sydney, New South Wales (if Canadian suppliers are not able to visit Melbourne).

Imports account for a fairly substantial amount of annual sales and merchandise handled is in the medium to low-price categories.

Myer Emporium
The Myer Emporium and subsidiaries, totalling 56 department stores and 66 Target Discount Stores, handle products at all price levels. Major department stores in this group are Myers, Farmers and Western Stores.

Each store is autonomous in buying decisions. All product offers are circulated throughout the group to benefit by bulk ordering, which is

centralized through the Myer group Head Office. Two sets of samples and prices are required. Enquiries and correspondence should be addressed to: Overseas Merchandise Controller, 6th Floor, Myer Lonsdale Store, 275 Lonsdale Street, Melbourne, Victoria.

In Sydney, contacts are: The Buying Director, Farmer's City Store, (Cnr. Pitt, Market & George Streets), Sydney, New South Wales. The Managing Director, Myer Western Stores Limited (covering country areas) 413 Sussex Street, Sydney, New South Wales. The Myer group's Canadian purchasing agent of long standing is: A.A. Bolte & Company Ltd., 1117 St. Catherine Street W., Montreal, Quebec. Myers' buying personnel travel overseas frequently each year to source new products.

Waltons Limited
Waltons Limited consists of 90 stores trading in four states. It is one of the largest retailers of homewares in Australia. Buying is centralized through the: Overseas Merchandise Controller, Waltons Limited, 552 George Street, Sydney, New South Wales.

Waltons Limited is closely associated with Robert Simpsons in Canada. Simpsons assist in sourcing new products, obtaining samples and also act as Waltons' purchasing agents. Buying trips to Canada are co-ordinated with Simpsons. This Australian-Canadian department store association has resulted in very substantial amounts of trade being done with Canadian manufacturers.

The Waltons organization handles medium-priced goods.

Mark Foys Ltd.
Although a subsidiary of Waltons Limited, this group of fashion boutiques is completely independent in its buying arrangements. Inquiries should be addressed to: Merchandise Manager, Mark Foys Ltd., Liverpool Street, Sydney, New South Wales.

Mark Foys operate one major store and 10 fashion boutiques throughout the city and metropolitan area, specializing in ladies apparel, accessories, jewellery and footwear, with some giftware and manchester being sold in the main city store. Prestige goods are handled by this group and a good proportion of the merchandise is imported.

David Jones Limited
This is the oldest established department store chain, operating 25 stores located in all states except Victoria and Tasmania. Early in 1974, this group took over the leading Californian department store group, Buffams Inc.

David Jones handle goods of top quality and have food sections in almost all stores. Buying is centralized under: Group Buying Office, David Jones Limited, Elizabeth Street, Sydney, New South Wales.

There are 17 buying offices around the world, including a long standing association with the following agent in Montreal: Allister Buying Office Ltd., Place Bonaventure, (P.O. Box 9, Place Bonaventure), Montreal 114, Quebec.

Allister Buying Office Limited make arrangements on behalf of David Jones' buyers visiting Canada.

Grace Bros.
Grace Bros. Pty. Limited operates 12 department stores in New South Wales, with the majority of these stores in the metropolitan area. Sales are composed of approximately 40 percent soft goods, 45 percent homemakers supplies and furniture, and 15 percent food. Grace Bros. buying is centralized under: The Director & General Manager, Retailing, Grace Bros. Pty. Ltd., Homemakers Buying Office, Broadway, Sydney, New South Wales.

Approximately 10 percent of Grace Bros. retail sales are imported direct. This company enjoys friendly relations with Eatons, The Hudson Bay Company, Simpson-Sears and Woodward's. Products handled are similar in price and quality to Eatons. Grace Bros. have appointed the following as their Canadian buying agents: Normand Exports, Box 143, (909 Nicolet Street), Longueuil, Montreal, Quebec.

Nock & Kirby Ltd.
Carry a wide variety of goods, but specialize in domestic hardware and appliances, crockery, kitchen and housewares, paints, sporting equipment and builders hardware. A total of 18 stores in Sydney, its surrounding suburbs and near country areas. Overseas buying is centralized through the Sydney city store. Address inquiries to: Merchandise Director, Nock & Kirby Ltd., 417 George Street, Sydney, New South Wales. Merchandise handled through these outlets is generally in the medium to inexpensive price category. Imports account for a considerable amount of annual sales.

James McEwan & Co. Pty. Ltd.
This firm has 20 stores in Australia, mostly located in the state of Victoria, dealing mainly in household goods but also supplying, to a lesser degree, sporting goods, camping equipment, heating and marine equipment, bathroom accessories, etc. All purchases are co-ordinated by: The Merchandising Director, James McEwan & Co. Pty. Ltd., 391 Bourke Street, Melbourne, Victoria.

Georges Australia Limited
A high quality fashion department store operated on "boutique" lines. Imports represent about 40 percent of sales and leading suppliers are Britain, Italy, the US and France. Georges maintains confirming and shipping agents in most of the capitals of Europe. Their New York house is Mutual Buying Syndicate at 11 West 42nd Street, New York. Inquiries from Canada should be addressed to: The Merchandise Director, Georges Australia Limited, 162 Collins Street, Melbourne, Victoria.

Ball & Welch Limited
Ball & Welch operates six stores in

the State of Victoria, handling medium to better quality merchandise in all areas except electrical products. Approximately 5 percent of sales are imported.

Ball & Welch is a wholly-owned subsidiary of Georges Australia Limited and on certain occasions Allister Buying Offices Ltd., Montreal, act as Canadian buying agent. Inquiries should be addressed to the: General Manager, Store Operation, Ball & Welch Limited, A Division of Georges Ltd., 180 Flinders Street, Melbourne, Victoria.

Patersons Furniture Pty. Ltd.
The company controls 78 stores throughout Australia, including Hoopers Furniture Ltd, South Australia; Steele & Co. Ltd., Victoria; Patersons, Tasmania; Patersons, Victoria.

The 55 stores located in Victoria have a centralized buying department, and inquiries should be addressed to: The Merchandise Director, Patersons Furniture Pty. Ltd., 152 Bourke Street, Melbourne, Victoria.

Buckley & Nunn Limited
Buckley & Nunn Limited has three stores in Victoria, dealing in fashions and housewares. Each store has a buying manager, but opening inquiries should be addressed to: The Merchandise Director, Buckley & Nunn Limited, 310 Bourke Street, Melbourne, Victoria.

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Australians spent more than $14,000 million in 1973-74 on retail goods. Almost $5,000 million was spent on foodstuffs; $1,800 million on beer, wine and spirits; nearly $2,600 million on clothing and drapery; $400 million on hardware, china and glassware; $955 million on electrical goods and $600 million on furniture.

Melbourne: Who can forget it?

LEON B. STRYKER, Commercial Officer, Melbourne

Bounded by the Yarra River on one side and hundreds of acres of public gardens on its other perimeters, Melbourne is often referred to as "big, bright and beautiful". It has been called other things as well, especially by people from its northern neighbour, Sydney, which is only an hour's flight away. But then, Melbournians like to remind Sydney-siders that their famous Harbour Bridge was financed by Victorians — and so it goes, almost like the friendly rivalry that allegedly exists between Toronto and Montreal.

When John Batman, the founder of Melbourne, sailed into Port Phillip in 1835, according to legend he declared: "This is the spot for a village." To a lot of people, Melbourne, with a population today of 2,600,000 spread out over 200 square miles, is still a "village", in the sense that, when you walk down tree-lined Collins Street you invariably bump into someone you know — your wife, your banker or sometimes even a friend!

Capital of the State of Victoria and laid out in a precise grid pattern in 1837, Melbourne experienced a tremendous growth rate as a result of the gold discoveries of 1851. From 1901 until 1927, it was the seat of the Federal Parliament during the building of Canberra. Consequently, government departments, banks and many of Australia's largest businesses established their headquarters in this city. Although most federal departments were moved to Canberra, a residue of authorities, boards and other bodies is still based in Melbourne. Melbournians call their city "the financial heart of Australia" — and the statistics bear them out. Of 30 top companies, 21 have their headquarters in Melbourne and only eight are in Sydney.

Does this prove anything to you? What it should mean is that you cannot ignore Melbourne as a place for meeting likely business contacts. Too often Canadian business visitors to this country fly into Sydney, transact their business and fly home again. This never ceases to amaze and amuse us in Melbourne (Well, we do get jealous and annoyed sometimes).

Both cities are of comparable size and together represent some 40 percent of Australia's total population. While it can be argued that each city has its different "personality" and that sometimes

John Batman visualized a village when he sailed into Port Phillip in 1835. Today, Melbourne — the financial heart of Australia — houses 2,600,000 citizens within its 200 square miles. Sidney may be a greater attraction for Canadian businessmen, but Melbourne claims to have nearly three times as many top companies headquartered in the city.

products will sell more easily in one than the other, a visitor from overseas who is searching for a reputable contact should always include both cities in his itinerary.

However, we do concede that Sydney is far more renowned for its night life than is Melbourne. Most visitors to the Harbour City are sooner or later drawn to the Kings Cross area to see if it is really as bawdy and as colourful as is made out. Sydney is all go-go, while Melbourne is said to be staid and conservative. All right, so we don't have wild night-spots to hang your hat up in, but is that all there is?

Don't forget, Melbourne has its world famous Botanic Gardens, and .. uh, the Melbourne Cup horse race and .. um, Aussie rules football and .. er, the Yarra that flows upside down and .. ar, was the home of Federal Parliament until 1927 (Oh! I've already mentioned that?). Anyway, if you take away the Harbour, and the Opera House and Kings Cross and the surf beaches and its more reliable weather, just what does Sydney have to offer?

Why don't you find out for yourself on your trip to Australia? Compare the two cities. You will find lots to satisfy you in both places, for business or pleasure. Remember that in Melbourne you are conveniently placed to make flying visits to Tasmania or Adelaide or Perth, all of which form part of IT&C's Melbourne territory — and after all, it's nice to know you have escape routes laid on.

Editor's note: Mr. Stryker is a Scot who has made Melbourne his home for the past 25 years. This article seems to demonstrate he made the transition fairly happily.

Doing Business in New Zealand

RODNEY B. JOHNSON, Assistant Commercial Secretary

The New Zealand market, although relatively small, offers the Canadian exporter a good potential for continuing sales of a fairly wide range of products, particularly in the manufactured and semi-manufactured categories.

The country is about half the size of Manitoba, with a population of slightly over three million. Despite its size, New Zealand is a good export market because of a high standard of living combined with a strong dependence on international trade. That New Zealanders are major importers is indicated by the expenditure of Cdn. $1,050 per capita on merchandise imports during the year ended June 30, 1975.

Australia, Britain, Japan and the USA are the four major suppliers to New Zealand, with Canada a distant fifth. In terms of tariff preferences, though, Canada enjoys a significant advantage over other suppliers, the only exception being Australia, by virtue of the New Zealand/Australia Free Trade Agreement (NADTA).

The New Zealand Customs Tariff is currently being modified to reflect Britain's joining the European Economic Community. By 1977 Britain will have lost its Commonwealth Tariff Preferences in New Zealand. At the same time Canada and New Zealand have agreed to retain the derived British Preferential tariff rates under the terms of the Canada/New Zealand Exchange of Letters of 1973.

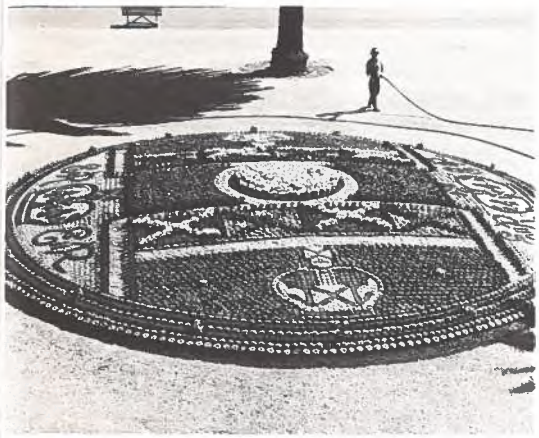
Industrially, New Zealand should be considered a developing nation. There is very little heavy industry, but there are many light manufacturing and assembly operations. Manufacturers have enjoyed a substantial degree of protection from the government's continued use of quantative import restrictions. The net result is that New Zealand industry, while not generally competitive internationally, is able to supply the domestic market with a wide range of manufactured goods. Full employment is the number one political goal, followed closely by the need to maintain control over the balance of payments. These are the major reasons for New Zealand's restrictive import control system.

Although the presence of protected domestic manufacturers precludes imports of many products, New Zealand has a continuing requirement for imported goods under three main categories: (1) sophisticated and specialized manufacturing goods that are beyond the existing capability of local industry; (2) manufactured and semi-manufactured components required by local assemblers of fully manufactured goods; and (3) raw materials and industrial minerals, chemicals, etc., that are not available in New Zealand. Indeed, most of Canada's current exports to New Zealand fall into these categories.

Canadian businessmen who have conducted marketing programs in countries where different language and business practices place severe limitations will find New Zealand a refreshing change. The language, of course, is English and the typical New Zealand businessman is easy to talk to — in fact, he usually bends over backwards to accommodate foreign visitors.

Business practices are for the most part similar to those of Canada. Minor differences in operating procedures can usually be attributed to New Zealand's historically close association with Britain, so that anyone who has conducted business there will find some similarities in New Zealand. Business ethics are of a high standard and Canadian exporters will generally encounter little difficulty in dealing with established, reputable New Zealand firms. It goes without saying, however, that standard business safeguards, such as credit checks and normal terms of payment, should be followed.

Assuming that you wish to explore this market, your first step should be to write to the Commercial Division of the Canadian High Commission in Wellington to find out the correct customs tariff classification and im-



1.2.3. Government House, Auckland, the setting for Royal pomp and pageantry; but New Zealand's largest city — population, 800,000 — is also a busy port. Trade commissioners advise Canadian exporters to regard New Zealand as a separate entity and not simply an adjunct to the larger Australian Market.

port licencing code applicable to your products. The staff of the Commercial Division can usually supply this information by return mail, but in some cases it may be necessary to request an official decision from the New Zealand Customs Department.

If the tariff rate and import licensing situations appear favourable, the Commercial Division will be prepared to undertake an initial market study on your behalf. This normally involves contacting potential end users, importers and distributors, so it is important for you to provide full descriptive literature and a current export price list.

If the market looks promising, the next step may be a visit to New Zealand by a representative or your company. You will want to do further personal checking on the market potential and transportation. But your most important decision will be the selection of a New Zealand representative. A good agent is a critical factor in setting up a marketing program in New Zealand. Travelling time and costs prevent frequent visits, so you need someone who can get the marketing job done with the minimum contact with his Canadian principal. Due to the relatively small size of the country, export volumes are not usually large enough to justify the establishment of a sales office or marketing network. A good agent working on commission will be able to cover the market for you with very little investment on your part.

Your prospective agent will usually want exclusive rights to your product throughout the country. This is not an unreasonable request, since nationwide coverage can usually be accomplished by a representative operating out of one of the major centres such as Auckland, Wellington or Christchurch. If you would prefer not to have an exclusive agency during the initial stages of your approach to the market, it might be advisable to appoint an agent on a trial basis, in order to allow an assessment period.

