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WORLD MARKET OPPORTUNITIES

[Canada, Dept. of Industry, Trade and Commerce]

**TEXTILES AND
CONSUMER
PRODUCTS**

FOREWORD

This publication is one of a series of World Market Opportunities booklets produced by the Department of Industry, Trade and Commerce to assist Canadian companies in determining potential export markets. The information presented has been derived from input provided by the department's various industry sector branches, international bureaux and Canadian Trade Commissioners abroad.

Countries represented have been arranged in special groups that encompass particular market areas of geographical regions. An alphabetical listing of all countries can be found at the back of the publication.

The World Market Opportunities series includes: Agriculture and Food Products, Capital Projects, Chemicals, Defence, Electrical and Electronic Products, Fisheries, Machinery, Resource Industries and Construction, Textiles and Consumer Products, and Transportation Industries.

Further information on the series or on exporting is available from the department's Business Centre in Ottawa. The centre receives calls 24 hours a day and may be contacted free from anywhere in Canada by dialling "0" and asking the operator for Zenith 03200.

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EASTERN EUROPE

BULGARIA

The Market

Since World War II, Bulgaria has been transformed from an agricultural to an industrial country. Fully 77 per cent of the labour force is engaged in non-agricultural sectors which account for 85 per cent of total production. In the new Five-Year Plan (1976-80), Bulgaria is expected to continue to record one of the fastest economic growth rates in the world (approximately 9 per cent per annum). About 70 per cent of capital investments in material production is to be used for modernization, reconstruction, and expansion of existing production facilities.

Consumer goods are low priority throughout Eastern Europe, and this remains a difficult market for Canadian companies. Bulgaria is an increasingly important exporter of shoes and apparel (particularly outerwear).

Import Policies

Bulgaria's foreign trade amounted to about \$11.0 billion in 1976. Of this, approximately 75 per cent was with COM-ECON countries and 55 per cent with the Soviet Union.

Foreign trade is managed by monopoly Foreign Trading Organizations. Because they purchase for the whole of Bulgaria, orders are large enough to make persistence worthwhile.

Increasing foreign debt has led Bulgarians to push hard for "industrial co-operation agreements" with Western firms. The crudest form is to simply accept a specified portion of the payment in the Bulgarian products. What the Bulgarians really seek, however, is a long-term relationship with a Western company, which, in return, can count on preferred treatment in the Bulgarian market. Imports of consumer goods would likely be made only on a barter basis.

Export Opportunities

Leather hides for shoe uppers.

CZECHOSLOVAKIA

The Market

Czechoslovakia has well developed textiles and consumer products industries and is an exporter of many products under this category i.e. shoes, jewellery, glassware, furniture textile yarns, fabrics and related products and clothing. Czechoslovakia imports products which are complementary to their own production. The import of textile yarns, fabrics, made-up articles and related products amounted to \$112.3 million 1976, of which \$56.1 million originated in Western countries. In 1976, the total value of imported miscellaneous consumer products was \$476 million, of which \$155.4 million were from western countries.

Import Policies

Foreign trade in Czechoslovakia is state-controlled and only a limited number of authorized organizations are entitled to import. The list of these entities and their addresses is available in the booklet "Information for Canadian Businessmen — Czechoslovakia" which is available from the Department of Industry, Trade and Commerce.

Export Opportunities

Even if there is not a high potential in this field, Canadians may offer some special items (fashionable clothing, jeans, sporting goods).

HUNGARY

The Market

Hungary's 10 million people form one of the more affluent societies in Eastern Europe. Nevertheless, satisfying the consumer has not been a major priority for Eastern European governments and their import organizations. There has been some activity for Canadian-made sporting goods, and Canada is a regular supplier to Hungary of hides for the tanning industry. However, for most of the goods in the textiles and consumer products sector, the market must be considered limited.

Import Policies

Hungary has a centrally planned economy, with exports

and imports in the hands of a limited number of Foreign Trade Organizations (FTO's) dealing in a specific industry or industry sector. Although several large factories have the right to deal directly with foreign companies, as a rule this is not the case and all contracts go through the FTO. In contrast with the past two years, imports from the West in 1977 were to increase (by about 8 per cent) while exports to this area were to rise by 17-18 per cent.

Export Opportunities

Hockey skates (for Hungary's single team), other hockey equipment, hides of various sizes and weights.

UNION OF SOVIET SOCIALIST REPUBLICS

The Market

Under its Five-Year Plan, the Soviet Union allocates a low priority to these items, especially from Western countries, in order to conserve hard currency. As a consequence, there has been no market for such Canadian goods and prospects are not bright for the future. Canadian firms are not encouraged to approach this market.

Import Policies

Low priority to conserve hard currency. Little likelihood that funds would be approved for imports.

Export Opportunities

None except athletic equipment for team sports, especially hockey.

YUGOSLAVIA

The Market

Unfortunately for Canadian manufacturers, Yugoslavia is a substantial exporter of most products that fall within this category. Clothing and textiles form 15 per cent of total Yugoslav exports and are cost and quality competitive internationally. Leather and footwear again are efficient domestic industries and, in fact, form the largest Yugoslav dollar volume exports to Canada. Yugoslavia has a world-

wide reputation in furniture production and ships knock-down furniture for assembly in Canada.

Import Policies

Due to Yugoslav domestic production, there are no opportunities for Canadian exporters other than for a few luxury items. Import permits are difficult to obtain and counter trade is on a one-to-one basis.

WESTERN EUROPE (EEC)

BELGIUM / LUXEMBOURG

The Market

The overall Belgian market for textiles and clothing is affected by an excess of local productive capacity in some sectors and by imports from low-wage countries. The up-trend noted in imports of yarns from developing Asian countries, other EEC member states and Eastern Europe stabilized somewhat in 1977 with imports from Eastern Europe and Asia remaining stable and those from other EEC countries increasing to a limited extent. Belgium still has a favourable balance in its international trade for yarns and fabrics, but has, on the other hand, an increasing deficit on the clothing side. Belgian fabric imports originate mainly from other EEC member states while finished products such as jeans and shirts come mainly from Asia and Eastern Europe.

In 1977, Canadian exports of apparels and accessories, yarns and fabrics to Belgium and Luxembourg amounted to \$6.3 million, up from \$3.5 million in 1976.

The market for Canadian-made leather goods, cultural products (books, music, films), musical instruments, leisure products and handicrafts is bound to remain limited due to the size of this country, different tradition and taste.

Belgium represents a fairly large market for toys and games. The bulk of imports are now supplied by the EEC partners — particularly Italy — and some Asiatic countries such as Japan, China, Hong Kong and South Korea. However, Canadian suppliers with specialty items at competitive prices should be able to capture a share of the market. It should be noted that during the past three years

Canadian exports in this field have risen from \$1,800 to \$526,000.

Import Policies

Most restrictions in textiles are designed for protection against excessive imports from low-priced sources. The EEC has bilateral agreements with several developing countries mainly of a voluntary shipment nature. However, the EEC has opened its boundaries to some "associated members" especially African and Mediterranean countries.

Export Opportunities

Canadian manufacturers of clothing with a distinctive image, quality and competitive price, stand good chances of capturing interesting business in Belgium on a regular basis. They should keep in mind that the Belgian consumer is extremely selective and conscious of the large number of potential suppliers.

In the textile and clothing fields, the best specific export opportunities appear to be in general winter outerwear and children's clothing. Large department stores and some direct importing organizations are interested in seeing Canadians offering the above articles.

Canada is well recognized as a prime hockey equipment supplier and this represents the best marketing sector for Canadian-made sporting goods.

Canadian artists, particularly those who speak French, attract an impressive amount of publicity and time in the local press and on Belgian radio and television.

BRITAIN

The Market

1977 proved to be a rather more buoyant year than was forecast, despite a government-imposed restraint on incomes. Consequently, Canadian exporters in general maintained their existing levels of exports, and in two notable instances (jewellery and clothing), considerable gains were made.

1978 is continuing on this more optimistic note, as has already been demonstrated by determined new exporters in the jewellery, carpets, and fur trades.

Canada's major competitors are the low-cost countries: Hong Kong, Japan, Taiwan, Korea, India, China, Colombia, Poland, Hungary, and Portugal, plus major volume producers from the U.S. and EEC. The imports from these countries cover a wide range of products, viz. plastics, toys, textiles and clothing, costume jewellery, giftware, sports equipment, and household hardware.

The tables attached show the volume of exports of some of Canada's major competitors in specific commodities covered by the textiles and consumer products division.

The U.K. will undoubtedly continue to offer some opportunities for Canadian exporters of textiles and consumer products, but it is unlikely that there will be any significant increase in the volume of imports from high wage-cost countries in the immediate future.

If Canadian companies do not have adequate resources both in manpower and financing to mount an export promotion investment program to cover up to a three-year period for little or no return, it would be better for them not to look covetously at what might appear at first sight to be a lucrative market.

Import Policies

Import surveillance licences are required for all woven or knitted items, whether apparel or piece goods. This is not meant as a deterrent, but only as a monitoring device.

Britain is now a fully integrated member of the EEC, and one new requirement, recently imposed by the Community, is that documentary proof of "country of origin" be provided at the time of importation, for imports from outside the EEC, of textiles and clothing in specified product groups. This is a non-tariff barrier which may adversely affect some Canadian exports.

Export Opportunities

For the majority of high volume consumer products, price is the governing factor, but because of Canada's high wage rates, products in this category are now generally not competitive.

However, for items of a luxury nature — furs, precious metal jewellery, and those in the upper price limits where

cost is not of prime importance — there are continuing opportunities for Canadian exporters.

There are no specific export opportunities worthy of special mention, but this should not deter anybody from seeking information on market prospects for individual consumer products.

Developments such as the “skate board” phenomenon cannot be foreseen, but if a manufacturer acts quickly enough, short, and sometimes long-term trading connections can be forged through opportunities of this nature.

U.K. TRAVEL GOODS IMPORTS 1976 AND 1977

(in £ thousands)

S.I.T.C.	EEC		U.S.		TAIWAN		HONG KONG		CANADA		TOTAL	
	1976	1977	1976	1977	1976	1977	1976	1977	1976	1977	1976	1977
831	11,723	15,312	728	885	4,158	4,094	7,310	7,133	331	143	37,824	45,000
									.87%	.32%		
									share	share		

Whilst Canada's exports dropped 30 per cent in 1976, there was an overall 67 per cent increase in imports during the same period. Most of this increase came from the lower-cost countries.

U.K. JEWELLERY IMPORTS 1976 AND 1977

(in £ thousands)

S.I.T.C.	EEC 1977	U.S.		GERMANY		ITALY		CANADA		TOTAL	
		1976	1977	1976	1977	1976	1977	1976	1977	1976	1977
897.11											
Precious metal	24,145	1,386	3,249	2,283	4,203	3,495	11,997	638	1,076	28,819	46,891
897.2											
Imitation	3,666	1,618	1,849	1,106	1,052	480	702	—	1,500	10,964	13,647

U.K. CLOTHING IMPORTS 1976 AND 1977

(in £ thousands)

S.I.T.C.	U.S.		HONG KONG		PORTUGAL		CANADA		TOTAL	
	1976	1977	1976	1977	1976	1977	1976	1977	1976	1977
841.11										
Men's and boys' outer garments	2,944	5,122	70,563	61,406	7,219	7,178	330	245	183,635	206,670
841.12										
Women's and girls' outer garments	720	680	37,054	27,168	1,337	848	1,226	1,124	122,222	126,298
841-44										
Knitted outer garments	1,275	1,959	50,773	50,354	5,300	6,410	342	216	162,803	181,141
842.01										
Fur	574	767					2,536	2,248	8,032	13,190

DENMARK

The Market

The market for Canadian clothing exports to Denmark is limited. A number of reasons account for this: the current economic recession does not encourage buyers to seek new overseas sources when the market is flooded with local and European products from known sources. In addition, Canadian products are subject to the general EEC tariff of 17 per cent. The leather market is down at present.

Import Policies

Denmark has a major clothing manufacturing industry which had previously used piece goods regardless of their origin. Since its accession to the EEC the traditional pur-

chasers Norway, Sweden (who have trading agreements with the EEC) and Germany, now rate tariffs on the textile content of the clothing, favouring textiles having originated within EEC. Thus the Danes have been forced to lower the amount of Canadian textiles going into clothing exported to other countries.

Export Opportunities

Canadian clothing manufacturers must pay close attention to design, price and quality of their products if they are to compete in the Danish market. Market opportunities lie in specialized areas such as Canadian/North American styles, leisure wear, college styles, lumber jackets, Western shirts,

hunting boots, down-filled specialties, and Arctic equipment. Canadian leather and fur are definitely competitive, but must offer something special, as the Danes produce good fur clothing.

More careful treatment of the small Danish market for textile piece goods will contribute to Canada holding its share.

Carpet exports are increasing due to the determined marketing approach of two major Canadian companies. They are shipping in high-priced specialty items, for direct sale as well as for further treatment and re-export by Danish companies.