There is often a great temptation for Canadian companies to appoint an agent to represent them in both Australia and New Zealand, on the assumption that New Zealand can be covered as an adjunct to the larger Australian market. It should be remembered that, although the countries are similar in some aspects, they are separate, both physically (1200 miles) and politically. With some exceptions, coverage of the New Zealand market from an Australian base is not a workable situation and should be avoided if at all possible.

Once you have found a suitable agent you can hope to begin making some sales in New Zealand. At this point you should pay particular attention to such important factors as delivery times and export documentation. The former is very important, since shipping space to New Zealand is limited and a sailing date missed by a few days could mean a delay of several weeks in delivery.

Another important factor to remember is the absolute necessity of insuring that the export documentation arrives in New Zealand, prior to the arrival of your cargo. The New Zealand importer requires accurate documentation in order to clear the goods through Customs. If your goods arrive before the export documents, it will mean expensive wharf storage charges. It is also important that invoicing is detailed and accurate as the various tariff and import licencing classifications must be assessed by Customs prior to the clearance of incoming cargo. There have been too many cases of goods being held up because of invoicing which was too vague to permit a breakdown of tariff classification and import licencing code by the Customs Department.

We invite you to address any specific question to the attention of the Commercial Counsellor, Canadian High Commission, Wellington, New Zealand.

Manufacturing in New Zealand

J.M. MABBETT, Commercial Officer, Wellington, New Zealand

Traditionally, New Zealand has relied upon the ability of its grassland farmers to produce meat, wool and dairy products for world markets at prices which encouraged increased production and provided export revenue for a sound national economy, capital development and a relatively high standard of living.

The geographic isolation of the country, (12,000 miles from Europe, 6,300 miles from Vancouver, and 1200 miles from Australia), encouraged the early development of industry to supply and service the farming community and the processing of farm products for export. This situation existed up until the start of the Second World War, by which time the population was about 1.5 million.

The doubling of the population since, and a rising degree of affluence, have resulted in levels of consumer demand which the export realizations of a pastoral economy have not been able to sustain. To lessen the drain on overseas reserves and to provide employment for a growing labour force, successive governments have, by various incentives, encouraged the expansion of existing industries and the establishment of new ones to meet the rising consumer demands.

Initially, these industries had a built-in advantage because of the isolation of the country and the cost of sea freight from the Northern Hemisphere, particularly Britain. As mass production in industrialized countries reduced prices, the New Zealand Government protected local industry by the duty-free admission of raw materials and a protective tariff against those products competing with domestic manufacture.

The greatest stimulus given to New Zealand industry was undoubtedly import licensing, which was introduced purely as a measure to conserve overseas funds. The licensing system provided for the exclusion of manufactured products which were made in the country. Under this umbrella an increasing variety of consumer products were manufactured in New Zealand. To retain or improve their share of the market, a number of overseas manufacturers invested in New Zealand companies, or established local plants. Industries thus established provided employment opportunities and the licensing system changed from one of economic necessity to one of political importance, with the major political parties dedicated to full employment by the retention of the system.

During a recent inspection of research stations, the Minister of Science observed that in many laboratories he saw the same equipment in use and he wondered if this could not be produced in New Zealand. It is significant that the minister did not question the economics of using imported equipment, or the fact that it enabled scientists to arrive at definitive international standards. The provision of equipment from overseas for research purposes will not be affected by the minister's observation, but it does serve to illustrate current political thought.

A study in 1970 by a local economist (Dr. R.S. Drane) of 139 overseas companies investing in New Zealand industry identified the motives for investment:

To overcome import controls	54
In response to local company's request	19
To increase / maintain share of market	14
Corporate expansion more profitable	13
Local manufacture more profitable	12
NZ government encouragement	7
To avoid freight charges	4
To provide better service	4
As outlet for raw materials	2
To overcome tariffs	1
Other reasons	9

While it can be, and is, argued that a population of 3 million cannot sustain a comprehensive, industrial manufacturing base, the maintenance of full employment by import controls has the unanimous support of both the Manufacturers' Federation and the Federation of Labour which are, in most other matters, in direct opposition.

By observing overseas manufacturing developments and processes and by the immigration of skilled tradesmen, New Zealand manufacturers have generally been able to meet the demand for consumer products, even if some of these have lacked the sophistication and finish of similar products from North America, Britain and Europe. It can also be said, particularly in the field of consumer products, the manufacturers, protected by import licensing, work within a cost-plus environment.

Industries now established in New Zealand include wire drawing and galvanizing; the production of copper tube, wire rope, aluminum cable, and telephone and underground power cable; the manufacture of TV tubes, 11Kv switchgear, electric hoists, electric motors, as well as electronic controls for a variety of equipment. The manufacture of transport equipment and machinery has expanded to cover turbo-prop aircraft, utility farm vehicles, bicycles, pneumatic and steel-tired road rollers, self-propelled, hydraulically-operated excavators, post-hole diggers, hydraulic equipment and attachments, oil-fired kilns, control valves, thermostats, press brakes, disc brake pads, high-speed twist drills, etc.

In the chemical and allied industries, New Zealand factories product PVC compounds and dry blends, besides such PVC products as sheeting, flooring, roofing, and drainage goods; a range of formaldehyde resins used in the manufacture of adhesives and related products; acrylic emulsions and compounds; many industrial and domestic chemical materials, including synthetic detergents; and

various weed killers and insecticides. The packaging industry makes moulded pulp products, as well as several types of plastic film, the most recent projects involving cast polypropylene and the manufacture of irradiated polyethylene ("shrink film"). Textured synthetic yarns, warp-knitted and foam-backed fabrics have been added to the products of the textile industry in recent years. An oil refinery and glassworks for glass plate and glass containers have been in operation for some years. Gin and whisky distilleries have been established and brandy has been produced experimentally.

Recent developments include the establishment of a mill for the production of steel from indigenous iron sands and an aluminum smelter to process alumina from Australia. Natural gas is reticulated to industrial users in the main industrial centres of the North Island. A major gas field (even by world standards) is to come into production in 1978, and the establishment of a petrochemical industry based on the resulting condensate is under evaluation.

Because of the development of local industry, the emphasis on Canadian exports has tended, over the years, to switch from fabricated industrial and domestic products to the basic materials for further processing or fabrication, and to the supply of components involving a high degree of technology or mass production techniques. The increasing cost of sea freight between Canada and New Zealand may tend to reduce the competitive structure of Canadian goods and, in cases where it is desired to preserve the market for a product, an investigation of the local manufacturing potential could well provide a continuing outlet for Canadian produced components which would be uneconomical to manufacture in New Zealand.

To comply with a Government directive that contracts let for capital work projects should contain as great a proportion of local content as possible, consistent with a guarantee of performance, several Canadian companies have with success investigated local fabrication before submitting an acceptable tender proposal. In other areas, Canadian manufacturers of a product line have concluded arrangements for the local assembly, of logging trucks, log skidders and sawmilling equipment etc., which, while incorporating varying degrees of local content, enable the product to be marketed under the Canadian trade name. Canadian products such as hoisting equipment and consumer products are being manufactured locally under a licensing arrangement which results in approved royalty payments to the Canadian principals.

In an effort to stimulate greater industrial productivity and better utilisation of expensive plant, and to lessen the dependence upon the agricultural sector as the only significant source of export earnings, the government has introduced a number of export incentives, including taxation allowances and market development grants, and a number of trade commissioners have been appointed to various countries which until now have not had official New Zealand representation.

The high cost of freight to New Zealand from the Northern Hemisphere does give the country certain advantages as a point of manufacture to cover, not only the local market, for which a population of 5 million is projected by the year 2000, but also provides a logical base from which to service the Australian market of 13 million, and the Pacific Islands.

While there will be a continuing demand for raw materials and for products associated with the capital and industrial development of New Zealand, the best way of initially evaluating the market for new processes and products is to ask the Commercial Division of the Canadian High Commission about the market prospects by either direct export, local assembly, manufacture under license or by capital investment. In other words, if you can't beat them — join them!

Energy in New Zealand

ALAN S. CHISHOLM, Commercial Officer, Canadian High Commission, Wellington, New Zealand

General

As with many other countries, the energy problem in New Zealand has been dominated by petroleum; initially, a reduced supply; latterly, price increase. To reduce dependence on imports, action has been taken by the Ministry of Energy Resources on three fronts: promotion of energy conservation campaigns; encouragement of extensive offshore exploration for gas and oil; and intensive studies of indigenous resources.

Through public co-operation and higher prices, consumption has been held to an increase of only 1½ percent over the previous year.

The Government has now reserved the right to participate in the development of any petroleum discovered. It will provide 40 percent of exploration costs to prospecting companies in return for ownership of 51 percent of any payable gas and or oil.

In 1974, the New Zealand Energy Research and Development Committee was established and has approved and financially supported some 42 projects covering such fields as current and future energy demands, conservation and the efficient use of energy and the assessment of indigenous resources. This committee is also the administering body for the joint NZ US Agreement on Scientific Co-operation, by means of which New Zealand energy researchers will visit the United States from time to time.

There is an average annual increase in the primary energy supply of about 5 percent. Over the next decade, while coal (17 percent) and electricity (hydro and geo-thermal 17 percent), will maintain those proportions, there will be a rise in natural gas production from 4 to 30 percent and a decreasing dependence on imported oil from 62 to 36 percent. Most of the natural gas will come from the Maui offshore gas field.

Petroleum

The only significant onshore discovery was made at Kapuni in 1959. From this both gas and condensate are used domestically and industrially in the North Island.

The Maui offshore gas field, discovered in 1969, is one of the major fields in the world, covering an area of about 55 sq. miles, containing 5,324,000 million cubic feet of recoverable reserves of gas and 75 million barrels of condensate. It is about 30 miles offshore, in water 360 ft. deep, in an eartquake zone, and subject to winds of up to 163 m.p.h.

Gas from this field, the first of which is due ashore this year, is likely to be used mainly for the generation of electric power. Although this is relatively inefficient usage, it is necessary for the large scale development of thermal power stations in the North Island. Other prospective commitments are as a premium fuel (supplementing the uses to which Kapuni gas is already put) and for a petrochemical industry.

Exploration has been carried out principally by the Shell-BP-Todd consortium. In the case of the Maui gas field, the parent company, Maui Development Ltd., is half Shell-BP-Todd and half New Zealand Government. Many contracts have already been let, mainly to American, Japanese and Australian companies, some with considerable local content.

No significant quantities of oil have been discovered in New Zealand so far, except as gas condensate. However, many international companies are seeking prospecting rights, mainly offshore, and at present two rigs are drilling. There could well be considerable grounds for Canadian interest and opportunity.

Electricity

The average annual growth rate of electricity is about 7 percent (about 500 megawatts) i.e. doubling every 10 years. Approximately half of all electricity generated is used domestically, but this proportion will tend to lessen as industrialization increases.

Of 4,440 megawatts generated in 1975, 78 percent was from hydro, 22 percent from thermal (coal, gas, oil, geothermal). In the next decade, the proportions will be equal, as hydro resources decline in availability. The deficiency will be mainly taken up by gas-operated plant (alternators driven by both gas turbines and gas-fired steam turbines) generation, rising from 135 megawatts in 1975 to a projected 3335 megawatts in 1985. Nevertheless, many Government major hydro-schemes are still in hand, and others that were formerly considered uneconomic are being re-assessed.

The Benmore earth dam and hydro power station on the Waitaki River, South Island, New Zealand. Six generators produce 540,000 kilowatts.

Canada has made noteworthy contributions of water turbines and generators to the various hydro-electric installations, with Dominion Engineering water-turbines in the forefront. Recently, however, there has been strong competition from Yugoslavia, Japan and the U.K. The Government is encouraging local power boards to develop small hydro schemes in their own areas (5 to 10 megawatts), and this could well interest Canadian firms.

Combustion Engineering-Superheater Ltd. of Montreal secured last year a Canadian $90 million order for four boilers for the 1000 megawatt Huntly Thermal Power Station. Other Canadian firms have tendered for associated equipment on this project. There are other major thermal plants planned, and prospects for Canadian firms should be good.

Steam bores and pipeline at the Wairadei geothermal power station; capacity, 160 megawatts.

Coal

In the last 25 years coal has declined from 50 percent of the primary energy source to 18 percent. Now the opportunity exists to win back a significant share. While the estimated recoverable reserves are plentiful in relation to current annual usage (about 400 times), they are relatively small on a world scale. Of the estimated 836 million tons, about 152 million of mainly bituminous coal is on the west coast of the South Island; about 361 million of mainly sub-bituminous coal is in the central area of the North Island; about 323 million of mainly lignite is in the south of the South Island. A great deal of work is required to actually prove these quantities and their economic recovery.

During 1974, 2.5 million tons were produced from 40 underground and 31 opencast mines. This output is now expected to increase; for use in electrical power-generating stations, as pulverised fuel for industrial boilers; in industry generally, and for domestic use in modern heaters.

Canadian interest in providing mining and handling equipment is evidently not great. Moreover, a good deal of it is capable of local manufacture. Nevertheless, some specialized equipment could well find a market.

Geothermal

At Wairakei, geothermal steam has been harnessed for the generation of electricity since 1958, and 160 megawatts are being produced.

Though there are large inferred resources having a potential of up to 2000 megawatts, only one additional field, at Broadlands, has been proven so far. This will support a 150 megawatts power station for commissioning in 1982.

Nuclear

The Government does not regard the introduction of nuclear power as inevitable, but the 1975 Power Plan mentions the first of two 600 megawatt nuclear power stations for 1988, unless enough indigenous energy resources (e.g. coal, gas, oil) can be proven by 1977. Departmental studies of the various nuclear reactor systems are continuing — CANDU included.

In the meantime, a committee has been set up to report on the likely environmental effects of nuclear power stations in comparison with other forms of energy.

Trade Information

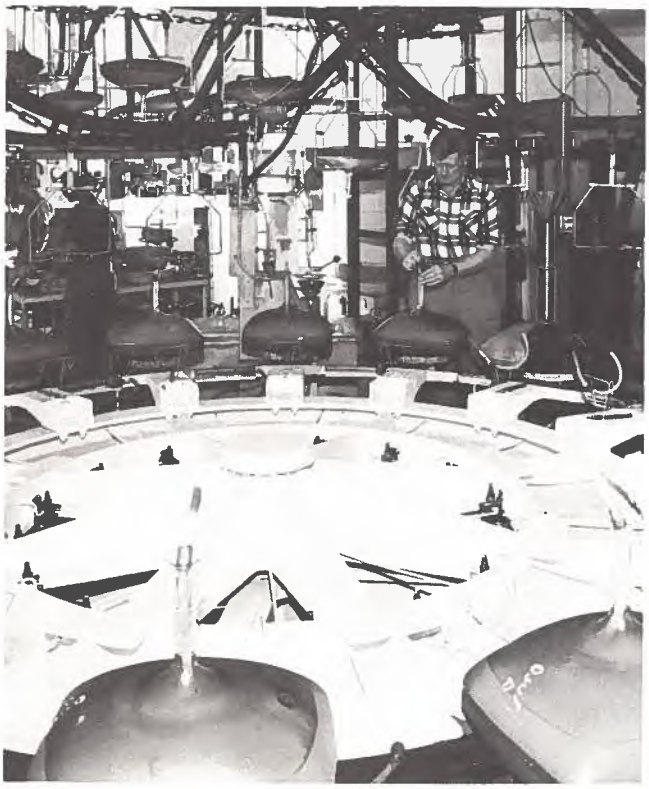
Most of the equipment referred to in this report would be purchased by the New Zealand Government. Copies of tender documents for major items are forwarded to the Department of Industry, Trade and Commerce in Ottawa for inspection by interested firms.