FRANCE

CLOTHING

The Market

There has been scarcely any improvement in textiles and the clothing industries, for their situation has remained virtually unchanged as compared to 1976. In textiles, France still has an almost even balance with \$3 1/2 billion in imports and exports for 1977. In that same year, France exported close to \$1 billion and imported close to \$750 million in clothing. Though the industrialized countries still provide more than two-thirds of French imports of ready-made garments, their share is dwindling from year to year in the face of products from developing countries.

Import Policies

France is still taking measures to restrict the entry of cheap products from Asia in an effort to do away with unemployment in the French industry. These measures, however, do not affect Canadian imports.

Export Opportunities

Canada's position on the French market is still virtually non-existent owing to the high cost of the products offered and the excessive time required for delivery of new stocks. Even when the price is the same, French importers still look to their European suppliers who are able to make speedier deliveries.

It is still possible to improve Canada's chances of success if Canadian exporters will agree to hold prices down and ensure some continuity in their contacts with French buyers.

The distribution system in France is most complicated and the use of French agents or representatives is almost essential if Canadians are to have any success with this system.

CULTURAL AND CONSUMER PRODUCTS

The Market

France is a major market for this type of product since, in 1977, its total imports of books, films, musical instruments, objets d'art, handicrafts and jewellery were in excess of \$2 1/2 billion. This figure does not include the attractive market that embraces the sports, recreational activities, sailing and gardening sectors — a market far harder to quantify. Canada holds an infinitesimal position on this prime market (with less than 1/3 of one per cent of the total) and there is room for considerable improvement.

Import Policies

As regards recreational activities, there are no special regulations. In the case of jewellery, there is no specific protection against the reproduction of original models, and French law requires that only jewellery and objets d'art with a gold content of 1/750 (18 carats) or a 1/950 silver content (manufactured or imported) may be placed on sale in France. Articles plated or lined with these metals must have the same content. In the cultural sector, there are no specific regulations other than the standard international regulations governing copyrights, etc.

Export Opportunities

Attractive opportunities are available in the sectors of sports and gardening (other than hockey and golfing equip-

ment, skates and lawn-movers, the market for these items being saturated) and the outdoors (beach) games and toys sector. Insofar as jewellery is concerned, it should be noted that though French tastes in fine jewellery are quite traditional, there is a tremendous market for novelty jewellery which offers plenty of openings if the products adhere closely to fashion changes, are priced competitively and offer speedy deliveries (on-the-spot reserves).

There are also opportunities in jade sculpture provided the prices can compete with carvings produced in the Far East. With respect to small gadgets, French importers are always interested in novelty items. There is still room for Indian art, especially carefully finished articles; also for typically Canadian wooden articles, pictures and landscapes and other original and new subjects — on posters, for example.

Efforts in co-operation are already under way and more possibilities can be worked out for exhibiting the works of Canadian artists in the galleries. Interesting opportunities keep developing in the literary and musical sectors, in the film sector generally and in television series which could compete with American and British series. There are also opportunities for exchanges in the educational toys sector.

GERMANY, FEDERAL REPUBLIC OF

The Market

With a population of 62 million and one of the world's highest living standards, the West German market for consumer products is immense and expanding rapidly. In 1977, imports of consumer goods exceeded \$15.8 billion; of these, 56 per cent consisted of textiles or apparel products.

Prominent among the remaining imports were footwear (\$1.1 billion), leather goods (\$860 million), furniture (\$845 million), plus a wide range of miscellaneous wood and plastic articles.

As distribution channels for consumer products are quite similar to their North American counterparts, marketing approaches can be successfully transferred to some extent from Canada to Germany. Yet it is important to note that the scope and impact of vertical trade fairs in Germany far exceeds anything comparable in North America and no serious approach in this sector should be undertaken without first assessing the suitability of such vehicles.

To illustrate the scope of such international trade fairs it is useful to list a few of the most important ones. The International Sports Equipment Fair (ISPO) at Munich has proved an excellent show, especially for the winter sports sector. Other sporting and leisure goods find a first-class exhibition vehicle at the International Trade Fair of Sporting Goods, Camping Equipment and Garden Furniture (SPOGA), in Cologne. For many years Canadian firms have found participation in the International Fur Fair in Frankfurt a key factor in their success in the European

market. Heimtextil (the International Trade Fair for Home Textiles and Household Textiles) in Frankfurt is another show where Canadian experience has been good. There are many others too numerous to mention in an overview but equally important in their own sectors of the market.

Export Opportunities

The West German market is both large and highly competitive. The most lucrative opportunities for Canadian exports are concentrated in leisure products, particularly sporting goods. There are also possibilities for sales of winter footwear, garment textiles and outerwear, providing the product is distinctive and competitively priced. Opportunities for sales of Canadian furniture are improving, due in part to the lower value of the Canadian dollar and the similarity of furniture styles between Canada and the FRG. Generally, only a limited part of a firm's product line is competitive in these sectors and a concentrated effort to isolate these areas is essential prior to a visit.

IRELAND

The Market

Traditionally Ireland relied on domestic production to supply the textile requirements of its population of 3.1 million and, because of low wage rates, built up a substantial export industry. Production was widely fragmented and protected by import quotas for a lengthy period (1934-70). Despite a comprehensive industrial grants system for adaptation, technical training, etc., rationalization has been slow. The industry employs about 40,000 which represents four per cent of the total labour force and about 20 per cent of all employment in manufacturing. The most positive domestic development in recent years has been the establishment of large primary plants for synthetic textiles, yarns and fabrics by foreign corporations to supply the EEC. However, this progress has been more than offset by the increasing pressure of low-cost clothing imports, principally from the Far East, as well as lower-priced garments from Britain.

Prior to 1976, Canada exported a significant quantity of clothing to Ireland, mainly children's outerwear, but improvement in the quality of products from the Far East greatly reduced the competitiveness of Canadian clothing, particularly when the pound was devalued in 1976. However, the depreciation of the Canadian dollar in 1977-78 has improved Canadian competitiveness appreciably, and Irish buyers showed renewed interest in Canadian lines in 1978, particularly children's clothing and outerwear. Canadian

primary textile producers have been exporting certain cotton and synthetic fabrics to Ireland, and this market remains attractive.

Bearing in mind its small population, there is a growing market in Ireland for the kinds of consumer products that are in demand in a cosmopolitan environment, e.g. luxury goods such as furs; gift items such as specialized pottery; and toys, as a consequence of the rapid urbanization and industrialization that has been taking place.

Import Policies

Ireland is under the EEC textile imports quota umbrella arranged with low-cost and state-trading countries and has taken unilateral action to curb imports of low-cost shoes. Otherwise, the EEC common external tariff applies.

Export Opportunities

Most recent textile imports from Canada have been certain cotton and synthetic fabrics from primary producers, and this market remains open. Orders for children's wear, some ladies' clothing, and outerwear in 1978 are exceeding 1977. In the consumer products sector, there are modest diversified imports — e.g. toiletries, jewellery, toys, sports equipment, tablewear, stationery, photographic equipment and products, firearms and antiques. A particular effort is being made to promote Canadian furs.

ITALY

The Market

Italy is a major producer and exporter of consumer goods. For example, in the major areas of textile goods, clothing and furniture, Italian manufacturers exported more than \$2.5 billion worth of goods, compared with imports of barely one-tenth of this figure.

In a sector where consumer tastes play a major role, and in a country where the distribution system is highly fragmented, the promotion of foreign products presents special difficulties.

Import Policies

There are no major formal barriers to trade in this sector. Consumer goods that are imported into Italy are mostly specialty items from other EEC members enjoying duty-free entry.

Export Opportunities

Items from Canada such as fur coats (except articles made of sealskin, which is prohibited), some winter footwear, and domestic utensils have enjoyed a steady success, proving that opportunities do exist for goods not found in abundance in Italy that exhibit different characteristics and are competitively priced.

Prior to attempting to sell in Italy, it is crucial to study the market carefully to identify opportunities and the best channels of distribution.

THE NETHERLANDS

The Market

With estimated imports of \$7.5 billion or 13.4 per cent of total Dutch imports in 1977, this sector plays a significant role in Dutch trade. The most important single product is apparel, with imports of close to \$2.2 billion in 1977. Textiles (yarns and fabrics) is another large item with imports totalling more than \$1.8 billion. The third major element in this sector is furniture, imports of which exceeded \$8 billion in 1977.

Export Opportunities

Experiences in recent years indicate that there is potential in The Netherlands for Canadian textile fabrics, specialty

clothing, including sportswear, specialty footwear, recreational products and sporting goods, both traditional — such as hockey equipment — and novelty leisure products.

The market potential for Canadian apparel continues to offer the most promise, particularly in the outerwear sector. The leather goods market is highly competitive on all price levels. Prospects for Canadian firms will hinge to a large degree on original styling and quality.

WESTERN EUROPE (NON-EEC)

AUSTRIA

The Market

Austria is a net importer of textiles, mainly yarns and floorings. Total 1976 imports were \$700 million. Exports were \$634 million. There is a strong domestic textile industry based in the western half of the country. The market for Canadian products has been rather limited due to higher prices prevailing in the Canadian industry, as well as tariffs on many items.

Import Policies

Imports from Canada of semi-finished and finished textile products encounter duties of between 27 and 37 per cent.

Goods from EFTA and the EEC are normally allowed into Austria duty free. This means Canada's best chances for export lie in specialty items.

Export Opportunities

Opportunities exist for children's wear, specialty footwear — particularly for hunting — giftware, sporting goods and papermakers' felts.

FINLAND

The Market

There is a relatively strong and diversified textile industry in Finland with large exports to northern and central Europe. Textile imports from Canada are subject to import duties of between 20-35 per cent. This has proved prohibitive and a great handicap for Canadian textiles as corresponding products enter the market free of duty from Britain, Denmark, Sweden, Portugal, Austria and

Switzerland. Only felt for papermaking machines (\$1.7 million in 1977) has found a steady market in Finland. Cotton (denim) fabrics have had some temporary success. Also Canadian winter sporting goods have found an increasing market in Finland. Imports in 1977 amounted to \$1.3 million, an increase of more than 70 per cent compared with the previous year. Ice skates were responsible for the major share \$1.1 million.

GREECE

The Market

Greece is a large market for textile materials and finished products from many different sources, as is shown by the following official statistics:

	1977	1976	1975
	(in thousand dollars)		
Wool	93,181	63,711	68,756
Cotton and fibres	91,060	69,476	74,321
Threads and yarns	48,436	38,461	38,729
	<hr/>	<hr/>	<hr/>
Textiles	232,677	171,648	181,806
	<hr/>	<hr/>	<hr/>
Leather articles and furs	350,416	286,042	263,607
	<hr/>	<hr/>	<hr/>
Hides and skins	35,407	25,787	20,732
	<hr/>	<hr/>	<hr/>
	385,823	311,829	284,339
	<hr/>	<hr/>	<hr/>
	25,426	21,745	15,715
	<hr/>	<hr/>	<hr/>
	411,249	333,574	300,054

Canada's share of the Greek textiles and clothing market has always been modest, but is growing slowly. Sales in 1977 totalled \$4.3 million; main exports include cattle hides, calf and kid skins, fur skins (\$707,407); dressed furs, fur cuttings and plates (\$2,358,912); fur clothing (\$367,282); "second" and other inexpensive cotton, artificial, synthetic and mixed fibre fabrics for ladies' dresses.

blouses and shirts (\$451,727); and papermakers' felts (\$253,860).

Future sales prospects could be adversely affected as Greece strives towards full EEC membership. Generally higher Canadian prices, preferences for European styling in ready-made clothing, and the growing importance of the Greek textile and fashion industry with its commendable success in export markets, are the main reasons for Canada's unimpressive showing to date.

Canadian giftware, recreational equipment and other consumer product sales to Greece have been negligible in recent years, mainly because of higher prices.

Import Policies

All imports of textile materials and ready-made clothing, giftware, recreational equipment and other consumer products are subject to import licensing and foreign exchange control, as well as advance deposit requirements. Import permits are issued on request but occasional administrative delays occur when the government wishes to slow down the overall rate of imports.

Export Opportunities

Limited, for reasons given above.

ICELAND

The Market

Little activity and limited potential. Past Canadian sales of woven fabrics were in the order of \$30,000 in 1975 and

\$34,000 in 1976. Canada actually imported in excess of \$500,000 in 1976 in furs and woollen wears and yarns from Iceland.

NORWAY

The Market

In spite of measures introduced by the Norwegian government to prevent a complete collapse of the domestic textile industry, imports continue to capture an increasing share of the market. Imports of clothing accounted for \$427 million or 183 per cent of total sales in 1976. Exports amounted to no more than \$10 million.

Imports from EFTA and EEC countries are subject to little or no duties whereas Canadian products are subject to up to 30 per cent duty. Therefore it is extremely difficult for Canada to compete in this market.