In all cases, additional information is available from the Commercial Counsellor, Canadian High Commission, P.O. Box 12-049, Wellington, New Zealand.

Research in New Zealand

J. M. MABBETT, Commercial Officer, Wellington, New Zealand

In 1926, the Government of the day invited Sir Frank Heath, a prominent UK scientist, to visit New Zealand and report upon the organization of civil science. His recommendations were accepted and the department of Scientific and Industrial Research was established to rationalize and co-ordinate the work of laboratories throughout the country. Heath's recommendations did not include the incorporation with DSIR of the applied research being undertaken by the Department of Agriculture, or the engineering development and research by the Public Works Department (later to be called the Ministry of Works and Development). Since that time developments in technology have resulted in other government departments establishing their own research facilities.



Although New Zealand manufactures television receivers, there is increasing dependancy upon imported electronic components.

The Minister of Science recently announced, following a 12-month study by the national Research Counil, that authority had been given for a target increase in the scientific work force of 5.8 percent each year for the next five years. The authorized increase will be double that of the projected growth of the rest of the civil service and three times that of the projected growth of the national labour force over the same period. If the staff target is reached, the scientific manpower distribution to departments and by research sectors will be:

Departmental

Scientific and Industrial Research	2070
Agriculture and Fisheries	1268
Forest Service	458
Transport	396
Works and Development	208
Internal Affairs	58
Defence	55
Labour	39
Social Welfare	20
Education	13
Justice	8
State Services Commission	6
Electricity	4
	4603

Research Sector

Agriculture	2004
Natural Environment	1061
Forestry	489
Manufacturing Industries	295
Building and Construction	137
Minerals	132
Fundamental Research	120
Fisheries	115
Social Sciences	90
Human Health	85
Transport	75
	4603

These figures illustrate government recognition of the importance of ensuring that applied research can keep up with the demands which will be laid upon it, and of the need to diversify manufacturing capability to expand and supplement the activities of the agricultural and forestry sectors.

Medical research in New Zealand is generally the responsibility of the Medical Research Council, an autonomous body which, although largely financed by government grants, remains independent of

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James T. Hill
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J.C. Currie
Commercial Counsellor
D.G. Waddell
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R.G. Sandor
Consul and Trade Commissioner
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Vice Consul and Assistant Trade Commissioner
D.L. Russell
Commercial Officer
R. Campanale
Commercial Oficer
J.N. Hoffman
Commercial Officer
J.P. Hughes
Commercial Officer
Mrs. L. Brittain
Commercial Officer
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Territory: States of Connecticut, New Jersey (twelve northern counties), southern New York; other countries: Bermuda

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Telex: 00-288-231

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Telex: 268 (DOMCAN KIN)
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Territory: Malawi

government. Its aim is to support the balanced development of medical and biological research. In the year ended December 1974, the Council authorized an expenditure of $2.2 million on medical research. Health Department estimates for 1975-76 provide for a grant of $2.8 million to the Medical Research Council to "initiate, foster and support medical research".

The Health Department carries out applied research on matters of public health and maintains laboratory services to provide for diagnostic and reference centres for matters pertaining to communicable diseases, air and water pollution, human foods, etc.

The Department, through the National Radiation Laboratory, monitors the radiation fall-out in New Zealand and the South Pacific (it was the National Radiation Laboratory which established a chain of posts throughout the Pacific Island Countries to observe the effects of the French atmospheric testing of nuclear devices at Mururoa Atoll). Research is also undertaken at the six New Zealand universities (including two Schools of Medicine) and at major hospitals throughout the country.

The earlier isolation of New Zealand resulted in the development of a continuing program which encourages scientists and doctors to undertake post-graduate studies overseas, particularly in the United Kingdom and the United States. Inevitably, these studies involve working in tehcnologically advanced laboratories with modern research equipment. The rub off from this is, that on return to New Zealand, the individuals concerned express preference for and get similar equipment for a continution of their activities. It has been said that the government compensates to some extent for a low salary structure (by world standards) by providing an environment that encourages research specialists to remain in the country and attracts others from overseas.

The importance attached by government to the maintenance of an indigenous research program is indicated by statistics covering the importation of equipment with a high level of technical excellence.

(Cdn. $000)	1974	1975
Electrical apparatus for medical purposes (excluding x-ray equipment)	932	1,320
Medical, dental, surgical opthalmic instruments and appliances (non electric)	4,035	7,820
Mechanical appliances for testing physical hardness of industrial materials	206	305
Instruments, apparatus for physical and chemical analysis	1,587	2,315

The major world manufacturers of research and diagnostic equipment are represented by New Zealand agents who have offices in the main centres. Agency salesmen make regular calls on research establishments and hospitals. The more prominent agency houses maintain comprehensive facilities to service the equipment they sell and install. Some of the demand for specific equipment arises from the study of scientific papers which set international standards of measurable criteria, but it is also true that there are always those in research establishments or universities, who are looking for new research devices or procedures, or who seek to replace the obsolete with the new.

The larger market offered by Australia continues to attract Canadian manufacturers, but those offering new equipment for research purposes should not overlook New Zealand. It provides a continuing market for equipment having an application in any one of the activities outlined above, or in the various research establishments within the country. Because of the increasing complexities of technical research equipment, the best form of market evaluation is, and will continue to be, the personal visit. The Commercial Counsellor's office can arrange appointments with potential users and agents and can make available an area within the High Commission in which to display and demonstrate equipment.

Research Agencies in New Zealand

Department of Scientific and Industrial Research

Antarctic Division
Applied Biochemistry Division
Applied Mathematics Division
Botany Division
Chemistry Division
Crop Research Division
Ecology Division
Entomology Division
Geophysics Division
Grasslands Division
Industrial Development Division
Plant Diseases Division
Plant Physiology Division
Geological Survey
Institute of Nuclear Sciences
Oceanographic Institute
Physics and Engineering Laboratory
Soil Bureau
Wheat Research Institute

Medical Research Council

Immunopathology Research Group
Dental Research Unit
Gas Liquid Chromotography Service
Toxicology Research Unit

Virus Research Unit
Biochemistry Research Group

Department of Agriculture
Ruakura Animal Research Station
Ruakura Soil Research Station
Wallaceville Animal Research Centre
Whatwhata Hill Country Research Station
Winchmore Irrigation Research Station
Levin Horticultural Research Centre
Te Kauwhata Viticultural Research Station
Ivermay Agricultural Research Centre

New Zealand Forest Service
Forest Research Institute

Grant-Aided Research Organizations
Meat Industry Research Institute
Fertilizer Manufacturers' Research Association
Leather and Shoe Research Association
Pottery and Ceramics Research Association
Wool Industries Research Institute
Research Institute of Launderers, Dry Cleaners, and Dyers
Dairy Research Institute
Wool Research Organisation
Building Research Corporation
Coal Research Association
Portland Cement & Concrete Research Association

The New Zealand Forest Industry

RODNEY B. JOHNSON, Assistant Commercial Secretary, Wellington

Pulpwood from a 15-year-old tree? Thirty-inch saw logs from a 25 year-old tree? Believe it or not, the answer is yes in both cases, if you are talking about radiata pine growing in the exotic plantations of New Zealand.

New Zealand has long been known as a major producer of pastoral agricultural products, but the same year-round temperate climate which has fostered grassland farming provides also excellent growing conditions for a rapidly expanding forest industry.

To fully understand what is happening in the New Zealand forest industry, it is worthwhile to look back on its origins and the changes that have taken place. The first European settlers who arrived in New Zealand around the 1850s found the land covered by heavy forest which had to be cleared for the grazing of sheep and cattle.

A small amount of the native timber was used for construction, but most of it was burned off in the rush to open up large areas of grassland.

It was not fully realized until about the turn of the century that New Zealand's reserves of timber were rapidly being exhausted and that the native species, mainly semi-tropical, were very slow to regenerate. Foresters also became aware that some land was not suited to grassland agriculture, and serious erosion problems had resulted. At the same time, demand for the sawn lumber was placing a strain on the indigenous forests. It was realized that, in order to build up the forest resource, it would be necessary to develop the industry based on introduced species.

The first experimental plantings of the so-called "exotics" were initiated around 1896 and continued at a slow rate until the 1920s. By this time the extremely rapid growth rate of Radiata pine had been demonstrated, leading to the obvious conclusion that plantation forestry in New Zealand was a viable proposition.

In 1921, the total area of exotic forest plantations, both private and government-owned, was only 77,000 hectares. By 1925 the planting rate had picked up and from 1926-35 an average of 27,200 hectares were added each year. By far the largest proportion was Radiata pine, but other species, Douglas fir and even some Australian eucalyptus, were introduced (Radiata pine accounts for about 95 percent of the current planting program).

By 1939 planting had declined substantially and it was not until 1963 that a resurgence in development of new forests raised the rate again.

When the large areas of pine plantations started in the 1920s and early 1930s began to reach maturity around the end of the Second World War, it became apparent that the country was lacking in the equipment required to process this wood. It also became clear that unless the pine plantations were logged, over-maturity would result in substantial losses of the wood resource. Saw-milling of native species was still by far the most important activity in New Zealand forestry, but the existing sawmills did not have the capacity to handle the enormous quantities of Radiata pine.

The government began to encourage the formation of forestry concerns to set up different types of processing facilities. Thus, it was during the early Fifties that producers of pulp, paper and panel products began to develop and expand.

The present situation is a dramatic contrast to the status of the industry of 25 years ago, which used native timber. Now, about 90 percent of New Zealand forest production results from the harvesting of the exotic forests. In 1974, they covered 651,000 hectares (1,609,000 acres). The annual planting rate is about 40,000 hectares, and continued expansion of forest plan-

tations will mean a lot of wood to harvest and process towards the end of this century.

In an address to the New Zealand Forestry Development Conference, held in November 1974, Mr. G.M. O'Neill, Deputy Director General of the New Zealand Forest Service, said that if the current planting rate is maintained, the annual yield of wood from exotic forests will double by 1995 and triple by the year 2001.

Expansion of this magnitude naturally dictates a commensurate requirement for harvesting and processing machinery and equipment. The government and the forest industry are committed to a policy of retaining as much wood processing in New Zealand as is possible. Increased exports of manufactured forest products are seen as a vital pre-requisite to a reduction in the economy's almost total dependence on agricultural exports. Job creation is another important factor.

What direction will this increased production of forestry products take? Certainly the pulp and paper industry will continue to expand. The Tasman Pulp and Paper Co, New Zealand's only newsprint manufacturer, has just completed a major expansion program at their Kawerau mill which will raise their newsprint production to 330,000 metric tons a year.

New Zealand Forest Products is currently producing around 360,000 metric tons of pulp and 217,000 metric tons of kraft paper a year at its Kinleith complex. Recent expansion undertaken by New Zealand Forest Products includes a continuous pulp digester at Kinleith and the addition of a third paperboard machine at the company's subsidiary, Whakatane Board Mills Ltd. Undoubtably the group will continue to expand in the pulp and paper field. The company currently owns nearly 123,000 hectares of exotic forest and is planting at the rate of 7,600 hectares a year. A number of other major companies are in the process of looking at pulp production and cound establish paper making operations at a later date.

The manufacture of panel products is another important area of expansion. Earlier this year, New Zealand Forest Products announced plans to build a plywood and veneer plant capable of producing 3.7 million square metres of 9 mm plywood. This is an interesting case in point, since the company's decision to build the plywood mill resulted from its successful tender for rights to 57,000 cubic metres of logs from the Kaingaroa State Forest each year over the next 10 years, with right of renewal for a further decade.

Considering the amount of forest owned by government (2.9 million hectares of indigenous forest and 343,000 hectares of exotic plantation), it seems likely that a number of future large capital projects will depend directly on how state forest cutting rights are alloted. In this way government can, to a large extent, influence the direction of capital expansion in the forest industry.

Current New Zealand production of particle board is nearly 120,000 cubic metres a year. Since Radiata pine is considered an excellent raw material for the manufacture of particle board, it seems highly likely that more investment will be directed toward increased capacity for particle board production. Fibreboard is also produced in New Zealand, in both hard and soft forms. Current output is 32,000 cubic metres of hardboard and 14,000 cubic metres of softboard. A new factory with a projected annual production capacity of over 40,000 cubic metres of 20 mm phenol board is now nearing completion near Rangiora in the South Island.

Sawmilling is and will continue to be an important part of New Zealand's forest industry. About half of the total 10,000 cubic metres of roundwood harvested annually is used for sawmilling.

Although Radiata pine has some drawbacks when used for lumber, the application of new construction methods, such as gang-nailing, laminating and figer-jointing, has to some extent compensated for these deficiencies. In fact, nearly 80 percent of current saw log production comes from exotic forests.

One of the common features of nearly all the new production facilities being constructed, or in the planning stage, is their size. In nearly every case production economics dictate large, high-volume plants. This in turn will result in a growing need to develop export markets, since the domestic market will never absorb the production to be put in place during the coming years.

With this potential growth in the forest industry will come a major requirement for up-to-date and efficient forest harvesting and processing equipment. Canadian manufacturers have a good reputation in New Zealand, but they will have to increase their marketing efforts in order to win contracts in the face of strong competition from Scandinavian, Japanese, American and British manufacturers.

A visit to New Zealand to study the forest industry firsthand could well be worth the time and money. The Commercial Division of the Canadian High Commission is ready to assist you in every way possible, including making appointments with potential customers.

The trees are growing fast down here — why don't you have a look? Perhaps it will be your products that the New Zealand forest industry needs to keep its expansion going.

The million dollar doodle re-visited

JENNY FARRELL, Better Business

Just before Christmas 1973, three demonstration hulls of a one-man sailing dinghy arrived in New Zealand from Canada. With them came a truckload of fibre glass moulding gear, a couple of production experts and a mountain of sales propaganda.

A casual observer may not have noticed, but that was New Zealand's introduction to yachting's hottest property — the remarkable 14-foot Laser. In the 20 months since, 700 New Zealanders have fallen under the Laser spell and dug into their jeans for the $825 which buys this sailing wonder — and, of course, the instant new-way-of-life package that goes with it.

Just what is it that makes this boat out-sell anything else on the world sailing market? Why is it that a phenomenal 26,000 boats to the Canadian design are now sailing in 58 countries after only five years?

The answer is as simple as the boat itself; a business-like approach to the design, development and marketing of the product right from the moment Performance Sailcraft International first set up in business in Montreal.

The company's marketing platform for the Laser is: sell sailing. And this approach has opened up huge markets with the potential to keep producing buyers for years to come. Saturation point, Performance Sailcraft reasons, will never be reached so long as there are potential yachtsmen in the world.

The Laser idea started with a telephone conversation between Montrealer Ian Bruce, a former Olympic sailing rep for Canada and an industrial designer with a boatbuilding business as a sideline, and yacht designer Bruce Kirby, of Connecticut, USA, and editor of *Yacht Racing* magazine and also a former Olympian.

Bruce was specific in his instructions to Kirby: he wanted a one-man racing dinghy which had to be very light, capable of being carried on top of a car, and priced at under $1000; it had to be "an extremely good looking boat — fast, but not overpowering."

The story, now almost a legend in Laser circles, has it that when Bruce finished giving Kirby the details he was met by silence on the other end of the phone.

"Are you there?" he asked.

"Oh, yes," replied Kirby, "I've just designed it."

That was in December 1969 and the sketch that Kirby had drawn on a piece of legal notepaper is now commonly referred to as the "million-dollar doodle" and has been framed and hung on a wall in his home. The doodle, with a few minor modifications, materialized into the mass-produced class which has resulted in many people thinking the word Laser originated with the boat rather than with the science of Light Application by Stimulated Emission of Radiation.

The Laser has been a resounding business success despite the considerable opposition it met from many quarters, not least in New Zealand, where established yachting, fraternities loudly objected to the intrusion of pure commercialism into their sport. But commercialism has undoubtedly been the reason for the incredibly fast class growth worldwide.

A professional marketing approach using cleverly designed advertising, backed by films, posters, even bumper stickers. T-shirts and the like, got the class off the ground, and its image firmly established. Critics who had forecast the class's failure, have remained silent lately.

To the marketing-oriented businessman the Laser formula for success probably seems as normal as that employed to sell sausages and detergent. But the fact is that in the yachting world, professional marketing, mass production and the selling of the sport rather than the boat is rare to the point of being unheard of. Boatbuilding companies which have used marketing programs drawn up by experts have had some success in the past, but never to the tune of 26,000-odd boats sold. Why? Most class designers and builders have produced yachts aimed only at one specific section of the yachting public, not at everyone from beginners to experts, from youngsters to salty offshore types — and their mothers, sisters and wives as well.

There are two major points in the Laser's appeal. One is the simplicity of the design. This makes the Laser no daunting proposition to the beginner, and almost the perfect boat in most cases for the fun sailor who wants no rigging or tuning hassles. It can be rigged in literally five minutes because all there is to put together is a hull, unstayed mast, sail, centreboard and rudder. With a couple of sail controls it will sail well — reaching speeds of 15 knots — whether highly tuned or not.

It is also extremely safe, and easily righted once capsized. The buoyancy of the hull and the deck layout mean the cockpit does not fill with water, so that once the boat is upright after a spill, there is nothing to do except to gather your wits and sail on.

Number two on the list of good selling points is the Laser's one-design features and the fact that these are rigidly controlled worldwide by the Canadian parent-company monopoly. All Laser moulds are built in Montreal and all sails are computer-cut to a pattern in Canada before being shipped to subsidiary plants throughout the world. Thus, two of the biggest anomalies of one-design class production are automatically taken care of. Other fittings have also been standardised in all Laser countries. Masts and booms, for example, are standard anodised aluminum extrusions and cannot be changed in any way.

The few "go fast" sailing aids allowed under the class rules are either supplied by Performance Sailcraft International or specially manufactured under licence elsewhere. This tight control ensures that all boats in the class are

You may have read about the Performance Sailcraft Laser in previous issues of *Canada Commerce,* but the following article gives a fresh slant to the Laser story and, more important, may also give you some ideas about marketing in New Zealand, as well as demonstrating clearly that a winning product often generates its own publicity. The article originally appeared in the magazine *Better Business* under a different title and is reprinted here with the permission of *Better Business* editor Desmond Snell. *Better Business* is published by Universal Business Directories Ltd. of Auckland.

as identical as is humanly possible. The Laser is perhaps the only class in the world which can truthfully claim to be so strictly one-design in production that a boat bought in Auckland is the same as one bought anywhere else in the world.

Other so-called one-design classes, in fact, allow slight building tolerances, which can be and are interpreted differently by the various builders in each country. The end result is that boats can vary greatly from one place to another.

The one-design principles built into the Laser have attracted a wealth of international talent simply because yachtsmen have realized they compete on an equal footing with their international counterparts no matter where a contest is held. The restrictions in "go fast" gear also promote perfect level racing because no competitor has the psychological advantage of more expensive equipment or more advanced deck layout.

Ironically, perhaps, this rigid standardisation through monopoly control of production for some years prevented the Laser gaining international status. While the world's controlling yachting body, the International Yachting Union, has lately relented in this regard, it seems the Laser can never be an Olympic class — the governments of East European yachting countries will not agree to overseas manufacturing monopolies setting up shop inside their borders.

The racing success of the class, however, is only half the Laser story. The "sell sailing" program has drawn thousands of people to the sport who might otherwise never have been tempted to spend money on a yacht of any description.

And statistics show that while there is a 20 percent involvement on the part of Laser owners in serious national or international racing programs, there is a 90 percent involvement in Laser Association activities which cover a wide variety of fields.

A key point in the Laser marketing plan was the inclusion of one year's free association membership with the purchase of every boat. This offer helps ensure owners become involved in their class from the moment they take delivery of the boat and the parent company has spent thousands of dollars fostering national associations and initiating various activities which do not require good sailing performance, only family involvement.

Picnics, parties, ladies championships, ski-yachting weekends, novelty events and regattas have drawn more and more non-yachting people to the class. Backing up this effort is the monthly Laser newspaper which keeps national fleets in touch with the rest of the world.

Complete family interest has been further promoted by the recent introduction and acceptance by the IYRU of a modified rig featuring a smaller sail and shorter mast — and thus a chance of survival for lightweight Laser sailors in fresh conditions.

It had become increasingly obvious that few Laser sailors were reefing their sails; at the same time it became obvious that the 76 square foot sail provided too much power for lightweight sailors, most women and almost all youngsters. Rather than allowing people to look at the many alternatives springing up since the inception of the Laser, therefore, Performance Sailcraft quickly stumped up a second smaller rig which can be interchanged with the original in a matter of minutes.

The idea now is to sell a man a Laser hull and two rigs (only the sail and top mast section differ from the original) and thus he and his wife (if she is light!) and kids can all sail the same boat on the same day with different rigs when necessary. Both sails carry the same registration number which also matches that moulded into the transom of the hull, providing a deterrent to the boat-thief.

Once the prospective Laser buyer becomes an established owner, he becomes the target of a different section of the marketing plan — the accessory business. Laser accessories, which are anything from T-shirts to expensive road trailers, are highly visible everywhere Lasers are sailed and all add to the Laser mystique. The accessory business has been slower catching on in New Zealand, however, for a variety of reasons. New Zealanders seem reluctant to spend money on expensive, specially designed wet suits, for example, when an old football sweater and corduroy jeans will do nearly as good a job. There are, nevertheless, special wet suits, sweat shirts and T-shirts, Laser Association ties, posters, drinking glasses bearing the Laser symbol, special roof racks, trailers, carryalls for sail, centreboard, rudder and tiller, and boat covers available here. All are specially designed and brand associated, although they can be used with other products. They tie in directly with the marketing plan which fosters first the family image (ties, shirts, etc.), second the fun sailing aspect (boat handling aids, posters, wet suits to encourage winter sailing) and, third, the racing side of owning a Laser, although there's not much other than compasses, ratchet blocks and wind indicators allowed as racing aids.

Performance Sailcraft NZ has carefully adhered to the marketing program, but though a record 700 boats have been sold here in 18 months (the second fastest growing centreboarder in New Zealand, the locally designed Paper Tiger, can boast only 600 in seven years), the local company has met with some resistance to the commercialism and the Canadian/American selling approach has been modified slightly to meet New Zealand market needs.

Resistance came largely from the traditional amateur builder who resented not being allowed to build his own boat, or fiddle with the one he bought, and from established

classes which naturally resented the intrusion of yet another new class from the drawing board of an overseas designer.

The significant deviation from the Canadian/United States marketing plan in New Zealand was in the marketing mix between ex-plant sales, and dealers and referral agents. The problems experienced in New Zealand lay in having to sell as many boats initially as possible to justify the capital outlay and also in having to move slowly into setting up a national network of dealers who first had to be schooled in what was a new form of yacht marketing in New Zealand.

The local company also found there was resistance to the American high-pressure type of advertising and local advertising copy soon became necessary.

Class growth per month in this country and also Australia, nevertheless, compares favourably with overseas figures. The Canadian and US plants have sold 400 and 240 boats respectively per month on average, although their markets overlap; the UK company has averaged 170 per month, Australia and New Zealand 60 each per month, 35 in Holland and France, and 15 in Norway and Switzerland.

New Zealand's 700 boats sold also looks good on the overall sales chart worked out over a two-year period: figures in Europe are lower, with France totalling 585, Switzerland 250, Germany 374, Holland 612, Sweden 200, Italy 280, and the Middle East 130.

These figures are continuing to grow, although the New Zealand company has experienced a downturn of sales this winter. General liquidity problems being experienced everywhere are also not helping the spread of Laser, but a Performance Sailcraft NZ spokesman says his company is confident things will look better once the summer season gets under way.

Are the Laser people worried about competition from people using their ideas? Not at all, says Ian Bruce, the man responsible for developing the Laser. "We're barely scratching the market and in the next few years we'll keep saying to prospective competitors, 'Look, the water's just fine, come on in — just bring another GOOD product on to the market'!"

Christmas 1973 brought the first three Canadian-designed sailboats to New Zealand. In 20 months the Laser dinghy population swelled to 700. New Zealand sales now average 60 per month, with the same number crowding Australian waters.

Steel-Flo in New Zealand

Steel-Flo Industries Limited, of Turner Valley, Alberta, has been awarded the contract to supply more than 80 drawn-outlet header/tees for the Maui gas pipeline project off the New Zealand coast. The headers (30-inch and 34-inch sizes) are being completely manufactured in Turner Valley for shipment to New Zealand (Maui is the name of one of the gods of Maori folklore. He is said to have discovered New Zealand, and variation on the legend says Maui fished the North Island of New Zealand from the sea).

Opportunities in Papua New Guinea

JOHN BELL, Consul Commercial, Sydney

The office of the Consul Commercial in Sydney is responsible for Canadian trade development in the Pacific Island countries and territories of Papua New Guinea, British Solomon Island Protectorates, the New Hebrides, New Caledonia and Fiji. This article deals with Papua New Guinea, which offers perhaps the greatest medium term potential for Canadian resource related equipment and consulting services, some scope for direct investment in resource sectors, especially mining and forestry, and a small but expanding market for consumer products, especially foodstuffs.

Although Papua New Guinea received considerable publicity in the world press when it attained full independence on September 16, 1975, it remains somewhat of a mystery to most Canadians, Yet it is now a Commonwealth neighbour in the South Pacific, with one of the world's largest copper mines, and vast mineral, forestry and fish resources, which for the most part remain untapped. Papua New Guinea is situated north of Australia and consists of the eastern half of the island of New Guinea (the second largest island in the world after Greenland) and the Bismark Archipelago, of which the main islands are New Britain, New Ireland and Manus, the northern Solomon Islands, including Bougainville, where the Bougainville Copper Mine is situated, and some islands in the eastern part. The western part of the island of New Guinea, formally Dutch New Guinea and now Irian Jaya, is part of Indonesia.

Australia took responsibility for the administration of British New Guinea (Papua) in 1905, and, following World War I, was ceded German New Guinea (New Guinea) under a League of Nations mandate. These two territories were administered separately until after World War II, when the administration of Papua and the Trust Territory of New Guinea were integrated.

The government of newly independent Papua New Guinea is a parliamentary democracy with its central government modelled on the British example. Elections are held every four years: however, the next general election has been postponed by one year, to June 1977, in the interests of stability, following independence. The Queen is the Head of State; Sir John Guise is the Governor General and Mr. Michael Somare, previously the Chief Minister, has become Papua New Guinea's first Prime Minister.

Another element which has aroused considerable attention relates to the Bougainville Provincial Government declaration of independence from the central government from September 1, 1975. This breakaway movement is based on the premise that Bougainville Island, the site of the large copper mine, has different traditions, ethnic background and history, than the rest of Papua New Guinea. Bougainvillians claim to have more in common with the neighbouring British Solomon Island Protectorate group of islands. For all intensive purposes, however, Bougainville, continues to be administered within the framework of the central Papua New Guinea government. A secessionist movement in Papua has attracted some attention, even though it is not taken seriously by the central authorities.

Most of the two and a half million-plus population, mainly of Melanesian stock, live in small tribal communities. It is estimated that there are several hundred tribal groupings speaking over 700 different languages and dialects. The three main languages are Pidgin (550,000), English (200,000) and Motu (120,000). About 45 percent of the people live entirely through primitive subsistence agriculture and another 33 percent are transitional; while mostly dependant on subsistence agriculture, they are increasingly participating in the cash economy. There is a rapidly expanding class of Papua New Guinean government administrators and businessmen. There are also an estimated 30,000 expatriates, with a majority from Australia, who serve in the Public Service or are involved in commerce, mining, forestry, etc.

As could be expected in a developing economy, there is a rapid flow of people from country areas into the cities. Port Moresby (70,000 population), the largest city, is the capital and the administrative centre, as well as an important commercial point. Other important towns are Lae (35,000), Rabaul (25,000), the capital of New Britain; Madang (16,000), timber and fishing centre; Wewak (13,000); Mt. Hagen (9,000), the highlands agriculture centre, and Keita/Arawa, which is the base for the important Bougainville copper mine complex.

Many people consider that Papua New Guinea has now reached the economic take-off point, although it is generally recognized that Papua New Guinea will continue to rely on foreign assistance, especially from Australia, for some time to come. Australian economic aid since the war surpassed $1,300 million Australian, and about $500 million is committed for the three year period 1975/76 to 1977/78.

Additionally, international financing and aid agencies such as the World Bank Group, the various United Nations Agencies and the Asian Development Bank, will continue to assist Papua New Guinea economic development. Papua New Guinea realizes, however, that it cannot continue to rely indefinitely on foreign assistance and is moving to achieve financial self-reliance, wherein a key element will be the inflow of foreign private investment.

Opportunities for Investment

The Papua New Guinea National Investment and Development Agency was formed in December 1974 as the governmental instrument for the promotion, control and regulation of foreign investment. It acts as a central point of contact for would-be investors and coordinates their approach to all interested government departments, while at the same time assuring that any foreign

investment is consistent with Papua New Guinea's overall development aims. The N.I.D.A. has recently compiled a list of sectors where the administration would welcome foreign investment. Another list indicates sectors where development should be left to the indigenous population. In September 1975, a N.I.D.A. delegation visited principal Australian cities, where the role of N.I.D.A. and the Papua New Guinea approach to foreign investment emphasized the wish to have increased foreign investment in approved sectors, provided it is consistent with Papua New Guinea development objectives, and that Papua New Guinea be assured a fair share of resultant benefits. A similar N.I.D.A. mission to Canada and the United States, planned for 1976, should focus attention of the Canadian business community on investment opportunities in Papua New Guinea.

The most important areas for industrial development in Papua New Guinea will relate to the rich abundance of natural resources, especially in mining/oil, hydro-electric power, forestry and fisheries. *Mining* has become the single most important industry. Placer Development Corporation of Vancouver, B.C. developed an important gold mine in the 1930s at Bulolo, then phased into timber and plywood before selling out to Japanese interests in 1974, although Placer retained the management contract. The giant Bougainville Copper Pty. Ltd. (B.C.L.), is now responsible for all copper and most gold and silver production, which in 1973/74 contributed more than $350 million to the country's total export earnings of A$485 million. However, due to lower world copper prices, B.C.L.'s export earnings were reduced in 1974/75.