Norwegian Textile Imports — 1977

	Imports (\$ million)
Textiles	404
Clothing	538
Footwear	126

Import Policies

Except for duties there are no restrictions on Canadian imports.

Export Opportunities

Opportunities exist for lumber jackets, sport shirts, knitwear, embroidered badges and casual footwear.

PORTUGAL

The Market

Portugal has a well-developed textile manufacturing industry and is extending the quality and range of its products, both for the local market and for export. Because of the importance of this industry in Portugal, prospects for Canadian firms are limited.

As for leisure products, the market potential is limited in view of the low standard of living, local production and the restrictions in force on non-essentials and luxury products.

Import Policies

The principal textile products are protected by high customs tariffs. Leisure products and other consumer prod-

ucts are considered non-essential luxury products and therefore are subject to import surcharges and other restrictions.

Export Opportunities

Opportunities in this sector remain for consumer products such as certain leisure goods not made in Portugal and which can be used by the tourist industry. Even in the latter case, because of import restrictions, opportunities are limited.

SWEDEN

SPORT AND LEISURE ARTICLES

The Market

The total Swedish import volume on sport and leisure articles has steadily risen since 1975. Shorter working hours and the prospect of a mandatory five-week annual vacation have led to a greater interest in leisure and sporting articles of all kinds.

In the winter sporting sector the ice hockey equipment market may have reached its peak, although in the long run a steady demand is anticipated. It is estimated that the total hockey market is in the region of \$17 million per year. The number of hockey sticks sold in Sweden is 800,000 annually. Canadian skate manufacturers are well represented in Sweden and have an estimated 50 per cent of the market. The bulk of sales is in the medium-price range with a sales volume of 70 per cent. There is a sale potential for more expensive skates of between 5,000-10,000 pairs per annum.

Recreation Vehicles — The number of snowmobiles registered in 1976 in Sweden was 35,000. The yearly sales average is 8,000 units with a rough dollar value of \$11 million. The snowmobile market is dominated by Canadian and Swedish brands. However, it is expected that competition in 1978/79 will be fierce and the market for snowmobiles for other than recreational purposes will expand. The reasons can be explained by the complicated regulations and restrictions directed toward the recreational market and the increasing Swedish government interest in utilizing snowmobiles as a mode of transportation. Promotion of Canadian vehicles should centre on this sector.

Tent and Travel Trailers — Swedish manufacturers dominate the market. The local demand for increased comfort and larger trailers has contributed to making vehicles more expensive to manufacture and sell. In addition, stringent Swedish regulations require the approval of brake systems, ventilating and electrical systems.

Import Policies

No import quota applies to sporting goods and leisure products but Swedish regulations pertaining to motor homes and all-terrain vehicles make Canadian products in these areas difficult to introduce on the Swedish market.

Export Opportunities

Bearing in mind that Swedish consumers have become more and more quality minded, export opportunities for Canadian manufacturers occur in the following areas: sporting articles — gymnastic equipment, hockey equipment, golf and tennis equipment and related clothing; leisure products — camping equipment, i.e. tents, sleeping bags, rucksacks, camping stoves; items for the home — garden furniture, disposable articles of paper and plastic, do-it-yourself articles, advertising promotion articles and hunting and fishing equipment. Sweden is one of the largest producers of cross-country skis and is strong in the technology of ski manufacturing. Canadian ski manufacturers could benefit through licensing arrangements or joint ventures.

TEXTILES — FABRICS — HOME TEXTILES

The Market

The major Canadian textile manufacturers of broad-woven fabrics — piece goods — are represented on the Swedish market and the opportunities to increase sales in this area are limited. However, the market for home textiles such as carpets, upholstery fabrics, draperies and bedspreads is steadily increasing.

Export Opportunities

Currently, there is a regular demand for carpets in Sweden. Although the market for the "contract side" has decreased because of the drop in building activity (unemployment, etc.) the potential as far as can be seen is good. The market for home textiles such as upholstery fabrics, draperies and bedspreads is steadily increasing and opportunities for Canadian manufacturers exist.

APPAREL AND FOOTWEAR

The Market

Imports of ready-made clothing increased from Cdn. \$885 million in 1976 to Cdn. \$970 million in 1977. While consumer prices on clothing and footwear in Sweden continue to increase, the largest department store groups report that the greatest increase in their sales was recorded in these sectors. This active consumer demand, particularly for high quality casual apparel and sportswear, indicates a promising market for these Canadian industries.

Import Policies

There is no import quota applicable to clothing from Canada although import licences are required.

At the present time, except for rubber boots, there is no quota on footwear imported into Sweden.

Samples of no commercial value may be admitted into Sweden free of duty. Those regarded by the customs authorities to be of commercial value are dutiable at regular commodity rates or may be admitted upon deposit or bond of an amount equal to the duty normally payable, subject to refund upon re-exportation of the goods.

Applications for carnets should be made to the Canadian Chamber of Commerce, the official agency for the Canadian government.

Export Opportunities

Based on a study of the Swedish market and day-to-day involvement in assisting Canadian exporters, the Canadian Trade Commissioner in Sweden believes the best opportunities for Canadian sales of ready-made clothing are in the following areas: industrial outerwear, winter sports and leisure wear, fur garments, leather and suede wear, ladies' underwear, children's wear, industrial and recreational footwear. Specific items include the following: wind-breakers, arctic parkas, anoraks, down-filled coats and jackets, snow suits, fur coats, fur hats, leather and suede coats, lingerie, children's outerwear, wool jackets, shirts, work safety boots and hunting boots.

The import duty on leather and suede garments is 7 per cent and on fur garments 7 per cent. Import duties on the remainder of the above merchandise varies between 13 and 17 per cent.

SWITZERLAND

TEXTILES

The Market

The Swiss textile industry currently employs 82,000 people, or about 12 per cent of the total working population employed in Swiss industry. In 1977, exports of textile products and apparel reached \$1.4 billion. Total imports of textile products, amounted to \$1.4 billion, with the EEC countries supplying 64 per cent of total imports and EFTA countries 11.3 per cent. Canada supplied goods worth \$614,000. Total Swiss exports of apparel amounted to \$125 million and total import \$462 million of which EEC supplied 65 per cent and EFTA 11 per cent. Canada's share amounted to \$233,000. The share of Asian countries in total Swiss imports rose considerably. Hong Kong is the fourth largest exporter to Switzerland ranking at the top of the Asian list. A further rise in imports from countries with low wage levels is anticipated if consumption continues to increase. EEC countries supplied 69 per cent of the total Swiss imports of knitted goods, which reached \$411 million (exports \$175 million), EFTA countries 14.0

per cent and Canada \$90,396. (Other finished textiles, e.g. blankets, table and bed linen, worth \$49.4 million were imported and goods worth \$34.9 million were exported. Supply from EEC countries amounted to 69.5 per cent, EFTA 18 per cent and Canada \$25,000.)

Import Policies

Products from EFTA countries enter Switzerland free of duty and duty on products from EEC countries reached 0 per cent as of July 1, 1977, under the terms of the EEC/EFTA Free Trade Area Agreement. Canadian products will continue to face tariffs; however, these are generally not onerous and have a limited effect on the competitiveness of most products.

Export Opportunities

Competition as can be seen from the foregoing is keen but possibilities exist for trendy garments, sportswear and underwear.

The Market

Total Swiss imports of toys and games including children's vehicles, exceeded the 1976 imports by \$28.4 million reaching \$91.8 million in 1977. Of the total, 70 per cent was sup-

TOYS

plied by EEC countries and 3.4 per cent by EFTA countries. Canada supplied goods worth only \$14,531 in 1975, \$1,115 in 1976, and \$10,562 in 1977.

Import Policies

Products from EFTA countries enter Switzerland free of duty and duty on products from EEC countries were abolished as of July 1, 1977. Canadian products will continue to face tariffs, however, these are generally not onerous and have a limited effect on the competitiveness of most products. Scientific kits containing chemicals have to be submitted to the Swiss Department of Health for testing and issuance of import permit. Submission has to be made by a

Swiss company, usually the agent. All electronic toys must be on a 220 volt system.

Export Opportunities

The market for games for adults is growing in importance and 10-15 per cent of games purchased are intended for adults. About 20 per cent are technical toys, 20 per cent games, and 12-15 per cent dolls.

FUR GOODS

The Market

Furs from Canada, as in the past, continue to be favoured. Total imports amounted to \$65.1 million of which 44.7 per cent were supplied by EEC countries, 36 per cent by EFTA countries and \$9.6 million or 12 per cent by Canada. According to Canadian statistics, Switzerland is Canada's major purchaser of fur apparel.

ished as of July 1, 1977. Canadian products will continue to face tariffs, however these are generally not onerous and have a limited effect on the competitiveness of most products.

Import Policies

Products from EFTA countries enter Switzerland free of duty and duty on products from EEC countries were abol-

Export Opportunities

It is expected that Canadian fur goods will continue to enjoy a good market in Switzerland and it is not likely the abolition of customs duty for EEC countries will affect the level of sales adversely.

LEATHER WEAR

The Market

Total imports of leather wear in 1977 increased to \$36.6 million. Hong Kong, Turkey and Republic of Korea since 1974 have replaced the main suppliers France, the Federal Republic of Germany, Britain, Belgium and Italy. Of the EEC countries, only Italy was barely able to maintain a reasonable volume of exports to Switzerland. Leather wear imports from Canada are insignificant. However, Canadian exports did well in one category of leather products and supplied heavy sports gloves (weight over 250 g) worth \$60,000 which represents 29 per cent of imports of that product, the total of which was \$205,000. EEC countries supplied 22 per cent and EFTA countries 19 per cent.

Import Policies

Products from EFTA countries enter Switzerland free of duty and duty on products from EEC countries were abolished as of July 1, 1977. Canadian products will continue to face tariffs, however these are generally not onerous and have a limited effect on the competitiveness of most products.

Export Opportunities

Canada should be able to maintain and even improve its position as supplier of sports gloves (ice hockey gloves).

SPORTING GOODS AND FITNESS EQUIPMENT

The Market

Total imports of sporting goods in 1977 were \$74 million. The EEC and EFTA countries dominated as suppliers, providing 43 per cent and 36 per cent respectively. Canada supplied less than 1 per cent of the total. However, for ice hockey skates Canada was the second biggest source, supplying \$218,000 worth or 22 per cent of the market.

ished as of July 1, 1977. Canadian products will continue to face tariffs, however these are generally not onerous and have a limited effect on the competitiveness of most products.

Import Policies

Products from EFTA countries enter Switzerland free of duty and duty on products from EEC countries were abol-

Export Opportunities

The Swiss sporting goods market is worth investigating. As the consumer is increasingly aware of the benefit of practising one sport or another, the market for sporting goods is expected to grow accordingly.

PACIFIC

AUSTRALIA

TEXTILES

The Market

The bulk of imported textile products into Australia is from South East Asian suppliers, especially so for clothing lines. Traditionally, the relatively narrow high-quality end of the market has been supplied from Europe and the U.S.

Canadian Exports to Australia

	1976 \$ Cdn.	1977 \$ Cdn.
Man-made fibre	2,212,127	3,036,518
Man-made fibres —		
yarn and thread	842,054	2,705,127
Fabrics (including felt)	2,400,407	2,427,647
Apparel	1,200,759	1,082,142
Carpeting	5,406,144	6,499,785
Textile end products	2,277,089	1,356,787

Import Policies

Australia is sensitive to the impact on domestic industry caused by import competition and a rigid system of quotas has been applied. Clothing lines and apparel fabrics from Canada face a difficult marketing situation and can only expect marginal sales success. Canadian carpet manufacturers have had the benefit of a 10 percentage point margin of preference over MFN suppliers (15 as against 25

per cent). A tariff reference to the Industries Assistance Commission is currently pending, however, raising the possibility that our margin of preference might be reduced or eliminated.

Export Opportunities

Australia is Canada's number one market for carpets, and 1978 sales should easily exceed the previous year's \$6.5 million level. Aside from this product, however, it would be misleading to suggest that the prospects for obtaining large orders from Australia are encouraging. The best possibilities for sizeable shipments appear to be in quality soft furnishings, drapery and upholstery fabrics, velvets and corduroy.

Prospects for Canadian suppliers of textiles and fabrics to Australia will remain limited owing to stringent import quotas, which incline importers to use their quotas on proven quality products. One major Australian importer has perceived that Australian agents of Canadian mills seemingly are putting little effort into promoting their Canadian lines. Canadian mills may therefore be well advised to push their Australian agents, particularly those producing sheeting and towelling.

CONSUMER PRODUCTS

The Market

Consumer goods exports to Australia represent one of the most rewarding areas of trade for Canadians. Shortcomings in local manufacturing and high per capita incomes create a disproportionately large import demand for quality consumer products.

Other countries have recognized the potential of the Australian market, and thus the competition is strong. Meanwhile, the Australian authorities concerned with maintaining the viability of their domestic manufacturers, have been acting, in some cases, to limit the extent of import penetration.