B.C.L. is owned 53.6 percent by Conzinc Riotinto of Australia, 20 percent by the government of Papua New Guinea and the balance by public shareholders. Other major copper resources have been located in central Papua New Guinea, close to the border of Irian Jaya; the main prospects of Freida and Ok Tedi have recently received a boost through the discovery of another major lode in the same general area, since infrastructure development costs could likely be shared by the different projects. Initial exploration of the Ok Tedi prospect was undertaken by Kennecott Copper but, following a breakdown in negotiations with the government, exploration has been taken over by a specially formed government Ok Tedi Development Corporation. Several foreign mining companies are discussing the possible development of these copper deposits. Extensive oil and gas exploration is presently being undertaken in the gulf of Papua. The government is actively pushing continued exploration for oil, gas and minerals on all fronts, seeking to bring into operation at least one additional major mine, and to promote smaller mines in less developed areas.

In the area of hydro-electric power, the *Purari River Basin* undertaking is the main project under study; it has the largest potential for development, with an estimated production of over 10,000 megawatts. A major A$6 million feasibility study of the Wabo site on the Purari River is presently being undertaken on a joint basis by Papua New Guinea, Australia and Japan. While any development is contingent on the outcome of this feasibility project, as well as Papua New Guinea's ability to eventually attract high energy users, such as an aluminum smelter or an uranium enrichment plant, the Papua New Guinea government has already sought to inform Canadian firms of the potential prospects surrounding the Wabo scheme by writing to the Consul Commercial's office in Sydney.

Forestry

High rainfall and tropical conditions are such that over 70 percent of Papua New Guinea is covered by dense forests, with many species suitable for construction, tropical hardwood furniture and veneers. Pulpwood prospects are also being considered. Papua New Guinea forestry exports have traditionally been in the form of logs and some plywood (with the Placer Development Corporation concession at Bulolo the largest exporter). Over the past few years, there has been some activity by Japanese, U.K. and Australian firms in the use of concessions for the production of sawn timber, veneer and woodchips. Perhaps the largest project presently under consideration is at Vanimo, situated on the north east coast of Papua New Guinea. Here, an FAO financed in-depth study on the extent of the forestry resources and alternative methods for its exploitation was undertaken by Sandwell & Company of Vancouver. The *fisheries* sector has yet to be fully exploited, even though studies indicate Papua New Guinea waters to be rich in tuna, prawns, crayfish, barramundi, as well as other species. While the government will continue to welcome the fishing of its waters by foreign fleets, it will encourage catches to be landed in Papua New Guinea and processed to the maximum extent feasible. Both a prawn and crayfish operation and a tuna loining operation are being promoted by the government and would appear to offer interesting investment potential.

Trade

The economy of Papua New Guinea traditionally has been based on tropical agriculture crops, such as coconut, coffee, cocoa, hardwood logs and lumber, rubber and tea, but since the Bougainville copper mine came onstream in April 1972, copper has become a major export item. Papua New Guinea relies heavily both on imported capital goods and consumer products. *Imports* rose from $110 million in 1966 to $252 million in 1971/72, mainly due to large imports of machinery and equipment for the

Bougainville Copper project. In 1971/72 machinery and transport imports were $101.4 million, other manufactures $71.2 million, and food, drink and tobacco $47.8 million. In this year, 51 percent of Papua New Guinea's imports were sourced in Australia (down from 57 percent in 1966), 17 percent from Japan, 12 percent from the United States, 4 percent from the United Kingdom, 4 percent from Hong Kong, and 2.5 percent from Singapore.

Papua New Guinea statistics show imports from Canada were A$2 million in 1971, A$2.5 million in 1972, and $730,000 in 1973, with the most important items being the grinding mill balls, bought by the Bougainville Copper Mine, and Twin Otter aircraft and replacement aircraft engines. It is likely, however, that considerable amounts of Canadian goods, especially log skidders and road graders, enter Papua New Guinea via Australia, and are shown as imports from Australia.

Canadian export prospects, especially for resource and transportation related equipment and consulting services, are very good. Due to revaluations of the Australian dollar and high Australian inflation in relation to Canada, Canadian goods have become more price competitive over the past three years. The introduction of new shipping services between Vancouver and Papua New Guinea has also been a favourable factor. For instance, Canadian-assembled dump trucks have recently been ordered by the Bougainville Copper Mine, which is also looking to the possibility of importing Canadian pre-fabricated housing for the mine site. Equipment for mining, woodchip plants, skidders, road graders and all-terrain vehicles, especially heavier models, and STOL aircraft have good potential in the Papua New Guinea market.

In the field of consumer goods, one should note that an increased level of expectations, resulting from the movement from the country to the towns, and the entering of the cash economy by increasing numbers of Papua New Guineans, has caused personal consumption expenditure to increase on average 13.7 percent over the past few years; and the rate is accelerating. Consequently, consumer goods imports have been increased considerably. This sector is, to a large extent, controlled by the three Australian-based Pacific trading companies of Burns Philp, Steamships and Carpenters, although local co-op movements are gaining in importance. The trading companies, which traditionally sourced in Australia, are now looking for the best product, irrespective of origin; and, with the currency readjustments of the past few years, they are purchasing increased quantities from North America. It is noteworthy that Burns Philp have a buying office in San Francisco.

Canadian purchases from Papua New Guinea amounted to $250,000 in 1971, $580,000 in 1972 and $487,000 in 1973. Two-way trade, which has been hindered by the lack of regular shipping services, has room for expansion with the recent introduction of the Pacific Far East Lines LASH service by the *Australian Bear, Boltin Bear* and *China Bear*. Loading every 20 days out of Vancouver and U.S. West Coast ports, they proceed via New Zealand and Australia to the Papua New Guinea ports of Lae, Rabaul and Kieta (on Bougainville Island). Additionally, the Bougainville Copper Mine has two ships under charter which frequently bring equipment from the American West Coast to the mine site.

There are also prospects for Canadian consulting and engineering firms to win contracts for Asian Development Bank and U.N. agency-financed projects. Canadian firms have recently been engaged to do an A.D.B. road study and an F.A.O. forestry study, and are presently competing for a UNDP hydro-electric resource study and an A.D.B. town waterworks project.

Relations between Papua New Guinea and Canada are excellent. There are presently some 100 Canadian University Services Organization (CUSO) volunteers in various centres in Papua New Guinea. Several of them are working with the Papua New Guinea Business Development Agency, which seeks greater involvement of the local indigenous population in the business sector. Other Canadians are in Papua New Guinea as United Nations technical experts, working for various government departments on contract assignments, or for consulting firms. The positive impression these people have made has enhanced Canada's image. Furthermore, following full independence, Papua New Guinea would appear to wish to diversify its trade and economic interests and sees Canada as a logical source of increased economic contact. Given this situation, and the resource riches Papua New Guinea offers, Canadian businessmen visiting the Far East and Australia should consider visiting Papua New Guinea. Air service is frequent and regular from Sydney to Port Moresby. Transportation between the various centres in Papua New Guinea is good but tends to be time consuming, and hotel accommodation is good though somewhat expensive. An entry permit is required. Needless to say, the office of the Consul Commercial in Sydney stands ready to assist in making business introductions in Papua New Guinea.

Pacific Island Trading: Fiji, Papua New Guinea, New Hebrides

KAYE M. DARBON, Commercial Officer, Sydney

Fiji and Papua New Guinea (which attained complete independence from Australia in September 1975) are areas which should not be overlooked. They are small but growing markets for a wide variety of goods and Canadians should be encouraged to supply more readily in competition with Australia, New Zealand and other overseas suppliers.

Both islands are open markets with virtually no tariff or other import restrictions. Total imports into Fiji in 1973 amounted to Cdn$227 million, and to Papua New Guinea, approximately Cdn$342 million during the 1972/73 period.

For the benefit of prospective Canadian exporters who may want to explore these quite lucrative market areas, the following is a brief outline of the activities of three major island merchants operating in the above territories:

Burns Philp
Burns Philp operates independent retail and wholesale outlets in Fiji, New Hebrides and Papua New Guinea, handling all types of merchandise including agricultural, commercial, industrial products and a vast range of general commodities. Total annual sales volume is about $150 million.

All commodity buying is handled through: *Fiji* — The General Manager, Burns Philp (South Seas) Co. Ltd., Box 355, Suva, Fiji; *New Hebrides* — The General Manager, Burns Philp (New Hebrides) Ltd., Box 27, Vila, New Hebrides; *Papua New Guinea* — Burns Philp (New Guinea) Ltd., Box 75, Port Moresby, Papua New Guinea.

Burns Philp do considerable trade with the United States and intend to intensify trade relations, with the bulk of supplies going to Fiji, due to improved shipping facilities now available from the US West Coast. This should also prove of advantage to Canadian companies wishing to compete in this area. Buyers are sent overseas only periodically as Burns Philp tends to fully utilize the facilities of its buying offices in London and San Francisco.

W.R. Carpenter/ Morris Hedstrom
This group carries out merchandise wholesaling and retailing activities in Fiji and Papua New Guinea, handling a substantial volume of trade in agriculture and commercial, industrial and general commodities.
Fiji —
a) Merchandise buying and responsibility for retail outlets is handled by: The Manager, Morris Hedstrom Ltd., PO Box 295, Suva, Fiji;
b) Industrial, machinery, hardware and equipment purchases are controlled by: W.R. Carpenter (South Pacific) Ltd., PO Box 295, Suva, Fiji
Papua New Guinea —
a) General commodities, industrial and commercial merchandise handled by: The Manager, New Guinea Co. Ltd., PO Box 704, Port Moresby, Papua New Guinea
b) Agricultural equipment buying controlled by: Boroko Motors Ltd., PO Box 1259, Port Moresby, Papua New Guinea.

Steamships Trading Co. Ltd.
Steamships Trading (one of the big three in Papua New Guinea, together with Burns Philp and Carpenters) is in general merchandising (10 stores); coastal shipping (two vessels); ship repair work, plantations, motor vehicle import (Mitsubishi trucks); machinery import, hotels, timber, Budget Rent-A-Car, etc.; and has a yearly turnover of about A$30 million and an import bill of A$12 to A$15 million.

Each branch purchases its own requirements on an independent basis. However, initial contact should be made with the General Merchandising Manager, Steamships Trading Co. Ltd., PO Box 74, Port Moresby, Papua New Guinea.

Steamships Trading operates buying agencies in London, Sydney and Hong Kong and has a loose arrangement with an agent in the United States. The facilities of these overseas buying agents are utilized extensively, but periodically buyers are sent overseas to source new products.

Shipping Facilities (Fiji & Pacific Islands)
From Eastern Canada, in addition to the Atlanttrafik and Columbus Line, the Pacific America Container Express Line (PACE) accepts cargo for Suva with transhipment in Sydney. PACE is represented by Associated Container Transport Canada Ltd., Montreal, and by McLean Kennedy (Ontario) Ltd., Toronto.

Sofrana-Unilines has a roll-on and roll-off service between Sydney and most of the Pacific islands which permits containers to be transhipped from Sydney without having to be opened and repacked, although there is the question of time.

P&O Lines has direct services approximately four times yearly from Vancouver to Fiji but this is mainly for passengers. Additionally, the new South Pacific United Lines, a subsidiary of the French government line, Messageries Sp. Maritimes, has a service from the US West Coast to the Pacific Islands and would call at Vancouver on inducement.

The Crusader Line has direct monthly sailings from Vancouver to Suva, providing dry and refrigerated cargo space, and is represented in Canada by these agencies: Furness Withy & Co. Ltd., 1531 Marine Bldg., Vancouver, BC; The Robert Redford Co., 211 St Sacrement Street, Montreal, Quebec, and 200 Bay Street, St. 601, Toronto, Ontario.

The Canadian consulate in Sydney covers Fiji, Papua New Guinea and New Hebrides, and Canadian exporters should not hesitate to seek its assistance in following up with contact in any of these areas.

Indian oil exploration

F.J. LABERGE, Asst. Commercial Secretary, New Delhi

India has given priority to finding ways of reducing its dependence on imported petroleum, which cost it $1.2 billion in 1975-76. This amount represents two thirds of the strongly controlled Indian demand for petroleum products, the other third coming from local onshore production. The Indian government is confident of increasing this production to 28 million tons by 1980-81, meeting completely the estimated demand for that year. Most observers feel this target is over-optimistic, but the fact remains that the very encouraging signs encountered in 1975 in offshore exploration, and the determined steps undertaken to develop the Bombay High offshore oil field, point to the possibility of Indian self-sufficiency in oil by the mid-Eighties.

The prime mover in this is the government-owned Oil and Natural Gas Commission (ONGC) which has exclusive exploration and exploitation rights for all Indian territory, both continental and offshore, and in other countries, with the exception of a small enclave of 2000 sq km in Northeast India (Assam), licensed to Oil India Ltd. Within the same region, ONGC operates a number of wells and these, together with its other ones located in the Western part of the country (Gujarat), produced in 1975-76 a total of 5.4 million tons of crude oil.

ONGC intends to pursue vigorously its onshore drilling program, spudding 70 wells in 1976 and deploying progressively within the next two years 12 new rigs to add to the 34 already in place in 1975. But emphasis in terms of equipment and overall expenditures is on development of ONGC's field 100 miles off Bombay. The Commission plans to drill during 1976 10 more exploratory wells to add to the 10 drilled previously, plus 18 production wells with an installed capacity by the end of 1976 of more than 2 million tons of crude oil, with actual expected production of 0.5 million tons during this year. To attain its target, ONGC may need to spud this year a smaller number of wells than forecast since one well tested last December showed a productivity of 10,000 b/d, compared with an expected productivity average of 2,500 b/d per well.

ONGC's production facilities in the Bombay High consist of steel jackets and production platforms. It has one drill ship and is acquiring another. The water depth of approximately 200 feet, and oil horizons depths of 3,000 and 4,000 feet provide environmental conditions much more favourable than in the North Sea and permit utilization of the relatively inexpensive light steel jackets.

ONGC also intends to deploy its survey ship Anweshak, and another one to be purchased, to continue gathering seismic data on the Indian continental shelf. The Commission's exploratory drilling in Iran and Iraq will continue, as will drilling under contract in Tanzania, and the pursuit of other opportunities in Lybia and Egypt.

The other major "actor" in this scenario is Oil India Ltd., a joint venture of Burmah Oil and the Government of India. Oil India undertakes limited exploration within its licensed territory to maintain production of 3.1 million tons a year, and this year it may receive permission to extend its field of operations to other areas, in order to relieve ONGC, which is hard-pressed for quick offshore results.

Foreign contractors in the exploration phase in India include:

1) McDermott Co., a US corporation with platform fabricating yards in Dubai, which is under contract to ONGC to supply and install four jacket platforms and one mother platform. Some Canadian production equipment (separators) has been flown in and installed on these platforms;

2) The US Reading and Bates group, which surveyed the Kutch area and is now performing exploratory drilling with "promising indications";

3) The US Carlsberg group, whose local member, Natomas of India Inc., has already encountered a show of oil in one of its exploratory wells in the Bay of Bengal;

4) The Canadian group, comprising Asamera Oil Corp. Ltd., Canadian Superior Oil Ltd. and North Canadian Oil Ltd., which was awarded in October last year a contract to explore the Cauvery Basin area offshore Tamil Nadu in South-East India. The Asamera Group was to begin its seismic survey in January-February.