The extensive importing community in Australia is knowledgeable and aggressive in promoting products with good consumer appeal and competitive pricing.

Import Policies

Canada still enjoys preferred access into this market for many consumer items and has become an established supplier. Some quotas have been applied, however, mainly on consumer durables.

Export Opportunities

Canadian manufacturers interested in Australia should determine the tariff for their products. Even without tariff preference, if the products are being sold in North America, there is a good chance they could be marketed in Australia. Canada is currently selling worthwhile quantities of housewares, camping equipment, toys, sporting goods, jewellery and KD furniture.

The possibilities for building on this success by new product promotions, in-store displays and trade fair participations, etc., are a major preoccupation of the Canadian government's support activities in Australia. Although Canadian statistics indicate a decline in shipments to Australia of kitchen ware and tableware, from \$C2,761,763 in 1976 to \$C1,669,557 in 1977, prospects for significant increases in sales of Canadian cookware are good. A number of major direct sales and party-plan companies have recently changed or are in the process of changing their sources of supply to Canada and a significant rise in shipments is anticipated over the next 12 months.

NEW ZEALAND AND THE PACIFIC ISLANDS

TEXTILE PRODUCTS

The Market

New Zealand offers a good, but limited, market for types of textiles not manufactured locally. Imports for Canada in 1977 were valued as \$4.6 million.

Import Policies

Because of the local manufacture of textiles by local spinning and weaving mills using wool, the import of com-

petitive fabrics (other than cotton) and synthetic carpets is subject to import licensing procedures. Import licences are based upon a history of textile imports established by the importer. In general, it can be said that the following types of fabrics cannot be imported. Knitted trimmings not exceeding 30 cm in width; woven fabrics of sheep and lambs wool; quilted fabrics; woven textile fabrics other than those of a type used to upholster furniture; woven fabrics

of polyethylene, polypropylene and polyester (other than tyre records). Licences for other fabrics are based upon the CIF value with the result that, because of the escalating costs of textiles and freight, the yardage which can be imported has been progressively reduced.

Export Opportunities

A growing clothing manufacturing business established in New Zealand to take advantage of tariff concessions available in Australia under the NAFTA agreement has been subjected to quotas and it is anticipated that forward or-

ders for textile fabrics will be subject to review if not outright cancellation. Notwithstanding this setback to the local utilization of imported fabrics, it is expected that New Zealand interest in the import of cotton and high quality fabrics from Canada will continue.

Among the Pacific Island countries the emphasis is on the import of the cheaper range of cotton fabrics from India and the Far East. It is unlikely that any worthwhile interest in the import of Canadian textiles can be generated.

CONSUMER PRODUCTS

The Market

Although heavily restricted by import controls, some Canadian consumer products notably jewellery, giftware, pottery, silverware and holloware have found good, but limited markets in New Zealand. In 1977, Canadian exports of furniture to New Zealand amounted to \$1.5 million, cultural products shipments were \$1.0 million and exports of leisure products reached \$0.3 million.

Import Policies

To afford protection to local industry, to maintain employment opportunities and to conserve overseas exchange, the government maintains a system of import licences that allows only limited imports of most consumer products. Import licences are based upon CIF values previously established by importers. Escalating costs are resulting in fewer, but more expensive, consumer product items entering New Zealand.

Export Opportunities

As a result of Britain no longer being eligible for preferential tariff treatment (as of July 1, 1977), significant opportunities exist for the marketing of Canadian consumer products. This change will make the traditionally imported British products more expensive and encourage importers to find new, less expensive sources. Enquiries have been received for products such as household ornaments, some pottery products, bond china, silverware and holloware, handicrafts, jewellery and sporting goods. Enquiries have also been received for Canadian books and magazines dealing with sports, cars and fashions.

The Pacific Island countries cannot be regarded as a worthwhile market for consumer products from Canada.

ASIA

BURMA

The Market

Burma is a socialist country. Imports are the exclusive domain of the various state enterprises which control all activity in their respective economic sectors. Procurement is effected on the basis of international tendering, and price is the overriding consideration in determining sources of

supply. Burma's ability to import is limited owing to a chronic shortage of foreign exchange.

Export Opportunities

There are limited opportunities for commercial sales in the textile and consumer products sector.

CHINA, PEOPLE'S REPUBLIC OF

The Market

The Chinese produce their own requirements and are major exporters.

HONG KONG

The Market

Hong Kong is now facing a period of restricted or no growth in clothing and textile products, due to the new restrictions imposed by many overseas markets. Previously, in 1976 when exports of textile products increased tremendously, there was an equal increase in fabric imports. At that time enquiries were received from local importers for Canadian textile fabrics, but Canadian prices proved non-competitive.

There is a limited market for fashion garments, but few Canadian manufacturers and exporters have displayed interest in exporting to Hong Kong. Canadian companies are often inhibited by the fear that exposure in the Hong Kong market will lead to the copying of their designs. Exports of mink and other fur goods have made some progress and a steady increase over the next few years is expected. Sales

of dressed fur skins more than doubled in 1977 due to renewed efforts by Canadian exporters.

Markets for Canadian consumer products in Hong Kong are limited, but some Canadian carpet manufacturers have gained a foothold.

Import Policies

There are no government constraints on the sale of textile or consumer goods.

Export Opportunities

Because Hong Kong is a travel crossroads for all of Southeast Asia, good prospects exist for travelling cases and travel goods. The main supplies come from The People's Republic of China, the United States, Republic of Korea, Japan, Taiwan.

INDIA

The Market

India is a traditional exporter of ready-made garments, textiles and fabrics to developing and developed countries including Canada. Local production of textiles, footwear and consumer goods is more than adequate to fulfill India's requirements and consequently market potential for Canada in this sector is negligible. However, last year's fall in domestic production of cotton offered an opportunity to overseas suppliers to get into the market for fibres and yarn. Isolated opportunities also occur from time to time for papermakers' felts (textiles), wool waste and old woollen rags.

Import Policies

India's import policy normally prohibits the use of foreign

exchange for purchase of items which are indigenously produced. Imports of consumer goods, textiles, garments, and leather goods are therefore banned. Some imports of raw materials are occasionally permitted if local demand exceeds the supply.

Export Opportunities

A cash market exists for Canadian supplies of nylon yarn, waste polyester staple fibre, polynosic, viscose fibre, viscose/polyester filament yarn, cuprammonium yarn, acrylic fibre/tow, wool tops, raw wool and old woollen rags provided prices are competitive.

INDONESIA

The Market

No market opportunities exist in Indonesia for Canada in this industrial sector because of intense low-cost com-

petition from within Indonesia, and from other countries in the region.

JAPAN

TEXTILES

The Market

The market situation for textiles in Japan has changed drastically in the past few years. Although a world leader in the export of textile goods, Japan is now experiencing the problems encountered by European or North American countries. Essentially, Japan has lost its competitive edge due to increasing wage rates. Low-cost imports from Hong Kong, South Korea and Taiwan and many other developing countries are making impressive inroads in this market. It is estimated that the textile industry in Japan is operating at between 75 per cent to 80 per cent of capacity. This is an approximately 10-15 per cent recovery from the year 1976 when the industry experienced a serious slump. A number of small firms continue to go bankrupt however, and "industry anti-recession cartels," which the Japanese government has authorized as a temporary measure since 1977, still apply in various fields of the textile industry. Examples of this are in synthetic fibres and wool yarn. These cartels consist mainly of joint reductions of manufacturing

equipment, for a given period of time and a given magnitude, with the anticipated result of an adjustment in inventories and production to the level of market demand. However, some major producers have refrained from joining such cartels claiming that this will only forestall a much needed restructuring of the industry. As a partial answer to those criticisms, some effort has been made to restructure the complex distribution system. However, it will take considerable time for the effect to be felt. Furthermore, the recent strengthening of the yen will certainly not help this overall gloomy situation and demands for some sort of import controls have been heard more frequently of late. So far, action has been taken only with regard to the import of raw silk from two countries and it seems that the Japanese government will use much restraint in controlling imports at this stage.

In this general context, we do not see any opportunity for Canadian textile exports.

CONSUMER GOODS

The Market

Japan, with 130,000,000 inhabitants, represents a major market for consumer goods. At the end of 1976 the average Japanese household enjoyed a monthly disposable income of \$1,000.00, which by international standards is impressive. A large population in conjunction with a high disposable income offers an attractive market for consumer goods. Government sources put the total Japanese market for 1974 at approximately \$22.5 billion (see attached chart). By 1976 this had risen to \$64 billion. Imports, however, represent only six per cent of the market and the highly competitive domestic production of consumer goods must be acknowledged. It should be noted that the estimated average annual growth to 1985 for all sectors is seven per cent. (Note: Growth rates are in real terms.) In the past two years the market in general has experienced stagflation, which has resulted in this forecast being somewhat optimistic. Sales by department stores, for example, have been decreasing in real terms in the past two years. This is due, mainly, to consumer expenditure re-

straint. This trend has continued in early 1977, although forecasts based on new economic policies of the government are rosier. This temporary slowdown should not delay any Canadian businessmen from establishing a foothold in this market now.

Import Policies

Basically, in this sector, there are no particular tariffs or non-tariff barriers significantly affecting potential Canadian exports. However, the problem of the distribution system is the major consideration for prospective suppliers. Many selling patterns exist and a visit to the market is an important step in arranging the most beneficial agreements.





Export Opportunities

Within this multiproduct sector, three consumer goods have been identified as representing interesting market opportunities. Detailed studies follow on fur garments, wooden furniture, and jewellery.

1974 Performance and 1974-1985 Estimated Growth of Consumer Products

	28		(Unit: \$ Million)
Wood and bamboo products		4.0	(1,252.6)
	-3.3		(28.9)
		3.4	(1,227.5)
		11.0	(54.0)
Furniture		7.0	(3,379.5)
		7.3	(58.8)
		7.0	(3,354.5)
		6.6	(83.7)
Paper products		7.6	(3,653.8)
		7.2	(3.5)
		7.6	(3,655.3)
		2.1	(2.0)
Rubber and plastic footwear		6.2	(925.4)
	-7.0		(28.9)
		5.6	(874.1)
		9.6	(80.2)

Plastic consumer goods	-4.2		7.2	(1,427.3)
			6.9	(79.7)
			7.1	(1,459.0)
				(48.0)
Leather and leather products	-0.1		7.2	(1,829.5)
			6.7	(152.5)
			7.7	(1,828.1)
Glass products			6.1	(979.1)
			4.4	(100.1)
			5.9	(1,002.0)
			6.9	(77.2)
Ceramics			4.9	(841.6)
			2.8	(319.0)
			4.4	(1,138.8)
			3.0	(21.8)
Metal consumer goods			7.1	(2,866.8)
			2.2	(419.1)
			6.6	(3,173.5)
			5.1	(112.4)
Accessories (precious metals, jewellery, paintings and antiques are included)			7.3	(1,995.4)
			2.5	(315.9)
			6.3	(1,745.0)
			8.4	(566.3)
Musical instruments and records			7.0	(789.8)
			5.4	(164.0)
			6.8	(915.7)
			5.5	(38.1)
Toys			7.7	(626.0)
			0.9	(166.4)
			6.5	(750.8)
			9.6	(41.6)
Sporting goods			8.3	(523.1)
			2.0	(158.5)
			6.9	(560.8)
			8.3	(120.8)
Stationery			6.1	(594.1)
			2.0	(92.7)
			5.7	(647.8)
			5.5	(39.0)
Others			9.6	(931.9)
				—
			9.6	(931.9)
Total			7.0	(22,615.9)
			2.3	(2,088.0)
			6.6	(23,264.9)
			7.9	(1,439.0)

	Domestic demand	Numbers indicate average annual growth rate during 1974-85.	Numbers in parentheses indicate 1974 value.
	Exports		
	Domestic production		
	Imports		

FURS AND FUR GARMENTS

The Market

The market for imported furs and fur garments has experienced fast growth in the past four years, jumping from \$59 million in 1974 to \$79 million in 1975, \$95 million in 1976 and to \$147 million in 1977. The growth was most no-

ticeable in the fur garment sector which showed a 325 per cent increase between 1974 and 1977. Raw fur and tanned/dressed furs enjoyed growth rates of 217 per cent and 195 per cent respectively.

During this period Canadian exports grew from \$2.5 million in 1974 to \$5.4 million in 1977, which is approximately a 216 per cent increase in value. As for fur garments, exports rose by more than 170 per cent. However they diminished as a percentage of Japanese imports in 1977 from eight to five per cent. This can be explained by the fact that Hong Kong has become a major supplier of fur garments in the low and medium-price range.