Market for equipment and services

India is already a familiar market for many Canadian oil equipment manufacturers. More than 30 companies have appointed agents and these have been instrumental in making sales (from 1972 to 1975 inclusive) of approximately $28 million worth of machinery and equipment, mostly drill and casing pipes, gas turbines, pumps, compressors, cementing units, valves, special vehicles, and various drilling and production equipment.

The list of intended procurements of ONGC and Oil India is too extensive to be included in this article but suffice to say it offers good opportunities to Canadian manufacturers. Of course, the Indian market is generally cash-poor and is a difficult place in which to sell, but the easy excuses such as "we need CIDA financing"or "will they have money to pay" have been countered during the last four years by the record of American companies which have operated in purely commercial fashion to increase their share of the Indian machinery market from 10 percent to more than 40 percent (worth $100 million by end of 1976).

This feat has been accomplished in spite of the rupee trade agreements facilitating sales of Rumanian and Russian equipment. India recognizes the general technical quality of US oil field machinery and the almost unmatched superiority of its technology and equipment in offshore prospecting. Canadian companies whose equipment meets these standards may take advantage of

Offshore drilling in Indian waters has few of the hazards encountered in the North Sea. With the water 200 feet deep and oil horizons of 3,000 and 4,000 feet, relatively inexpensive light steel jackets can be employed.

this "open-door" to visit India and invite buyer representatives over to their plants. Unlike many buyers in India, ONGC can be influenced by good promotion, since offshore prospecting and development are new to it.

Import policy

Having given high priority to oil exploration and development, the Indian government releases necessary free foreign exchange (FFX) for procurement of equipment, supplies and services. But this is done only after ascertaining that the required material is not available domestically, or from Eastern European countries against payment in rupees. The availability of deferred FFX payment through lines of credit or any form of credit is also appreciated by the government. This financing improves the competitiveness of a quotation but does not automatically assure closing a deal. In fact, most of ONGC's foreign exchange procurements are under commercial terms (irrevocable letter of credit). It is the responsibility of the buyer to procure an import licence and to pay the 40 percent duty (percentage determined by product category).

You may be informed directly or indirectly by our office of a tender notice, but the fastest way is through an agent. Unlike ONGC, which usually publicizes its notices extensively, Oil India does not accord its requirements wide publicity but writes instead to sell-known suppliers or their agents.

Entrants to this market should be aware that it is a common Indian practice to negotiate after a tender has been opened, playing one bidder against the other to get better terms. India is now importing 80 to 85 percent of the physical requirements for crude oil exploration and production but a program has been drawn up to ensure that more than 50 percent of these requirements will be met to ensure that more than 50 percent of these requirements will be met from domestic sources in the next two to three years. This import substitution may then partially hurt our sales of tubulars, but most of the more sophisticated equipment will likely continue to be imported by India. For more information, get in touch with your Regional Office.

Something to Think About: Encouraging greater industrial co-operation

Starving multitudes in Bangladesh; vast deserts in the Sahel; is this how you picture a developing nation? If it is, you will scarcely be aware of the growing opportunities now emerging for the Canadian business person in some third world countries.

Sounds improbable? Then consider, for example, countries such as Malaysia, the Philippines, Tunisia and areas such as the Caribbean and parts of Latin America. They have already acquired the necessary infrastructure for modern industry to function. They have their industrial parks, their harbours and roads, airports and communications, hydro, sewage and water supplies. Their rapidly growing urban centres provide a ready source of labour.

Such developing nations are rapidly becoming self-reliant. Their goals include the processing of their raw materials both for domestic markets and to earn much needed foreign exchange. They are committed to job creation, to starting to catch up with the industrialized nations.

What they do have is the technology, the skills, the capital and the know-how, and this is where the opportunity lies for the Canadian manufacturer to extend his business, to set up in the developing countries and to take advantage of the many inducements being offered to facilitate this process.

Consider just a few of the incentive schemes offered by third world countries to attract foreign business: there are tax holidays for the initial development periods; duty-free entry for machinery and raw materials; investment tax credits and protection in the domestic markets; industrial parks are often set up in duty-free zones, and of course there is always a ready source of labour. In addition, in many of these countries the Canadian will be happy to discover the reassuring presence of Canadian banks ready to provide services and advice.

Canadian manufacturing is often ideally suited to these developing countries. The nature of our economy has led to the development of solutions in marketing and technology tailored to small markets. Often less adaptation is needed than for the larger-scale U.S. and Western European processes.

While Canadian private investment flows to developing countries have increased significantly in recent years, to slightly more than a billion dollars in 1974, we are still far behind many industralized countries. Take for example Malaysia. Within its new industrial estates (some of them export-free zones) there are already 200 Japanese firms. Canada has only five. And it is the same elsewhere.

Industrial co-operation is considered an adjunct to Canadian foreign aid programs, and in response to the growing need for industrial co-operation, the Business and Industry Division of the Canadian International Development Agency was created to aid

and encourage the Canadian manufacturer to venture forth to extend his business, to share his technology with developing countries, to gain commercially while at the same time reaping the personal satisfaction of being a party to global development assistance efforts.

To help overcome some of the problems faced by a would-be investor, CIDA offers a program of information and advice plus financial aid for those wishing to explore the possibilities of investment in developing countries, particularly through joint ventures, but who are perhaps reluctant to incur financial costs on an exploratory visit into an unfamiliar business terrain.

First there are information and advice. CIDA receives reports and requests from the developing nations, from its own officers in the field, and from fact-finding missions undertaken by its officials. The Business and Industry Division can give information on the obstacles and incentives to private investment, the economic conditions prevailing, the possible sources of local capital. The division has knowledge of enterprises in developing countries which seek capital investment and participation in joint ventures. It can perform a general match-making service.

With the advice comes financial support. The first step is the Starter Study. The purpose of this program is to help defray costs of a visit by the applicant to the developing nation to conduct a preliminary investigation at first hand. Starter study assistance provides for the total reimbursement of allowable expenses incurred, up to a maximum of $2,500, and is intended to cover such items as the return economy air fare, plus living expenses and accommodation for up to 15 days.

By now the businessman should have a clear idea of the possibilities of setting up in his chosen country. Provided he has the support and approval of the host government, CIDA's program goes one step further. This is the Feasibility Study, intended to enable the applicant to make a detailed economic analysis of the profitability of his projected undertaking. This analysis permits on-the-spot collection of relevant data including labour rates and availability, land and energy costs, company taxes, tariffs, distribution channels, and market prospects and prices.

CIDA's program helps with the cost of this phase with a reimbursement of 50 percent of the approved allowable costs up to a maximum of $25,000 and is intended to cover salaries, travel costs, accommodation and per diems of personnel engaged in the study.

On completion of these two pre-investment studies the businessman should be in a position to make his decision as to the viability of the project. CIDA is prepared to subsidize these necessary preliminary activities to remove one of the major obstacles to Canadian firms contemplating investment in developing countries — the high cost involved in initial research.

Although the CIDA program offers no further financial assistance, support given by the Business and Industry Division does not end there. Through its pool of information on other CIDA programs and by liaison with Industry, Trade and Commerce, the Export Development Corporation, United Nations Agencies, the World Bank, regional development banks and industrial development corporations, the division is able to guide the businessman to the appropriate area to solve most problems which may arise.

For instance, the Export Development Corporation offers a very generous insurance scheme against such political risks as inconvertibility, expropriation, war or revolution. United Nations agencies and regional development banks can often provide direct financial support to joint ventures, and there are possibilities of assistance in training programs, the provision of expert advisers, and the funding of infrastructure investments in areas such as power, transportation and communications.

For more information:

Canadian International Development Agency,
Jackson Building,
Bank Street,
Ottawa, Ontario.
K1A 0G4

Posidonia 76

At Posidonia 76 Canada is exhibiting developments that improve the quality, the economy and the safety of mercantile shipping. Visitors to this leading international maritime industry exhibition in Piraeus, Greece, June 7 to 12, will find the Canadian exhiit at stand C-9, upper level promenade, St. Nicholas terminal building.

Long Canadian experience in the severe conditions of this country's coastal waters — the Arctic, the North Atlantic and the Pacific — combined with extensive research, innovative ability, and adoption of the newest techniques has developed a marine industry recognized for its practical excellence.

Examples of the Canadian marine industry's variety of capabilities being shown at Posidonia 76 include a system that provides worthwhile, all-weather, day and night, accurate navigation and position fixing, using the US Navy navigation satellite system — the completely automatic system of receiver, computer, and control and display frees navigators from many tedious calculations; and a sophisticated computer based system for marine use that guides ship's engineers in setting up shipboard steam propulsion plants to operate at maximum efficiency, continuously monitors power plant performance, and has specific aural and visual alarms that warn of malfunctions.

Insurance for cargo requiring a specific environment designed and manufactured in Canada and expected to be shown at Posidonia 76 includes a variety of refrigeration and environmental control equipment, including complete vessel refrigeration and air conditioning systems constructed in factory built modules. Heaters, coolers and refrigeration equipment, among them electric and diesel electric mechanical units for integral or clip-on use have been developed for containers, as well as a gas injection clip-on unit that maintains deep-freeze conditions during final delivery on shore.

Heavy-duty marine propulsion systems, particularly compact and economical for barges, ferries and workboats, including exceptionally rugged overstern propulsion units, up to 65 hp that can be deck-mounted either over-the-stern or through-well will be shown. Through-hull units, Canadian-built, up to 600 hp, mounted in displacement hulls, provide the ultimate in manoeuverability with 100 percent of forward thrust for reversing and greater propulsion eficiency for double-end vessels.

Some recent Canadian developments in the design and manufacture of precision control components and systems are expected to be displayed in the Canadian exhibit at Posidonia 76, such as control system for controllable pitch marine propellors.

Five separate types of marine hydraulic steering gears encompassing more than 60 sizes are manufactured by a Vancouver company. With this scope, a virtually custom-made design for each application can be produced from standard components. A wide range of steering gear controls, a line of automatic pilots and rudder position indicators are produced in Canada and the capability exists for custom design and manufacture.

Concentrating on methods of detecting and controlling the modern marine nightmare — oil spills — has led to the development of a range of highly effective equipment such as booms for permanent harbour use, for offshore and inshore use. One system provides remote sensing of spills on water without wiring with the detector transmitter buoy that transmits a signal to a receiver which can monitor 100 buoys. For cleaning up spills, skimmers incorporating both weir and belt type methods, and multi-purpose designed for regular coast guard duties, security and oil collection in rough seas have been developed by a Canadian company.

One billion dollars in orders, almost half from overseas owners, is keeping the Canadian shipbuilding industry busy today. Less than six years ago its business was all domestic and worth only $135 million. Helping to keep ship construction at an annual level of about $450 million are repeat orders from satisfied foreign customers.

Benefitting from the shipyards' success are the Canadian companies that manufacture a wide variety of innovative, dependable and economic marine components and equipment. Many of these products have won worldwide acceptance on their own merits. This is true also of Canadian companies specializing in cargo handling, with such products as containers, and bulk material unloading systems, and of the marine design and engineering firms.

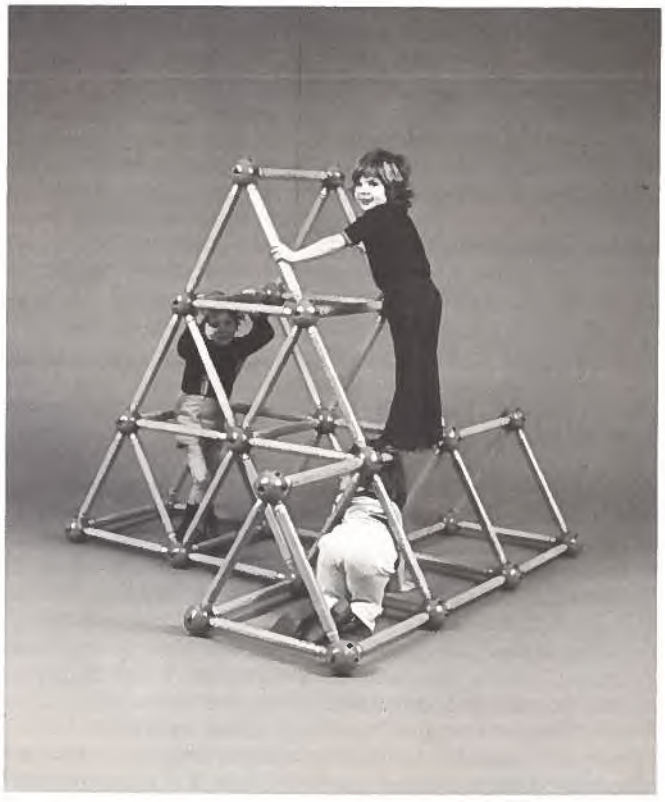
Spotlight on Design

Guy Fortier, president of the Ste-Foy, Quebec, firm of Maxima 2000 Incorporée, has designed this imaginatively-detailed modular play system. The basic set of *Barboul* contains 109 pieces: 65 rigid rods, 32 connecting spheres, eight plain acrylic panels, and four large wrenches for assembly. Rods are threaded and, like the wrenches and sphere connectors, made of injection-molded plastic. The spheres permit 45-degree links, so that space frames as well as grid structures may be built. Assembled rods are strong enough to serve as ladder rungs.

Barboul was designed to be assembled by children aged 4 and up, once they grasp the concept of the threaded rod. As well as promoting socialization through unstructured play, the Fortier system also fosters development of co-ordinated motor skills. Barboul has no sharp edges and no metal parts. Optional mirror, corkboard, and eraseable drawing panels permit any number of formats and experiments.

To Fortier's surprise, *Barboul* is also catching on as a very grown-up exhibition game. The Department of External Affairs has ordered one set already, and further sales — including more than fifty orders taken at a recent European show — will probably be used as much by adults as for children's play.

Further information on the *Barboul* system is available from the Applications Division, Office of Design, Department of Industry, Trade and Commerce, Ottawa K1A 0H5.