The factors working in favour of Canadian fur garment exports have been, and will continue to be, the excellent reputation of Canadian furs (an important factor in this trade-name conscious market), the high quality of workmanship, the originality of design and the use of unusual furs. The drastic devaluation of the dollar will also assist in market-

ing efforts and in maintaining the Canadian share of the fur garment market. Concentration on the high-priced end of the market will be essential, however, no matter what happens to the dollar, if we are to compete with foreign suppliers. The establishment of some kind of Japan-based representation could also be of some help. Furthermore, because of the lower duty rate for plates against garments (15 per cent instead of 20 per cent), an arrangement whereby a Japanese manufacturer would finish up the garment could add to Canadian competitiveness. This could be done with a company based in Hong Kong which would enjoy low labour costs and duty-free advantages. A combination of Canadian workmanship in the plates and Hong Kong low-cost finishing could be the solution for commercial lines of fur garments.

JEWELLERY AND FASHION ACCESSORIES

The Market

The market for imported jewellery started in Japan in 1973 with the liberalization of transactions involving gold and gold products. Since then, imported jewellery has enjoyed a good rate of growth and has not been influenced by the recent major setback in consumer spending. The total market for imported jewellery in 1977 was about \$62.7 million up from \$53.5 million in 1976. However, this represents only a minor part of the total market estimated at more than \$2 billion. Cultivated pearls and engagement rings set with diamonds constitute a large part of the total.

The federal government has been actively promoting exports of Canadian jewellery to Japan through (1) a solo exhibition (1975) in Tokyo and (2) a buyers' mission to Canada (1976) and a buyers' mission to Canada (1978). As a result of these projects, it was realized that the Canadian jewellery industry falls more properly under the heading of fashion accessories, with one or two exceptions, rather than high-class jewellery as defined by the Japanese, i.e., only 18K gold items dominated by the world's Tiffany, Cartier, Van Cleff, etc.

In Japan, these two sectors of the jewellery business are handled by quite separate buyers. In dealing with this phenomenon it is suggested that two different tactics be used. In the high-class imported jewellery sector, which represented a market of \$44 million in 1977, the marketing effort has to be concentrated on popularizing the brand name of the products. A French company recently spent three years in studies and public relations activities before any actual sales were realized. In this type of exercise, a solid Japanese partner has proved to be a crucial element in the success.

In the fashion accessories market, \$18.7 million in 1977, it is essential to find a distributor/agent who, though not necessarily big, is an active promoter. The competition is intense based on price, design and quality, usually in that order of priority. Success can be faster in this line of business but profit margins are much smaller.

WOODEN FURNITURE

The Market

The market for furniture in Japan is characterized by two well defined styles: the traditional Japanese and the familiar Western style. The latter only is of interest to Canadian manufacturers. With the growing "Westernization" of the Japanese life-style and taste, this sector has enjoyed a solid rate of growth with emphasis on living room and dining room furniture. The vast majority of the imported furniture is wooden. Imports of wooden furniture from all sources decreased from \$68.7 million in 1974 to \$51.1 million in 1975, went back up to \$60.6 million in 1976 and increased again to \$63.4 million in 1977. It should be noted that the market share from Far Eastern low-cost manufacturers (South Korea, Taiwan, Hong Kong, China, etc.) has increased markedly moving from a 46 per cent market share in 1974 to 73.5 per cent market share in 1977. Imports from Scandinavian countries, meanwhile, decreased by 53 per cent and now account for only 5.7 per cent of the market compared to 16 per cent in 1974.

The most significant factor affecting market decrease has been stagnant consumer spending during the recent recession. Given the high price of imported furniture, consumers have switched to cheaper domestic or Far Eastern

products. The decline in the share of the market for European countries can be explained by the failure of European manufacturers to adjust their products to the real requirements of the market. I.E., size of the furniture in relation to the average space of Japanese houses, and to the physical characteristics of the Japanese. The European design advantages only partially compensate for the above failure. Given this situation, some large retailers/distributors have set up their own manufacturing facilities either domestically or in neighboring low-cost countries. Using the basic European design, they produce medium-priced furniture suited to Japanese demand. Some recent difficulties with quality control, shipping, etc., seem to have dampened this trend as well.

The onus now is on exporters to (1) study in depth the Japanese market requirements, (2) adjust their production accordingly and (3) stress advanced design. Consideration should be given to knocked-down exports in view of high transportation costs especially from North America. Prospects for wooden furniture components should also be investigated. In each of the latter cases, an association with a Japanese concern having some assembly capacity could prove rewarding.

MALAYSIA

CONSUMER PRODUCTS

The Market

The electrical consumer products market is dominated by EEC and Japanese manufacturers and because of the lack of price competitiveness, little scope is seen for Canadian suppliers.

Import Policies

Importers require a licence.

Export Opportunities

From 1977-81, Malaysia is expected to increase and expand all its educational facilities from primary through university levels. There is an excellent market for suppliers of educational equipment.

Joint ventures are encouraged in the manufacture of all types of toys.

TEXTILES

The Market

The market for Canadian textiles is limited.

PAKISTAN

The Market

There is a sizeable market for used clothing. The value of the Canadian shipments in 1976-77 amounted to more than \$400,000. However, the market is dominated by suppliers in West Europe and the United States. There is no market for consumer products as the import regulation prohibits importation of general consumer products.

Import Policies

The government import regulations prohibit imports of general consumer products.

Export Opportunities

Canadian suppliers of used clothing will continue to do business in Pakistan. The volume will, however, depend on availability of used clothing and prices.

PHILIPPINES

The Market

The Philippines is a major producer of low-cost apparel and textile products which has been, in the past, one of the most rapidly expanding sectors of this country's manufacturing industry.

Import Policies

Imports of apparel and textiles are prohibited in view of the country's local production of these items. Most con-

sumer items are also severely restricted if not completely prohibited.

Export Opportunities

Opportunities are limited, with the exception of items such as papermakers' felts needed in the local pulp and paper industry.

SINGAPORE

The Market

Singapore is a significant centre for the production of textiles and consumer products. Singapore's major export to Canada is electronic products, primarily TVs and stereos. There is an insignificant market for Canadian clothing and footwear. Similarly Singapore has recently become a furniture exporter and has long been an exporter of giftware, jewellery, toys and handicrafts. Singapore is the duty-free shopping centre of Southeast Asia.

Canadian companies have managed to supply diverse products such as: hockey equipment; weight-lifting equipment; fashion leather goods; kitchen utensils; dress furs; and Canadian-designed sailcraft.

Import Policies:

Clothing and furniture are dutiable.

Export Opportunities:

- (a) High end furniture
- (b) Office furniture
- (c) Stationery
- (d) Sporting goods
- (e) Bar-room games (billiards, curling, etc.) and toys
- (f) Carpets
- (g) Leather goods

THAILAND

The Market

Thailand is a low-cost textile and consumer goods producer. Imports of these products are mainly from Japan, Tai-

wan and Hong Kong. There is little scope for sales of Canadian products in this sector.

AFRICA AND MIDDLE EAST

ALGERIA

The Market

The market for consumer goods is limited as a result of import restrictions and a policy favouring local industrialization in this economic sector. Considerable quantities of textiles are, nevertheless, imported on tender to make up for shortages in the country's own output.

The Algerian government has imposed strict import controls with the result that more than 80 per cent of all imports are administered through some 20 state monopolies, each responsible for a particular sector. The use of agents is strictly forbidden, thus all contacts must be concluded directly between the exporter and the state organization. A good part of all purchasing is done through international tender, often closed. Furthermore, all important transactions must be subject to contract. Foreign exchange transfers are state controlled and must have the prior approval of Algerian financial authorities. Algerian state organizations prefer to deal with exporters with whom they

have had personal contact which usually implies the exporters' willingness to visit Algeria. All business negotiations are carried on in the French language.

The Canadian government will soon sign a line of credit for \$1.2 billion with Algeria of which the better part will be devoted to integrated projects and equipment supplies. The Algerian government has not disclosed details concerning the next development plan effective January 1, 1979.

International tenders are sometimes called by the Nouvelles Galeries Algériennes for large supplies of consumer goods. The importing of textiles is controlled by SONITEX. The government is trying to develop local industries offering substitute commodities: textiles, shoes, furniture. There might be opportunities for Canadian participation in this development through licensing arrangements or "products on hand" projects.

CYPRUS

The Market

Imports of textiles were \$15.4 million in 1977. All types of textiles are imported whether cotton, wool or synthetic, woven or knitted. Imports of consumer products in 1977 were worth \$85.2 million.

Import Policies

The government tries to limit imports of luxury goods

through a system of import permits and high import duties. Competition from European suppliers is high for most consumer products.

Export Opportunities

There is a demand for printed textiles. Opportunities also exist for electrical home appliances.

EGYPT, LIBYA, SUDAN

The Market

Of these countries, Libya has probably the most potential since North American oil company employees have influenced local buying habits. However, Italy has close relations with Libya and Italian and other European suppliers have a freight rate advantage. Foreign exchange is severely limited in Egypt and the Sudan and little of it is available for imported textiles and consumer goods. Good quality carpeting for new hotels in Egypt and Sudan is of interest.

Import Policies

Imports are, at least unofficially, controlled in all these

countries. This takes the form of foreign exchange and letter of credit control. In general, sales should be made only on the basis of confirmed irrevocable letters of credit. In Egypt, private imports are allowed providing the importer has access to his own foreign currency.

Export Opportunities

Libya: Toys, children's vehicles, household and personal equipment, sporting goods. Egypt and Sudan: Limited market for carpeting and specialty foodstuffs.

IRAN

The Market

With imports in the year ending March 20, 1977, of approximately \$750 million, Iran is still a major importer of textiles and consumer products. Of this total, almost \$500 million is accounted for by textile imports for Iran's expanding domestic clothing industry. Man-made fibres, both continuous and discontinuous, was the principal import with a C and F value of just over \$300 million. With the Du Pont joint-venture export-scale polyester plant likely to come on stream within the next two or three years, the import figures will be substantially reduced.

Import Policies

To protect Iran's rapidly growing consumer products manufacturing industry, many items are on the prohibited list, or carry extremely high (100 per cent plus) import tariffs. Nevertheless, with increasing consumer expectations, a small but expanding market does exist for high-priced and high-quality foreign produced consumer goods, usually brand name items.

Export Opportunities

The market for fibres, yarns and textiles is definitely worth exploring.

Manufacturing joint-ventures for consumer goods could be of interest to private investors.

Tasteful domestic home decorating items would be of interest to a small upper-income market.

IRAQ

The Market

Iraq's 1975 imports of textiles and consumer goods were approximately \$328 million consisting mainly of leather, skins and fur skins, textile fibres, yarns and fabrics, electric lamps, furniture, travel goods, clothing, footwear, sound recording, motion picture and musical instruments, video tapes and motion picture films, and giftwear jewellery and toys.

Major quantities of leather were imported from France and Britain, textile yarns were mostly imported from China, while synthetic yarns were mainly imported from Western Europe. China and Pakistan are the main suppliers of fab-

rics to Iraq. Again China, and Eastern European countries are the main sources of supply of clothing in general. Sound and motion picture instruments, video tapes, giftwear and toys are mostly imported from Japan.

Import Policies

Iraq is a socialist country, consequently almost all imports are made by specialized state departments and usually through secret tenders. Limited quantities of clothing are imported through the private sector.

There is a tendency by the Iraqi government to downplay prices as the most important factor for awarding contracts.

ISRAEL

The Market

Annual imports are \$100 million with textiles approximately half of this sum. Major sources of supply are the Federal Republic of Germany, United States, Britain and Eastern countries.

Prohibitively high customs and duty rates on consumer goods combined with high freight charges due to geograph-

ical distance put Canada in an unfavourable position. In addition, Israel's agreement with the EEC has limited even more of Canada's shares of this commodity sector. Opportunities are limited.

JORDAN, LEBANON, SYRIA

The Market

The Syrian government does not encourage the import of luxuries. Lebanon may once again become a potential market once its economy recovers from the civil war. Isolated sales may be made in Jordan.

Import Policies

Imports are, at least unofficially, controlled in all these countries except Lebanon. This takes the form of foreign

exchange and letter of credit control in Jordan and import licences in Syria. In general, sales should be made only on the basis of confirmed irrevocable letters of credit.

Export Opportunities

Lebanon and Jordan: Toys, children's vehicles, household and personal equipment, luggage, ready-made clothes, musical instruments, sporting goods, jewellery.

KENYA

The Market

Kenya has a growing textile and clothing industry but still annually imports sizeable quantities of various categories of finished textiles, textile rags and waste, and new and used clothing. There also exists a small market for toys, printed matter, sporting goods and luggage.

Import Policies

There has been considerable public and industry pressure brought to bear on the government to strictly enforce official limitations on imports of textiles and clothing. The local industry claims to be greatly threatened by imports and mass unemployment of textile workers is rumoured. On the other hand, local textiles and clothing are relatively high priced and often of low quality. It is expected that the controversy will continue to rage for sometime without any

firm resolution. However, there are a number of new textile and knitting mills and clothing factories under construction and these will bring Kenya closer to self-sufficiency. As of June 1977, tariffs were increased on imported textiles and used clothing.