Update

Wanted: Manufacturers

This information is intended to promote additional manufacturing in Canada and is re-printed from the New Products Bulletin, **published by the Industrial and Trade Enquiries Division of the department. Further material on items listed is for Canadian manufacturers only and no responsibility is assumed for claims or statements made. Address enquires, quoting item numbers, to: Industrial and Trade Enquiries Division, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5. DO NOT WRITE TO THIS MAGAZINE — its staff does not have the information.**

Sewage disinfection plant
Swedish firm offers under licence the Canadian manufacturing rights to a system developed for chemical-mechanical disinfection of infectious sewage from hospitals and similar institutions, abattoirs, cargo and passenger ships, etc. The basic type plant consists of a surge tank with an overflow safety device, a comminutor, a granulator, a reaction vessel, a chlorine dosing unit, hydraulic valves, and electrical switch gear. It is claimed that with only 25-30 grams of active chlorine, one cubic metre of contaminated sewage water can be completely disinfected in minutes. Literature available. **Item 3306**

Multi-pane windows
Swiss firm is seeking a licensing arrangement with a Canadian company to manufacture its multi-pane window structures consisting of a conventional sealed double-glazed outside unit with an inside single sheet of glass 3 to 4 inches away. Room air is caused to flow between the two elements, thus warming the inside surace in winter and cooling it in summer. Claimed advantages include better thermal and sound insulation and greater solar protection, resulting in smaller heating and air conditioning plants required for commercial buildings. Literature available. **Item 3307**

Grain bins and farm buildings — Joint Venture
American company is seeking a joint venture partner for the manufacture in Canada of its grain storage bins and metal farm buildings. The storage bins have capacities from 954 to 121,000 bushels and may be used for either grain drying or storage. Also available are seven different models of metal farm buildings ranging from 25 to 50 feet in width, by any desired length, in multiples of 6 feet. Buildings are of all-steel construction in three configurations — round-ribbed, slant frame and standard frame. Literature available. **Item 3309**

Surface hardening process
German firm offers under licence the Canadian manufacturing rights to its process for surface hardening of the inner face of pipe turns. For a material of 0.45%C (C45) the attainable hardness numbers are 58-63 HR at the surface. The turns may be used in the following applications: concrete pumps, ore processing installations, slag water systems, and hydraulic and pneumatic systems. Depending on its size, the turn is either moved over the burner or, for larger turns, the burner is moved through the turn. Claimed advantages include high resistance to abrasion and extended life at small additional cost. Literature available. **Item 3309**

Compression tube couplings
British firm is offering the Canadian manufacturing rights to its line of compression tube couplings designed for high performance hydraulic and pneumatic systems. These couplings were developed to meet the demands for making reusable joints in high pressure systems, using either thin or thick walled tubes. In the assembly, the nut, slip ring, collet and bonded thrust washer form a cartridge unit to eliminate the risk of internal components being lost or misassembled. These couplings are claimed to offer excellent resistance to vibration and flexing as well as improved grip due to the longer collet engaging over a greater length of tube. A third generation coupling has been developed which is claimed to transmit virtually zero torque to the tube while maintaining zero leakage. Literature available. **Item 3310**

Marking and codating machinery
American company offers under licence the Canadian manufacturing rights to its line of marking, codating and imprinting equipment, rubber printing plates and dies, and marking inks used for imprinting cartons, bags, boxes, bottles, glass plastic and film. These machines are used by the food packaging, pharmaceutical, cosmetic, dairy, chemical and building products industries. Literature available. **Item 3311**

Determination of hydrogen in metals
British firm offers under licence the Canadian manufacturing rights covering two types of apparatus for the determination of hydrogen in steel and other metals. One apparatus is for process control of steel and iron making, the other for the quality control of all metals. Both use the basic principle of vacuum hot extraction, an accepted method for hydrogen determination. They are claimed to be inexpensive and to require only semi-skilled operators. Literature available. **Item 3312**

INVENTIONS

The following manufacturing opportunities represent products and processes that have not been commercially proven. In some cases, prototypes have been developed.

Portable fluid sample analyzer
British firm is seeking a licencing arrangement with a Canadian company to manufacture its portable fluid sample analyzer. This battery-operated, fully transistorized machine is designed to provide a quick screening method for estimating the possible incidence or extent of sub-clinical or clinical mastitis as indicated by an increase in cell count. Claimed advantages include immediate identification of suspect cows, immediate identification of the portion of the udder that is infected (thus enabling prompt treatment to be undertaken), and elimination of unnecessary treatment to the balance of the herd. Literature available. **Item 3313**

Precision tools and equipment
Swiss firm offers under licence the Canadian manufacturing rights to some precision tools and equipment which include: 1) an inexpensive torque wrench with a wide measuring range providing an accuracy of -5% and with less than 20 component parts, 2) a ball rolling

spindle without ball return in which the spindle and the nut are so formed that, when one of the two gear parts moves, energy is exerted on the balls in between and causes them to roll in a radial closed circular path, thus eliminating the need for a return channel, and 3) a rope chuck of a new design which provides easy guying and, due to the resulting double bend of the rope, gives the chuck added mooring. Literature available. **Item 3314**

Novelties
Swiss firm seeks a licensing arrangement with a Canadian firm to manufacture a climb-on playhouse which can be erected either indoors or outside. The climbing device is shaped like a house and is equipped with rungs for climbing. The collapsible frame parts of steel tubing are firmly connected together, some with hinges, others which must be iftted together. The complete arrangement is collapsible for space saving when storing or transporting. Company also offers a snow shovel with a revolving handle which is adjustable for body size. It is possible to adjust the position of this handle for use by left and right handed users. Literature available. **Item 3315**

Gymnastic equipment
Swiss company is seeking a licensing arrangement with a Canadian company to manufacture a line of gymnastic equipment which includes: 1) an apparatus consisting of a frame with springs which permits the user to jump various distances in length and height; 2) adjustable stilts with foot rests and handles that can be easily and quickly adjusted, and 3) skis with rollers for ski-walking on the snow and roller-skiing on hard surfaces. Literature available. **Item 3316**

Cheese grater; shoe polish container
Swiss firm is offering the Canadian manufacturing rights to a cheese grater made of wood or plastic and produced in the form of a mushroom, bell or tulip. The device is made up of two parts — the upper part is the grater and the lower part contains the piece of cheese which is grated by turning both parts. Another offer consists of a shoe polish container with a rotating lid which is firmly attached. The container holds two shoe polish tins whose contents can be removed by means of a twist of the lid. The container could also hold other products such as beauty creams. Literature available. **Item 3317**

Games and toys
Swiss firm is offering the rights for manufacturing under licence in Canada two new educational party games consisting of 88 coloured blocks of letters in one instance, and numbers and mathematical symbols in the other. The purpose of the games is to create words or combinations of figures. A spinning top with coloured discs is also offered in which the colour play of the discs changes according to the rotation speed of the top. Literature available. **Item 3318**

Export Opportunities

The inquiries listed below come from several sources, including branches of IT&C in Ottawa and the Trade Commissioners abroad. Please correspond directly with the addresses given and when the address is not that of a Trade Commissioner, please send copies of correspondence to the Trade Commissioner for that territory. The Department of Industry, Trade and Commerce cannot assume any responsibility for any negotiations or agreements entered into in pursuit of these export opportunities, nor can it vouch for the commercial standing of the firms involved.

Apparel and Textiles
SWITZERLAND — Textiles, working cloths for woodcutters, leather imitations, and corduroys: Commercial Division, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Building Materials
SINGAPORE — Computer flooring system, fibreglass for reinforcing fibre-plaster boards, non-aluminum window systems, equivalent of Armstrong ceiling systems and vinyl tile products: William Jacks and Co.; P.O. Box 4049, Singapore 21, Singapore.

Consumer Goods
SINGAPORE — Electrical household appliances, writing instruments of Parker, Sheaffer or Cross standard, photographic equipment, educational toys and hobby kits, pocket and table lighters, gents' leather wallets, cufflinks, tie-pins, etc., infant accessories, ladies evening bags to Glomesh or Oroton standard: Eastern Agencies (Singapore) Pte. Limited, Lawson Building, 393, Alexandra Road, Singapore 5, Singapore.
SWITZERLAND — Gift items, books, textbooks, furniture: Commercial Division, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Electrical and Electronics
INDIA — 1) Supply of 400 KV busbar steel structures for power substations; 2) testing instruments for carrier/networks/general sections of a telecommunication research centre; 3) testing instruments for data digit/electronics laboratories; 4) testing instruments for microwave and other equipment. Tenders close in early May. For more information: Counsellor (Development and Commercial), Canadian High Commission, PO Box 5208, Shanti Path, Chanakyapuri, New Delhi 21, India; Telex 2346 (DOMCAN NDI 2346).
SWITZERLAND — Electronic quartz; electronic components, measuring instruments; computer peripherals; automated text systems: Commercial Division, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Equipment and Machinery
GREECE — Potato packing equipment, includes following requirements: cleaning, brushing, sorting and sacking. For more information: A. Papastavrou, P.J. Kondellis SA, 125 Orfeos Street, Athens, Greece.
SINGAPORE — Safe deposit lockers, banking equipment (vault doors, etc.), and building equipment (dumpers, air compressors, concrete mixers, vibrators, water pumps): William Jacks and Co., PO Box 4049, Singapore 21, Singapore.
SWITZERLAND — Tools, machinery and accessories for forest industry, automotive accessories, and agricultural equipment: Commercial Division, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Foodstuffs
SWITZERLAND — Butter, chickens, frozen and canned lobster meat (not containing tripolyphosphate) meat offals, beef, oxtails, frozen beef and calf tongues, and salmon: Commercial Division, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Miscellaneous
AUSTRIA — Business consulting firm offers services to companies interested in establishing branch offices or factories in Austria: Consent Betriebsberatung Ges. m.b.H., Dommayergasse 4, A-1130 Wien, Austria.
WEST GERMANY — Engineering and sales bureau wishes to establish business relations with Canadian capital goods firms. German company maintains contacts with German chemical manufacturers, resource industries, architects and the planning departments of firms in building, machinery and automotive sectors: Canadian/German Chamber of Commerce Inc., 2015 Peel Street, Suite 1110, Montreal, Quebec H3A 1T8.

Foreign Tariffs and Trade Regulations

Brazil
In the second week of February, the government announced further restrictions on imports of superfluous goods for a period of six months in another effort to correct the balance of payments problems.

The Foreign Trade Department of the Bank of Brazil has published a list of items for which import licenses will not be issued. Although the importation of goods on the list is not prohibited, the importer will have to pay a levy of 100 percent of the value plus 50 percent of the duties and taxes in order to obtain an import licence. These charges are in addition to the 360-day prior deposit for the full f.o.b. value of the import, duties which for non-essential goods range from 155 percent to 205 percent and an Industrialized Product Tax of up to 75 percent applicable on the duty-paid value.

The following products are exempted from the new import restrictions: cod, cheese, olive oil, olives, whisky, wine, vodka, caviar and some tools. Also exempt are products destined for re-export, or for export industries for which duty drawback would be granted. Raw materials, machinery and capital equipment will not be prohibited, but a close watch will be kept on such imports. Imports from the Latin American Free Trade Association (LAFTA) are not subject to the import embargo.

Commonwealth Caribbean
Effective January 1, 1976, the Caribbean Common Market (CARICOM) introduced a single column tariff by eliminating the British Preferential Tariff and implementing a new Common External Tariff.

The latest available information on enforcement of the new tariff schedules by individual member countries is as follows:

Barbados	January 1, 1976
Jamaica	January 1, 1976
Trinidad & Tobago	January 1, 1976
Belize	February 1, 1976
Guyana	Spring, 1976
Leeward & Windward Islands	April 1, 1976

The Leeward & Windward Islands (Antigua, Dominica, Grenada, St. Kitts — Nevis — Anguilla, St. Vincent and St. Lucia), which form the Eastern Caribbean Common Market within the CARICOM, will also eliminate the British Preferential Tariff, but are expected to continue to use their present General Tariff while the CARICOM Common External Tariff is phased in through to 1981.

Effective November 26, 1975, the Bahamas, which is not a CARICOM member, eliminated the British Preferential Tariff, and from that date all imports were subject to the existing General Tariff.

Gabon
On January 20, the government of Gabon decreed that all foreign companies operating in Gabon will be required to cede 10 percent of their capital to the state. In addition, they will be required to appoint an official representative of Gabon as administrator. All companies were given 90 days in which to begin negotiations with the government.

Jamaica
Notice to Importers No. 2947 of December 31, 1975, contains a list of 26 items for which no specific import licence is required for their importation into Jamaica. All previous notices removing certain items from the specific import licence requirement have been cancelled.

The new list includes the following products: artificial eyes and limbs; hearing aids; blood and plasma; dental, medical and surgical instruments and equipment and parts thereof; books; magazines, newspapers, periodicals; charts, globes, maps, plans; printed music; artist materials; certain stationery items (excluding paper); bull semen; eggs for hatching; livestock for breeding purposes; ducklings and turkey poults for breeding purposes; seeds and stocks for planting; vaccines; weed killers, insecticides, fungicides, pesticides; certain items for the fishing industry; sports goods; flashlight batteries and magneto lamps; commercial solder; needles and pins; wooden clothes pegs; and paper patterns with sewing instructions.

Further details are available from the Caribbean Division, Western Hemisphere Bureau.

New Zealand
The Government of New Zealand introduced, effective February 2, 1976, an "Import Deposit Scheme" covering the following items as enumerated in the Import Licensing Schedule:

Item code	Description
22.100	Wines and spirits;
37.100	Photographic plates, film, sensitized paper etc., including exposed and developed cinemetographic film;
69.095	Domestic tableware, statuettes and other ornaments of ceramic material;
70.145	Drinking glasses and other domestic glassware;
71.100	Pearls, precious and semi-precious stones, precious metals and articles of jewellery;
84.100	Domestic sewing machines, lifting, handling, loading or unloading machinery, excavating and other earth moving machinery; typewriters, calculating machines, computers, office machines and parts.
87.115	Tractors;
90.100	Photographic cameras, photocopying and thermocopying apparatus;
91.100	Clocks, watches and parts;
99.105	Antiques.

Under this scheme, importers of the above products are required to deposit, in a special account of the Reserve Bank, an amount equal to one-third of the value for duty of the goods. The monies deposited are to be held for a period of six months and then refunded without interest.

The stated purpose of this measure is to restrict imports of products the government considers to have been subject to an undue increase in ordering and importing. It is anticipated that imports will be restricted by the importers' need for additional financing. Banks are being instructed not to increase lending to provide for the deposits, nor will the added financing costs be accepted as justification for price increases on items whose price is subject to control.

The scheme is to operate for one year and will be subject to review. The government has stated that it will not hesitate to extend the scheme should evidence of speculative ordering or excessive importing of other goods become apparent.

Peru
In view of balance of payments problems, the Peruvian Minister of Economy and Finance announced the following import restrictions on January 12, 1976: (1) a prior import licence will be required for all imports; (2) a 15 percent reduction of newsprint imports.

International Projects

For more information about these projects, write to the international bank concerned, or to L.H. Brown, Chief, Aid Operations Division, International Financing Branch, Dept. of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5, with a copy to the appropriate Canadian Trade Commissioner.

BOLIVIAN HIGHWAY CONSTRUCTION
The Inter-American Bank has approved a $45 million loan to help finance the construction of a 27-mile section of the La Paz-San Borja highway in Bolivia.

The loan will be used by the Servicia Nacional de Caminos (SENAC), the agency charged with the construction and maintenance of Bolivia's highways, to reconstruct a 27-mile section of highway between La Paz and Cotapata. The project forms part of the first stage construction of the La Paz-San Borja highway, which is designed to connect the Department of Beni with the national highway system.

Implementing organization: Servicio-Nacional de Caminos (SENAC), La Paz, Bolivia.

Procurement: International public bidding among Bank member countries on goods and services imported with resources of the Bank loan. National public bidding on domestic purchases.

GUATEMALAN TECHNICAL EDUCATION
The Inter-American Bank has approved an $8.6 million loan to help finance the expansion of technical education in Guatemala.

The loan will be used by the Instituto Técnico de Capacitacion y Productividad (INTECAP), a government agency charged with the development of human resources to provide the necessary education infrastructure to train some 27,000 workers per year for the industrial, agricultural and service sectors.