The importation of many essential consumer products of all types is restricted through local import quotas and foreign exchange allocations.

Export Opportunities

Canadian suppliers have had considerable success in supplying used clothing and textile rags and waste to this market. This business should continue in spite of the increased tariff on the importation of these products.

MOROCCO

The Market

Apart from synthetic fibre for a rapidly developing textile

industry, Morocco is a marginal market and substantial exporter so opportunities are minimal.

NIGERIA

The Market

Prospects for both textiles and consumer products in Nigeria are extremely limited due to several factors including

a ban on imports of non-essential commodities imposed by the government, the low per capita income and the inefficient distribution system.

SAUDI ARABIA

The Market

Total textile and textile article imports were valued at \$723 million in 1976, and jewellery at \$96 million. U.S. firms sold \$39.5 million worth of furniture in 1976, up from \$15.4 million in 1975. The total size of both durable and non-durable consumer markets will remain small in an absolute sense, as the Saudi and foreign resident population does not currently exceed seven million.

Import Policies

Apart from a 20 per cent duty on furniture, there are no restrictions. Eighteen karat gold jewellery is considered standard and it is difficult to introduce other grades.

Export Opportunities

Furniture and carpets for homes, offices and institutions, home decorations and giftware would find buyers in the upper income group. The lack of public entertainment has given rise to an important home leisure market and hi-fi equipment, video cassettes, etc., are in wide use. New leisure products would be looked at with interest.

The services sector from electrical/mechanical maintenance to auto repair and fast-food restaurants is also an attractive sector.

SOUTH AFRICA

The Market

Buyers of South Africa department stores and smaller importers regularly visit North America on buying trips for men's, women's and children's clothing. A small number of Canadian tents are sold in South Africa but with the present depressed state of the economy, no improved sales are expected. A number of South African furriers regularly buy Canadian fur skins but prospects for increased sales remain limited. There is a small market for Canadian baby shoes but imports of men's and women's shoes are mainly confined to the well-known American and European brands. Canadian cow hides are exported to various tanneries in South Africa, mainly to the Cape Province. With the high local import duty few, if any, textiles or knitted products are imported from Canada.

Very few, if any, furniture products are imported from Canada. Considering the small market, a fair amount of ice hockey skates and sticks are sold here. Efforts are being made to introduce golf equipment such as putters and bags.

Import Policies

In order to protect the local industry, high import duties have been levied where applicable.

Export Opportunities

An increase in Canadian exports of the products mentioned above can only be foreseen if the existing economic climate improves and import licences will be more freely available.

TANZANIA, ETHIOPIA, MADAGASCAR, SEYCHELLES, SOMALIA, UGANDA

The Market

Most of the above countries except Tanzania present only small opportunities for Canadian exporters as many have textile mills of some type or other. Other major factors are local tastes and price, as the largest portion of the population prefers traditional garb of low cost materials.

Import Policies

Tight restrictions exist in all of the above countries.

TURKEY

The Market

The Turkish textile industry is highly protected by a government umbrella consisting of tax incentives and stringent import restrictions and it is thus virtually closed to any imports from abroad.

exchange and to promote local industry; a further restriction results from the lack of a large middle class and from Turkey's proximity to Europe and its associate EEC membership.

The Turkish market for consumer goods is limited chiefly by tight import restrictions designed to conserve foreign

ZAIRE

The Market

Zaire's textile industry is relatively well developed and protected, at least insofar as bleached or printed cottons are concerned. Although synthetics and other imports circulate widely from Rwanda to Gabon (a \$100 million market), Zaire remains the most protectionist of countries and one that makes importing very difficult.

The most varied consumer commodities, mainly from Europe, line the shelves of the large French distributing chains

in Central Africa. This network aside, Zaire has been hit hard by the various Zairianization measures and policies of recent years. Occasional shortages of certain commodities are not uncommon.

Until now Canadian companies have had extreme difficulty in penetrating these markets.

UNITED STATES AND BERMUDA

ATLANTA

APPAREL, LEATHER AND FOOTWEAR

The Market

There are permanent apparel showrooms in Atlanta, Charlotte, Memphis and Miami, and four market weeks annually are allocated for each of the women's apparel and accessories, infants' and children's and men's and boys' wear sectors. During market weeks, only members of the South-eastern Travellers' Association and NAWCAS can rent temporary space. In spite of the availability of permanent showrooms and the market weeks, buyers from the large department stores prefer purchasing in New York where they feel they can obtain greater volume discounts.

Almost 70 per cent of all handbags sold in the area are imported, but few are from Canada. Buyers have noted that Canadian styles are not appropriate for this region. In the past, women's fashion boots have been extremely popular, with Canadian boots being well-accepted, although buyers have requested greater variety in widths.

Import Policies

There are no import restrictions but the International Leather Goods, Plastics and Novelty Workers' Union has asked the Treasury Department to investigate imports from South America, Taiwan and the Republic of Korea.

Export Opportunities

There is a market for leather lines — coats, handbags, and especially leather fashion boots. Several importers of footwear have indicated Canadian boots could be of interest if a company salesman or manufacturer's representative could call on them with samples.

Department store buyers of better loungewear wish to be kept informed of Canadian sources. A new apparel mart will be opened in Atlanta in 1979 which will increase market opportunities for Canadian products.

FURNITURE

The Market

Due to increased public awareness contemporary furniture is becoming more popular, especially among the younger, upwardly mobile generation. The result is more stores handling contemporary lines, at the expense of traditional furniture. Increased commercial building activity is lifting contract sales.

Import Policies

There are no import restrictions on furniture, but some state and local government agencies have expressed a preference for American products.

Export Opportunities

Since the April 1977 market at High Point, there have been a number of requests for contemporary furniture and lighting for residential use. The Atlanta Merchandise Mart, now used for apparel, will be leased to contract furniture manufacturers soon, and the management has asked that Canadian manufacturers be apprised of this opportunity. Furthermore, there appears to be a good market for accessories.

BOSTON

FOOTWEAR

The Market

Canadian winter footwear for men, women, and children has a portion of the New England market, and judging from last winter, this portion should increase. There have been new agencies established and existing representative organizations have indicated an increase in orders for winter 78-79.

Import Policies

U.S. quotas on footwear are already in effect under an

agreement called OMA (orderly marketing agreements) which limit shipments from the Far East. This may open up new areas for Canadian casual footwear.

Export Opportunities

No specific export opportunities at this moment.

FURNITURE

The Market

The furniture market in New England has had its ups and downs. Just recently the market is pulling out of a two-year slump. Canadian contract furniture enjoys an excellent reputation in the area. Home furnishings do not do as well generally, but individual companies have had success with certain styles.

Import Policies

The various states have licensing laws concerning the label-

ing of upholstered furniture and bedding. It is best to check with the Canadian Consulate if questions arise.

Export Opportunities

The main concern of furniture buyers is the style or "look" and quality. But in order to be successful, the lines must be competitively priced.

GIFTWARE

The Market

There is a definite market for handicrafts — Indian and Eskimo — in the Boston territory, but they must be of high quality, otherwise competition from Southeast Asia is strong.

Inroads have been made with some of the better gift shops and museum shops in New England and prospects are good for long-range exports.

Import Policies

There is no legislation that would restrict current exports.

Export Opportunities

Export opportunities exist on an individual basis, each company or organization should visit the market and investigate all areas.

JEWELLERY

The Market

The Boston/Providence, Rhode Island area is the centre of the costume jewellery (from \$1 to \$100) in the United States. Because of this, Canadian firms can only compete in high quality items. There have been successful sales in the past but they lacked follow up. Canadian quality jewellery firms should be able to compete if they persevere.

Import Policies

No specific policies or legislation affect the market.

Export Opportunities

The increase in employment and the economic upturn indicated for 1978 could bid well for quality consumer products like jewellery.

APPAREL AND TEXTILES

The Market

Retail sales have shown improvement over the last year. Adjusted figures across the U.S. are up about nine per cent over 1977. The Boston Metropolitan area is slightly under that figure.

There have been new store openings which add to the excitement of the retail market, also an increase of jobs at the retail level. The Fall season is off to a good start in all chain and discount stores.

Canadian high fashion ladies' wear is catching on with quality specialty stores in New England due to the aggressive

efforts of two Americal sales representatives who are representing a number of lines.

Import Policies

There are no specific import policies or legislation directly affecting Canadian textile exports, except for the excessively high duty of 42-1/2 per cent on ornamental apparel.

Export Opportunities

No specific export opportunities at this moment.

SPORTING GOODS

The Market

Even though Canadians are in a leisure market, the items most closely associated with Canada — skates and hockey equipment have been declining in sales for the past three years. Recent surveys indicate cross-country skiing as the fastest-growing winter sport.

Import Policies

No specific government policies or legislation exist in the sporting goods area.

Export Opportunities

Opportunities are wide open for aggressive Canadian cross-country ski firms. There was a predicted 30-40 per cent growth in cross-country skiing for the New England area for winter 77-78 (based on weather conditions). This should encourage active exports by Canadian firms.

BUFFALO

The Market

The Upper New York State area has traditionally been, and remains, a good market for Canadian manufacturers of high-fashion clothing, ladies' footwear and sporting goods.

Relative to the furniture industry, Canadian contract furniture has always been well received. Household furniture manufacturers, however, have been experiencing considerable difficulty in meeting local U.S. competition.

Import Policies

Other than normal customs regulations, there are no restrictions placed on Canadian products entering the United States in the sector.

Export Opportunities

No specific opportunities at this time.

CHICAGO

The Market

The acceptance of the apparel mart and the shift of the Sears apparel buying office to Chicago have increased local opportunities for Canadian manufacturers.

Activity in the contract furniture sector remains strong as many Canadian firms have developed local representation.

Buyers from throughout the territory frequent the numerous trade shows held each year in Chicago. Canadian manufacturers are urged to investigate trade shows as a means of penetrating this market.

Import Policies

No restrictive policies.

Export Opportunities

Buyers are interested in almost any item that can compete in distinctiveness, quality and laid-down price.

CLEVELAND

The Market

With the exception of some winter clothing and specialized winter sports equipment, this market for consumer items is similar to that in Canada. Canadian design and fashion are well accepted by the consumers as are products which are closely associated with Canada. For example, hockey equipment and handicrafts enjoy a considerable advantage over imports from other countries. In virtually all cases, it is necessary to use the services of manufacturers agents to service the multitude of specialty stores as well as the department store chains.

Import Policies

High tariffs on synthetic fabrics severely limit sales of synthetic textiles, clothing as well as synthetic covered household furniture.

Export Opportunities

Leather outerwear, shoes, sporting goods, wood or contract officer furniture, giftware, toys, dressed fur skins.

DALLAS

The Market

It has been demonstrated over the past two or three years that the Southwest is an interesting marketplace for consumer goods in its own right. Being a national marketplace, it is exceeded in importance only by New York and perhaps Chicago. The volume of Canadian exports of these products into the Southwest is more than \$10 million annually.

Import Policies

Currently, there are few restrictions. However, with the recent restraints on apparel imports to Canada, it can be assumed that some retaliatory measures will be forthcoming.

Export Opportunities

Dallas boasts a total of 26 market weeks per year in the following areas: men's/boys' apparel, giftware, home furnishings, contract/design furniture, tennis equipment, shoes, toys, women's/children's apparel.

The market weeks at the world famous Dallas Market Centre offer excellent opportunities for Canadian manufacturers of these products, with the possible exception of toys, giftware and shoes.

DETROIT

CLOTHING

The Market

Although New York is regarded as the fashion marketplace, several Canadian producers of men's and women's fashions priced for the medium, better and high-range mar-

kets have found that professional promotion of their lines has produced excellent sales results in the Michigan, Indiana and Toledo, Ohio areas.

LEATHER AND FOOTWEAR

The Market

Women's leather fashion coats in the medium to high-price range have been popular throughout the territory. Styling is extremely important and Canadian manufacturers with innovative styling would be most welcomed by the United

States buyers. Fashion winter footwear buyer visits to Canada have produced excellent results. Several buyers attended the 1978 Winter Canada Footwear Show, Montreal, Quebec, which generated over \$300,000 in sales.

FURNITURE, HOUSEHOLD

The Market

Canadian contract furniture is well accepted. Buyer visits to Canadian manufacturers are extremely important and are encouraged. The International Interior Design Show is

recognized as the most important vehicle for the promotion of Canadian contract furniture. Canadian household furniture is of little interest to U.S. buyers because of styling and price considerations.

LEISURE PRODUCTS AND CRAFTS

The Market

The area's population of more than 13,000,000 and extremely high income per capita rating, is highly sports conscious and provides Canadian manufacturers and exporters of sporting goods, leisure products and crafts with an excellent marketing opportunity. Many Canadian manu-

facturers are already well established in this market, and Canada's local Trade Commissioner enjoys good connections with the trade, particularly with the agents specializing in the sale and promotion of Canadian sporting goods.

PROMOTIONAL GIFT ITEMS

The Market

Unique and quality promotional gift items from Canada are of interest to many large corporations headquartered in this territory. Stamford Art Manufacturing Company, Tor-

onto, is a good example of an aggressive Canadian designer and exporter of unique and attractive Canadian giftware which is enjoying sales success in Michigan, Indiana, and Toledo, Ohio and in other areas of the United States.

LOS ANGELES

SPORTING GOODS

The Market

Within the U.S. there has been a tremendous boom in the sporting goods industry over the past 10 years. The National Sporting Goods Association estimates that U.S. consumers spent more than \$43,676 million on recreational equipment in 1976/77, an increase of 8.3 per cent over the 1975/76 figure. California was the leading state, spending approximately \$448.2 million.

California, in addition to being the leading state in total dollars spent on sporting equipment, is also regarded as the fastest-growing market for the sale of sportswear and sporting goods in general. Thus sporting goods and apparel

manufacturers have been among the prime beneficiaries over the past three years for the growing affinity of Americans to the outdoor life.

Import Policies

All marine equipment must meet U.S. Coast Guard approval.

Export Opportunities

California offers an excellent market for sporting apparel related to golf, tennis, boating, camping, fishing, hiking, etc., and, of course, all sporting equipment and related accessories catering to the above-named activities.

JEWELLERY

The Market

There is a strong jewellery market developing in Los Angeles as manufacturers open plants and show rooms for fine jewellery. Both men and women are buying jewellery as status symbols and for investment. Status pierced earrings, necklaces and chains continue to be strong. Silver is at a standstill.

Import Policies

None.

Export Opportunities

The trend is for 14 and 18K gold and precious stones in updated settings, hair ornaments, pearls and crystal. Glitter, shine, sparkle. Fine workmanship on many Canadian jewellery lines places them at a distinct advantage over U.S. manufacturers. Price must be right.

Manufacturers need local representation to give product line consistent market exposure in Southern California.

APPAREL

The Market

The southern California market continues to be good in better-priced fashion goods with emphasis on updated, trendy, non-traditional approach. The trend is to soft unconstructed looks in both men's and women's apparel. The top selling fibres are silk, cotton, wools and linens.

Import Policies

None, but import duties are extremely high in certain areas and prohibit exporting into the highly competitive U.S. market.

Export Opportunities

Manufacturers interested in exporting must shop the Cali-

fornia market on a regular basis to understand the California look and to establish communication with major buyers of department stores and small specialty store owners.

Finer specialty stores have the attitude of uncovering untried items and resources to whet customers' appetites. Major stores buy on a balance between newness and salability, even aware of price points.

The approach to the sportswear market must be extremely aggressive. Local representation and advertising dollars are a necessity.

FOOTWEAR

The Market

The footwear market is better in southern California than in the rest of the U.S. Reasons for strength of local market are twofold. First, competition is so severe that buyers must be aggressive in trying new items to stimulate interest. Second, southern California weather permits choice in foot fashions and at retail the consumer has chosen sandals as a year-round favourite.

Footwear sales for Los Angeles and the surrounding area are expected to be approximately \$365 million. The volume for women's shoes is a \$19.99 price at retail.

Import Policies

None.

Export Opportunities

Style and price continue to be determining factors.

Representation is necessary and it is advised to advertise fashion footwear in fashion publications such as Vogue, Harpers, Mademoiselle, etc. (include Made in Canada label).

LEATHER AND HANDBAGS

The Market

The whole leather apparel market continues to be somewhat soft, with many buyers waiting to bring leather goods in closer to holiday. Buyers feel that Canadian manufacturers have priced themselves out of the volume market in leather and that Leather Canada in March 1977 showed no new fashion thrust.

Feeling from buyers was that Leather Canada should include handbags and leather accessories. The leather handbag market is good.

Import Policies

None.

The Market

The fur market is good for light skins and bright coloured furs. Worn as status symbols, not for cold weather protection. Price range extremely broad.

Import Policies

Seal skins are not permitted under the Endangered Species Act.

Export Opportunities

It's young-looking, trendy jackets and some coats. Buyers

Export Opportunities

By Canadian standards the southern California market for leathers is small for obvious climatic reasons. Consequently, leather coats and other leather goods are strictly style items. Price, styling and weight of goods are much more important here than in colder climates.

Handbags of leather and canvas are expected to produce business 12 months a year. Leather briefcases for women are showing signs of being the single strongest item for Fall fashion.

Manufacturers looking to export must appoint representatives in southern California.

FURS

looking for fine detail and newness in both patterning and colour. Fun furs continue to be a strong category.

Representation in local territory not advised. Canadian manufacturers should work with San Francisco and Los Angeles consulates to bring missions of fur buyers in from California.

FURNITURE AND WOOD COMPONENTS

The Market

The west coast market for residential furniture, home furnishings and office furniture, as reported by the U.S. Department of Commerce, has a retail sales growth approximately 45 per cent higher than the U.S. averages. Economists believe that this trend will continue as evidenced by the construction boom which is taking place in southern California. This, of course, directly indicates the tremendous potential for Canadian-made furniture.

Import Policies

The California regulations set by the Bureau of Home Furnishings effective March 1, 1977, require that all filling materials contained in any article of upholstered furniture shall meet the test requirements as set forth in the State of California, Bureau of Home Furnishings Technical Bulletin No. 117, "Requirements, test procedures and apparatus for testing the flame retardance of filling materials used in upholstered furniture".

In addition to the above, the finished article itself shall not ignite when tested in accordance with the most recent State of California Bureau of Home Furnishings Technical Bulletin No. 116 entitled "Test Procedures and Apparatus for testing the flame retardance of upholstered furniture".

The latter had an effective date of compliance October 1, 1978.

Export Opportunities

Residential: This type of furniture has experienced some difficulties due to the high duties imposed on upholstered furniture by the U.S. government. Nevertheless, Canadian manufacturers are still experiencing some success with upholstered furniture but their main market is with case goods.

Contract: Canadian manufacturers of contract furniture have been extremely successful in this market especially those firms that offer a complete office system. Manufacturers of seating and desks in the low to medium-price range continue to register excellent sales in this market. However, there is a market for the higher-end merchandise but it is, of course, much more limited and demands more time and energy to develop.

Wood Components: Southern California has a very large furniture manufacturing industry and as a result several Canadian firms have been successful in selling dimension lumber and dowelling to select furniture manufacturers.

CULTURAL PRODUCTS

The Market

Hollywood is part of Los Angeles so that Canadian television and movie productions must move through here to be successful in the U.S. (and elsewhere in the English-speaking world). Canadian productions have gained some acceptance and the major firms are now much more receptive to Canadian offerings. In addition, more and more major U.S. films are being shot partly or entirely in Canada.

Recordings and books do not fare well, usually because they are too Canadian in content to be accepted here.

Import Policies

No major problems.

Export Opportunities

In such a volatile industry, it is impossible to predict tomorrow's new trend in entertainment. However, U.S. firms will continue to consider any Canadian production of reasonable quality.

MINNEAPOLIS

APPAREL

The Market

Outerwear is the predominant product. The number of outlets handling leather outerwear has diminished and buying is now concentrated in a few major accounts. Although generally not a high-priced or high fashion market, Canadian better leathers are holding steady against other imports and good opportunities exist for moderate price sources. Down-filled garments are also important. Format is good but has not been aggressively penetrated by Canadian manufacturers. Some market potential also exists for competitively priced sports wear, leisure wear, western wear and knitted sweaters.

Import Policies

No restrictive policies.

Export Opportunities

The Montreal Leather Canada Export Show is an important means of exposure for buyers in this territory and most direct sales originate from it. Other sales are made through manufacturers' representatives with the latter being essential for the servicing of smaller accounts. The major portion of department store buying is done through national buying offices and in New York markets.

FOOTWEAR

The Market

The market for winter footwear is growing steadily with particular strength in lower to medium-priced ladies' fashion boots and men's and ladies' sport boots. Sales to territory exceed \$1.25 million dollars in above categories.

Import Policies

No restrictive policies.

Export Opportunities

The Montreal Winter Footwear Export Show is an important vehicle for product exposure to buyers in this territory. More than half of territory's orders originate at show with remainder coming through manufacturers' representatives.

FURNITURE

The Market

The contract furniture market has never been better. In downtown Minneapolis alone, eight major projects are planned or under construction including a massive city centre project being undertaken by Oxford Development Group Ltd. of Edmonton. Several large projects are also under way in St. Paul and Duluth. Opportunities are especially good for higher-priced, design oriented products in major installations. Selling points are design, manufacturing flexibility, quality and delivery. Lower-priced office products are also doing well.

Import Policies

Although the state of Minnesota has recently enacted a Buy America Policy for state purchases, this should not affect precisely specified projects.

Export Opportunities

Opportunities for contract furniture should be excellent in territory for next several years. Most business is written through local manufacturers' representatives and dollars are a strong factor.

NEW YORK

APPAREL AND TEXTILES

The Market

Retail sales continue in a favourable pattern, and Canada's participation is good. Men's sweaters, ladies' leather wear, and lounge wear specifically have done well. The fur industry is viewed as making a substantial overall contribution to volume.

Canada's good quality cold weather wear provides excellent leverage for sustained market penetration. A need for increased personal contacts at store level is apparent. Canadian firms are using the Trade Commissioner's Office as a base for market exposure, and its role in making meaningful contacts is essential.

Export Opportunities

New York City is the headquarters for multimillion dollar

stores such as Federated Associated Dry Goods and Allied Stores. The ripple effect is significant, for retailers across the country watch and emulate these giant concerns. Some \$12 billion at cost in apparel is concentrated here, and an ever-present ever-alert Canadian fashion presence is essential to insure and maintain Canada's share of this market. Increasingly, it is essential to stress the fashion aspects of these markets and advise and assist Canadian firms in meeting these sales opportunities.

An awareness of the rate of fine specialty stores is essential in developing marketing strategy. While it is more difficult to build contacts in the area, there is strong loyalty to Canadian products. Large department stores continue to be the strongest selling area.

CULTURAL, LEISURE PRODUCTS AND CRAFTS

The Market

Contract furniture will show continued slow growth, with accelerated growth in hotel/motel into the mid-80s. Residential furniture prospects continue patchy and trendy in a highly competitive market.

Export Opportunities

Consumer items, giftware, toys, sporting goods, etc., can find a place in the market only if they are unique, competitively priced, and well presented. One area offering scope to Canadian manufacturers is the retail display and fixtures industry, provided the supplier has originality, a quality product, and reliable delivery.

PHILADELPHIA

APPAREL, TEXTILES AND FOOTWEAR

The Market

The key urban centres of Philadelphia, Baltimore, and Washington, D.C., are undergoing major construction and restoration of retail, office, and residential space. Washington, D.C., has \$1 billion in revitalization projects under way and the overwhelming commercial success of the Philadelphia Gallery, a city centre mall, has prompted expansionary retail development projects in the downtown area.

Import Policies

The U.S. government is under pressure from domestic manufacturers and unions to restrict imports of footwear and leather goods.

Export Opportunities

Export opportunities exist for Canadian manufacturers of distinctive merchandise, especially fashion boots and footwear, moderately-priced promotional leathers, couturier fashions, children's wear, wool outerwear and furs. Specialty shops and department stores selling better quality merchandise are potential customers for Canadian apparel and footwear.

Mid-Atlantic fashion marts and couturier shows are held in Philadelphia and Baltimore five times a year. Also, Delaware Valley shoe markets are held in Philadelphia in March and September of each year.

SPORTING GOODS

The Market

Continued construction of recreational facilities in the Philadelphia territory and growing participation in skating and hockey, represent growing markets for hockey equipment and figure skates. Despite recent closeouts of Wilson Hockey Equipment, the market is now resuming normal growth and major competitors for the hockey market are Canadian.

Import Policies

Government legislation indicates a trend toward safety features, particularly facial equipment both in Canada and the United States.

Export Opportunities

Markets exist for hockey equipment and cross-country skis.

FURNITURE

The Market

Washington, D.C., provides a growing market for Canadian-made contract furniture. Encouraged by federal urban renewal schemes, a number of commercial projects have been started to meet a seemingly inexhaustive demand for office space. An exhibition of Canadian contract furniture held in the capitol last April was well received by local interior designers and specifiers and a follow-up show is planned for 1979. Demand for contract furniture in the Philadelphia area is also rising with new hotels, office, retail, and hospital construction increasing steadily. Trends in the replacement market are also up.

Manufacturers of higher-priced contemporary furniture have managed to obtain moderate-sized orders.

Import Policies

Some restrictions exist on textiles used for upholstery fabrics and drapery and lighting fixtures. Canadian-made furniture must be listed on GSA schedules in order to qualify for procurement by government agencies.

Export Opportunities

Market opportunities exist for Canadian manufacturers of contract case goods and lighting and residential seating, lighting and accessories.