Implementing organization: Instituto Técnico de Capacitacion y Productividad (INTECAP), 12 Calle 4-17, Zona 1, Guatemala City, Guatemala.

Procurement: International public bidding in Bank member countries on goods and services imported with the restricted resources of the Bank loan and international public bidding on goods and services financed with $200,000 in unrestricted resources of the Bank loan. National public bidding on domestic purchases.

HONDURAN TELECOMMUNICATIONS
The Inter-American Bank has approved a $14.7 million loan to help expand and improve telecommunications services in Honduras.

The loan will be used by the Ministry of Communications. Public Works and Transportation (SECOPT), through its General Bureau of Telecommunications (DGT), to expand and modernize telephone service in San Pedro Sula, Tegucigalpa and other major Honduran cities. The project will also strengthen the financial management and operating capacity of the national telecommunications system.

Implementing organization: Ministry of Communications, Public Works and Transportation (SECOPT), Tegucigalpa.

Procurement: International public bidding among Bank member coun-

tries on goods and services imported with resources of the Bank loan. National public bidding on domestic purchases.

INDONESIAN RESOURCE SURVEY AND MAPPING

The World Bank has approved a loan of $13 million to Indonesia to help finance a national resource survey and mapping project. The total cost of the project, which is expected to make a major contribution to the Indonesian economy, will be $46 million.

The lack of adequate resource data has become an increasingly important constraint on effective national and regional planning in Indonesia and on the rate of preparation and implementation of projects. Efforts to evaluate and map the topography, soils, hydrology, forests, and other resources have been seriously hindered by the absence of up-to-date maps, aerial photography, and geodetic control.

The project provides for the establishment of a national resource survey and mapping capability, and includes the construction of facilities and the acquisition of equipment required for map production and resource evaluation. It includes procurement of remote sensor imagery and large-scale aerial photography to support detailed resource mapping and evaluation, and navigational charting; and technical assistance and training in project-related fields.

In addition, there will be a program of mapping and resource survey operations to be implemented by the National Coordinating Agency for Surveys and Mapping (BAKOSURTANAL), and a complementary program of technical services.

Implementing organization: Bakosurtanal (National Coordinating Agency for Resource Survey and Mapping), Jalan Dr. Wahidin 1, Jakarta, Indonesia.

Procurement: Except as noted below, all components of the project to be financed by the Bank loan, including large-scale aerial photography, will be procured after international competitive bidding in accordance with Bank guidelines. For equipment and materials, a preference of 15% or the level of custom duties, whichever is less, will be provided to qualified local manufacturers. Some of the required equipment and materials ($400,000) are highly specialized, patented or compatible with larger equipment systems, and thus unsuitable for international competitive bidding. The civil works contracts for headquarters building and facilities (1.4 million) of BAKOSURTANAL will be given a 7-½% preference in bid comparison. For the provision of technical services, valued at $2.2 million, including the extension of geodetic control in Kalimantan, photographic processing and base-map production for Sumatera and Irian Jaya, qualified firms or consortia of firms will be selected.

Consultants: BAKOSURTANAL will engage internationally-recruited experts in the fields of imagery analysis, orthophoto production, aeronautical charting, cartographic reproduction, data handling and resource survey (10 man-years). In addition, specialist services for two man-years to meet short-term needs of BAKOSURTANAL will also be financed.

MEXICAN RURAL DEVELOPMENT

The Inter-American Bank has announced the approval of two loans totaling $40 million to help Mexico carry out an integrated rural development program which is designed to benefit 1.3 million low-income persons.

The loans — one for $20 million from the Bank's ordinary capital resources and one for $20 million from the Fund for Special Operations — were extended to the Nacional Financiera, S.A. (NAFINSA), the Mexican Government agency charged with negotiating foreign loans, and will be used by the Secretariat of the Presidency through 14 government entities to generate permanent sources of employment and raise the income level and living standards of the population in 15 regions of Mexico.

Implementing organization: The Secretariat of the Presidency operating through 14 government entities, including the Ministry of Water Resources (SRH), the FIRA-FEFA Trust Funds established in the Banco de México, S.A., the Ministry of Public Works (SOP), the Federal Power Commission (CFE) and the Ministry of Agriculture and Animal Husbandry (SAG).

Procurement: The purchase of goods and services will be carried out by direct contract or force account by the executing agencies.

Canadian-built drilling rig for North Sea

A fourth Canadian-built drilling rig is operational in the British sector of the North Sea. The latest addition is the semi-submersible self-propelled *Stadrill*, built as project number 705 by the Halifax Shipyards Division of Hawker Siddeley Canada at Halifax, Nova Scotia.

It is the sixth drilling rig built by Halifax Shipyards and the third which the company has supplied for North Sea operation, the other two being Sedneth 701 and Sedco 704.

Stadrill, costing around $35 million, was designed by Sedco for Shell UK Exploration and Production Limited. Construction of the rig began towards the end of 1974.

Completion was set back slightly when, during the final stages of construction, it broke free of its moorings in an 80 m.p.h. storm, suffering some minor damage to one of the pontoons. Nevertheless, the rig left Halifax in early December 1975, under tow to Rotterdam, where it was dry docked for repairs to the pontoon.

On January 24th, 1976 *Stadrill* set out for its first assignment — to drill an appraisal well in Shell/Esso's Cormorant field on block 211/21, some 75 miles NE of the Shetlands. Another Sedco 700-series drill rig, *Sedco 709*, is currently under construction at Halifax, to be followed by *Sedco 471*, a fully dynamically-positioned drillship.

Industrial groupings in Japan

Dodwell Marketing Consultants have revised and expanded their publication, *Industrial Groupings in Japan*. The firm claims it has produced a "unique" source of reference material on the 13 major industrial groups which account for more than 70 percent of the turnover of all quoted companies in Japan. For more information: Dodwell Marketing Consultants, CPO Box 297, Tokyo, Japan; Telex J22274, J22602.

Market facts for decision makers

Analyses of Canadian imports of a variety of products are available free of charge from the Import Analysis Division, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5. The following is a list of the latest available. If you would like the Branch to prepare an analysis for you, write to its Chief, or to the industry Sector Branch that handles the product in which you are interested.

Report No.	Class No.	Subject	Period
89-75	448-28) 448-29) 448-38) 448-44) 448-49) 448-68) 448-69) 448-89)	Steel tubing and pipe	April & May 1974
90-75	546-16	Livestock feeders	April to June 1975
91-75	217-99) 339-99) 423-99)	Seaweed extraction products and natural gums and resins	April to June 1975
92-75	113-10	Black tea	October 1974
93-75	323-13) 425-31)	Sheets and shapes of foam rubber, sponge rubber and synthetic plastic foam	Jan. to March 1975
94-75	30-69) 44-69)	Sea fish, fresh, frozen and canned	May 1975
95-75	513-27	Industrial hoists and lifts	April to June 1975

New company

SNC Enterprises Ltd. and Worley Engineering Inc. have formed a Calgary-based company, SNC Worley Ltd., to provide engineering, procurement and construction services to Canada's oil and gas industry, using advanced techniques gained in the North Sea fields.

The SNC Group is one of Canada's largest organizations providing engineer-procure-construct services to process industries around the world. Worley Engineering Inc. of Houston and Worley Engineering Ltd. of London represent an engineering and project management organization specializing in development of oil and gas producing and processing facilities on an international scale.

According to an SNC spokesman, the new company combines expertise in oil and gas processing and modular construction techniques from Worley with the full engineering, procurement and construction resources of The SNC Group. Total staff behind the new company numbers some 2,700 engineers, designers and other specialists.

PDI Seminars

In May, June, July, September, October, November and December, The Professional Development Institute is running management seminar/workshops in Montreal, Toronto and Ottawa. Among other subjects, these three-day sessions will deal with objectives formulation, conflict and matrix management, quality control, budgeting and financial management, and effective team management. For more information: The Professional Development Institute PDI Ltd., PO Box 1181, Station B, Ottawa, Ontario K1P 5R2; telephone 613-235-1115.

Freight charters — East Africa

Canadian firms shipping to East Africa by air should note that Concord Air Freight Systems, utilizing charters from Britain, can offer overall cheaper than normal air freight rates to East Africa. They have offices in Toronto, Montreal and Vancouver — *E.W. Burianyk, Commercial Secretary, Nairobi.*

Books

The following reviews originally appeared in International Trade FORUM, *published by the International Trade Centre in Geneva, Switzerland.*

Assessing Export Potential: How to Conduct a Feasibility Study into the Profitability of Export Activities
By M.T. Slijper. *Gower Press, Epping, Essex Britain 1972. 150 pages. $10.15.*
It is difficult to imagine a more important topic for small and medium-sized manufacturers and exporters in developed and developing countries. The selection of the first market and the subsequent early expansion of export business is critical in the formation of management attitudes, particularly at senior levels. Mr. Slijper's book is thin, derivative and certainly not worth its price.

The book begins with a series of alarmingly superficial case studies, which are no help at all. The section on market identification is very weak. Most firms sell a very specific product to a very specific market segment and need advice on how to work with basic data before planning market visits, but Mr. Slijper contents himself with platitudes (p. 28): "that markets ultimately consist of people and consumers who are increasingly becoming more discriminating in their choice of product as well as their expectations of value."

The section on marketing strategy is largely taken from McMillan and Paulden's excellent *Export Agents*, which can be recommended. The next chapter, on licensing and overseas subsidiaries is very bad and the promotional and distribution chapters are short and poor. A good section on air freight costing (p. 75) is found on examination to be "condensed from BOAC. Marketing Study." The financial chapter is good, but is almost totally useless for developing country use as it is concerned with the financial services available in the United Kingdom.

Mr. Slijper's book should certainly not be purchased by exporters or export library in a developing country. A.H.

European Directory of Market Research Surveys
Edited by Thomas Landau. *Gower Press, Eppling, Essex, Britain 1975. 326 pages. $25.*
A directory of some 1,500 market research reports published in Europe since January 1972, covering industrial and consumer goods in the European markets. Surveys are listed alphabetically by subject, by country covered and by research organization. The source and price are listed for each entry. All survey titles are given in English, French and German. Compiled by the European Metra Group.

Subject Directory of Special Libraries and Information Centers: Business and Law Libraries
Edited by Margaret Young, Harold Young and Anthony Kruzas. *Gale Research Co., Book Tower, Detroit, Michigan 48226, USA 1975. 209 pages. $25.*
One of a series of volumes on special libraries and information centres in the United States and Canada. A typical entry gives the official name of the library, name of the sponsoring institution, address, name and title of person in charge and of other professional personnel, collection statistics, description of the subjects with which the library or collection is concerned, policies regarding use of the collection, services provided and telephone number. The book should be useful for market researchers working in these countries.

The Directory of British Importers
Trade Research Publications, 7 Oxfield Close, Berkhamsted, Herts., HP4 3NE, Britain 1975. 483 pages. £11.50 in Britain; £13.50 in Europe; rest of the world £17. (air mail) or £13. (surface).
A very useful reference book of exporters selling to the United Kingdom. The directory lists a large number of UK firms involved in importing (including all the members of the British Importers Confederation). Information on each firm covers address, telephone number, telex number, cable address, names of firms it is associated with in the UK and abroad, type of business, names of import executives, products imported, trade names, import turnover and trade organization membership. Five indexes show firms by products imported, the supplying countries, associates in the UK and abroad, and brands and trade names A comprehensive list of products is shown in English, French, Spanish, German and Italian.

International Dictionary of Management
By Hano Johannsen and G. Terry Page.
Kogan Page, London, Britain 1975. 416 page. £15.50.
A guide to the legal framework and international practice concerning these two types of international trade contracts. Includes decisions of foreign courts and arbitrators on this subject, as well as legislative developments. Of interest primarily to a firm's legal adviser. Published as Volume 5 of *British Shipping Laws.*

Factoring
By Melvyn Westlake, *Pitman Publishing, London, Britain 1975. 162 pages. £5.95.*
A book outlining a rapidly growing financial service, used in both the domestic and international markets. Describes how factoring works, the extent to which it is currently used and possible future developments. Much of the material is based on interviews with the senior management of factoring companies and firsthand observation of their operations.

Brazil / Canada Railway Symposium

ROGER BLAKE, Consul and Trade Commissioner, Rio de Janeiro

The Brazil/Canada Railway Symposium held in Rio de Janeiro attracted more than 200 participants, among them representatives of 14 Canadian companies and four Brazilian firms. Among the distinguished guests were Brzazil's Minister of Transportation, Dyrceu Araujo Noqueira, as well as the Secretaries of Transport for Rio and Sao Paulo.

Because Brazil will place increased emphasis on the railway sector over the next few years and because Canadians know a lot about the business of railways, it was felt that both countries might benefit from a symposium covering all aspects of inter-urban rail transport.

It is expected that Brazil's Railway System Developmnt Plan for 1975-79 will involve the expenditure of at least $7 billion in technological improvements, introduction of modern management methods, construction of 2,360 miles of new track, improvement of 6,700 miles of existing track, electrification of 900 miles of track, acquisition of at least 300 engines, 20,000 wagons, 140 passenger coaches and 70 unit trains. About 1,500,000 tons of track will be purchased. This ambitious program, one of the biggest undertaken by Brazil, should provide many opportunities for Canadian consultants and suppliers of capital equipment.

The objectives of the three-day symposium in Rio were: to give Canadian companies a first-hand look at present and future opportunities in the Brazilian rail sector; to demonstrate to Canadians the possibilities presented by joint ventures, transfers of technology and licensing agreements (much of our future involvement in Brazil will have to be in the form of joint participation); and to acquaint Brazilians with Canadian expertise.

In addition to the senior government people, representatives of Brazil's three largest railway companies participated in the symposium, during which each company was allotted one-hour to make its presentation, followed by a question-and-answer period.

The timing of the symposium was excellent, but real benefits will only be realized if Canadians are quick to follow-up. Areas of greatest potential seem to be consulting and joint ventures. For more information consult your Regional Office or write: Canadian Consulate, Caixa Postal 2164-ZC-00, Edificio Metropol, Avenida Presidente Wilson 165, Rio de Janeiro, Brazil.

Permits Handbook

The *Export and Import Permits Act Handbook*, which contains the Act, Statutory Instruments and related procedures, is now available at $15 per copy. An amendment service is also available at $5 a year. With this new publication now in circulation, copies of the Act, Regulations, Control Lists, etc. will no longer be provided by the Export and Import Permits Division of the Department of Industry, Trade and Commerce. The *Handbook* is available from Information Canada bookstores. For more information: Export and Imports Division, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5.

Export-import publication

Paul Singer of Scarborough, Ontario, is publishing a booklet called *The Monthly Ex-Im Opportunities*. It is a listing of products being bought and sold around the world. While the Department of Industry, Trade and Commerce has not endorsed this publication, it appears to contain worthwhile information. For details: P.B. Singer, PO Box 1033, Station C, Scarborough, Ontario.

Moving?

If you are moving and wish to continue receiving *Canada Commerce,* please let us have your new address. The best way to do this (we have a computerized mailing list), is to remove the address label from the back of one of your old issues and mail it along with the new address.

Having the old label makes it easier to give instruction to the computer — according to the boffins. It also helps to save a lot on postage that would otherwise be wasted. Address changes go to: Eleanor Simser, Printing and Distribution, Office of Information and Public Relations, Ottawa, Ontario K1A 0H5.

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