Canadian residential furniture has been minimally successful in the mid-Atlantic states. A few Canadian manu-

SAN FRANCISCO

The Market

The Canadian Consulate General in San Francisco covers three distinct market areas. The largest of these is northern California, and the San Francisco Bay area is its commercial hub. Its population of eight million people is about that of the Province of Ontario, and its residents among the most affluent in the world, with the result that the area is also a world leader in per capita retail sales. The next largest market area is the Rocky Mountain region which has a population of 3.5 million people centred around Denver, Colorado, and Salt Lake City, Utah. This area is now experiencing an unprecedented population expansion and economic boom based on rapid development of its energy resources, as well as the quality of life in the region. The third area, the Hawaiian Islands, has a resident population of less than one million people, but its unique economy based on defence, specialty agriculture, and hundreds of thousands of high-spending visitors (many of them Canadian) creates an interesting pocket-market.

The San Francisco Bay area, besides being one of the largest retail markets in the United States, is noted for its sense of style and design and, in many instances, its preferences set the trend for the rest of the nation.

The Denver and Salt Lake City areas are the focal points of the wholesale and retail activity in the dynamic Rocky Mountain market area. Geography, attitudes and tastes of the area are very much like those of Western Canada which makes this market an ideal starting point and target for smaller and medium-size Canadian manufacturers whose limited production, or export experience, or capacity precludes them from realistically tackling the huge Eastern or Western markets.

Hawaii is a market of its own where the predominant factor in the consumer products market is tourism — three million visitors spent more than \$1 billion last year on goods and services. Since 80 per cent of the goods came

from outside the islands, Canadian consumer goods manufacturers would be wise to take a close look at this potentially highly profitable market.

Import Policies

Some states in this territory — notably California — impose stricter consumer safety and other regulations, such as Upholstered Furniture Flammability Requirements, than those applicable federally. Details are available by contacting the consulate, but it should be noted that these additional requirements do not constitute a major marketing deterrent for Canadian exporters who face not dissimilar regulations domestically.

The Market

The Pacific Northwest houses a number of well-known, name-brand apparel manufacturers with products ranging from woollen goods (Pendleton Woollen Mills) to men's and women's sportswear (Jantzen, White Stag, Pacific Trail) to the largest base for primary down manufacturers in the U.S. (Eddie Bauer, Sportcaster, Pacific Trail and Roffe-Rene). Local retailers exhibit a loyalty to these firms, although they are very responsive to new sources of apparel coming into the area.

With the existing strong economy in the region, local fashion apparel department stores are generating approximately \$2 billion (retail) annually of which a conservatively estimated \$10 million is Canadian. Canadian apparel and footwear are highly regarded by local retailers and are known for their quality of design and workmanship.

On the furniture side, acceptance of Canadian contract furniture is readily apparent with a good cross-section of case goods, numerous partition systems, and wood lines which have strongly established themselves in this market. The residential area also has good potential for Canadian manufacturers, although at this time, it has not been as vigorously pursued as the contract. The nature of the U.S. tariff is such that products whose chief value is wood can be more competitively priced than upholstered.

There is a small manufacturing base for residential and office furniture in both the Seattle and Portland areas. However, most of the products are purchased from points outside the territory and local distributors and dealers are anxious to view and discuss new lines.

Import Policies

Local policies governing importation of apparel into the Pacific Northwest are concurrent with U.S. federal regulations. Standards that are strictly enforced apply to the

The Market

Bermuda completely depends on imports for the basic needs of its 55,000 inhabitants, and the 500,000 tourists who visit the Island each year.

In 1976, Bermuda's imports from all countries totalled \$165 million. In 1977 imports from Canada (the third largest supplier) totalled \$11 million. Canadian exports to Bermuda include food (40 per cent of our exports), apparel, textiles and footwear, electrical goods, machinery, paper products, furniture, etc.

Export Opportunities

The apparel and footwear market in the Rocky Mountain and San Francisco Bay areas remains virtually untapped. Exciting sales opportunities exist for: coats; leatherwear; winter après ski, sport and work boots, and footwear; jewelry; and other sportswear.

Canadian contract furniture manufacturers have already carved out a share of this market. However, with office space increasingly at a premium, commercial construction throughout the territory is expected to boom in the next few years. This will create an even greater demand than in the past and more opportunities for new Canadian contract furniture suppliers to enter the market.

SEATTLE

non-flammability of infants' and children's apparel, primarily sleepwear. Beyond this, there are few U.S. restrictions and no specific Northwest restrictions on imports. Major changes in buying procedures and fashion trends are contingent on style and fabric variations initiated in the buying centres of the U.S., Canada and Europe. A large percentage of local apparel store buyers in this area travel to New York, Los Angeles, Montreal, London and Paris making this area as current and style conscious as most large metropolitan regions.

There are few restrictions on furniture imports. The nature of the Canadian import market with its traditional emphasis on the contract side is likely to continue unless the features of the U.S. tariff structure, previously discussed, are altered.

Export Opportunities

A substantial retail apparel and footwear market is located in this area supported by seven major retailers. Of the seven, five are branches of national organizations and two are based regionally. All of these firms have autonomous buying authority and the parent companies are used mainly for direction in buying. All types of apparel and footwear are readily acceptable in this area. If the styling and workmanship are good and the pricing competitive, this is a sound market for all types of wearing apparel and footwear.

The market for office furniture in the Northwest is estimated to be \$75 to \$100 million per year with approximately \$1 million being Canadian. On the residential side, the market is some \$275-\$300 million. Both areas offer specific opportunities, however. The greatest immediate potential lies in the office area. Here, case goods, partition systems and wood lines are most readily received. Canada is known locally for its contemporary design and high manufacturing quality and these should be emphasized.

BERMUDA

Although Bermuda is a small market, it is perfectly tailored for the many small and medium-size Canadian manufacturers. The Canadian Consulate General, New York, City, has established and maintains close contacts with Bermudian importers.

The lower-priced Canadian dollar and the slowing rate of inflation in Canada should contribute to increased competitiveness of Canadian products in Bermuda.

CENTRAL AMERICA AND CARIBBEAN

COSTA RICA

The Market

The textiles and consumer products markets in Costa Rica are dominated by local production and imports from the Central American Common Market under the protection

of high tariffs. Although the vast majority of the approximately \$70 million of imports in 1975 was from the CACM, Canada has increased its sales from only \$210,000 in 1974 to slightly more than \$710,000 in 1977.

CUBA

The Market

Since Cuba's hard currency resources are limited, hard currency is generally reserved for products essential for the development of the Cuban economy. Consequently, prospects for sales of Canadian consumer products are limited.

Import Policies

Consumer products are handled by the state trading agency Consuimport. Textiles are handled by Cubatex. Other agencies, however, such as Cubalse and Turimpex, also get involved when the destination of these goods is the diplomatic store or the hotel boutiques.

Export Opportunities

Some specific opportunities do exist. If Cuban tourism development plans are successful, there will be major requirements for all types of hotel/restaurant textiles and recreational equipment.

Although most primary and finished textiles products are purchased from Japan, Spain and Panama, a potential exists for Canadian sales of elastics, industrial materials and clothing and hand knitting yarns.

Cuba produces most of its furniture requirements; there is, however, a limited potential for sales of high-quality office furniture.

EL SALVADOR

The Market

Textiles: Potential extremely limited. 1977 Canadian sales of textiles were \$276,000.

Consumer Products: Although limited by the size of the disposable income/consumer society, the market is not insignificant with 1977 exports of \$615,000 highlighted by \$214,000 in computers, \$178,000 in electric typewriters and \$93,000 in lighting fixtures.

Import Policies

In addition to the 30 per cent common market tariff, duties on textile imports are between 15 to 35 per cent in this textile exporting economy.

Export Opportunities

Consumer goods opportunities could be promising for aggressive firms in this small but wealthy market.

GUATEMALA

The Market

Textiles: Although Canadian textile exports were up marginally to \$174,000 in 1977 the potential is extremely limited due to (1) a small market for the higher-quality fashion lines in which Canada would compete against European products; and (2) the bargain basement clothing and industrial textile markets are dominated by an extremely profitable and expanding local textile production on a scale for Central American market requirements.

Consumer Products: Although limited by the size of the disposable income/consumer society, the market is not in-

significant with 1977 sales of \$351,000 dominated by \$120,000 in lighting fixtures.

Import Policies

In addition to the 30 per cent common market tariff, duties on textile imports are between 15 to 35 per cent in this textile exporting economy.

Export Opportunities

Consumer goods opportunities could be promising for aggressive firms in this small but wealthy market.

HONDURAS

The Market

In the lowest per capita income and least populated economy in Central America the textiles and consumer products markets are limited, with only \$348,000 in 1977 sales.

Import Policies

The Central American Common Market tariff is 30 per cent.

Export Opportunities

Limited market potential.

JAMAICA

The Market

Imports of textiles (raw materials) in recent years have been as follows:

1975 J\$36.7 million (\$1.2 million from Canada)

1976 J\$34.0 million

1977 J\$31.5 million

Of textiles imported, it has been estimated that about 60 per cent have been for the distributive trade and 40 per cent for manufacturers.

In 1977, Jamaica imported consumer goods to a value of J\$99.9 million, 25 per cent of which represented non-durable goods such as medicinal and pharmaceutical products, essential oils and toilet preparations, textile fabrics for the distributive trade, clothing, footwear and printed matter. Twenty-one per cent was made up from the group of durable products such as motor cars, motor vehicle parts and accessories, domestic electrical appliances and apparatus, and certain metal manufactures. The remaining 54 per cent was represented by food imports.

Import Policies

Due to the deteriorating foreign exchange reserve situation, the government announced firstly, that import licences covering textiles imported for the distributive trade, from areas other than CARICOM, would no longer be issued but no restriction was placed on manufacturers. Manufacturers, however, are not permitted to import any types of textiles that are available locally, such as calico, denim, chambray and broadcloth.

The government policy has since been tightened up in that import licences will only be issued to those manufacturers who export their finished products.

The ceiling for consumer goods for 1978 is being set at approximately US\$114 million. Substantial reductions in the imports of some items have been instituted and the importation of some items has been eliminated.

Export Opportunities

The main types of imported textiles at this time are woven polyesters, gabardine, cheesecloth, calcuttas and ponchees.

In the category of those non-food consumer goods permitted entry, special attention will be paid to the tourist industry and high priority will be accorded to items which are essential to the maintenance of the government's health and educational programs such as essential books and drugs. But even these items will have to undergo close scrutiny to eliminate non-essentials. High priority will also be accorded to necessary tools and equipment for tradesmen and spare parts for motor vehicles falling in this category, but it has, unfortunately, become necessary to institute a quota system for these items.

The other territories covered by the Canadian Trade Office in Jamaica — Belize, the Bahamas, Cayman Islands and the Turks and Caicos Islands — remain open markets for textiles and consumer goods albeit relatively small.

NICARAGUA

The Market

Of some \$55 million worth of imports in this sector, Canadian goods accounted for only \$198,000.

This market is dominated by the Central American Common Market which, by 1980, is expected to be able to supply all of its own requirements.

Textile imports have decreased over the last two years with the establishment of several new mills in the Common Market member countries.

PANAMA

The Market

Canadian textile exports (mainly broad-woven fabrics) totalled \$675,000 in 1977. There is considerable manufacturing activity in the Colon free zone and it is difficult

for Canadian garments or consumer products to compete with the zone or with Central American products imported under special bilateral preferential agreements.

PUERTO RICO

(Includes: Dominican Republic, Haiti, British and U.S. Virgin Islands)

The Market

Puerto Rico is a consumer-oriented market but at the same time highly price conscious. Higher unit production and transportation costs plus U.S. tariffs make it difficult for

Canadian companies to compete with local industry, U.S. suppliers and low-cost imports from the Far East. In the Dominican Republic and Haiti, high tariffs on non-essentials keep demand low.

TRINIDAD AND TOBAGO

The Market

For the fourth consecutive year, the Canadian Textile Show was held in Port-of-Spain with reported on-site sales of Cdn. \$1.6 million, a slight decrease over 1977. Within the Eastern Caribbean area, Trinidad and Tobago, Barbados and Guyana have well developed garment industries.

Other countries in the territory are moving in a similar direction. Thus, overall export figures for 1977 were in the range of Cdn. \$6.8 million, an 11 per cent increase over 1976. Exports to Guyana, however, registered a sharp drop due to the country's foreign exchange situation but losses were largely offset by a 45 per cent increase in exports to

the rest of the territory. Trade in consumer goods is generally slow in all countries with the exception of Trinidad and Tobago.

Import Policies

Due to restrictive import policies of some governments, there will be an overall decrease in the total imports of textiles and consumer goods into the area.

Export Opportunities

Despite economic problems in many of the countries in the area, opportunities still exist for textile and consumer goods exports and joint ventures for those Canadian companies prepared to make the effort to penetrate this market.

LATIN AMERICA

ARGENTINA

The Market

This country is an important producer and exporter of the main natural textile fibres such as wool and cotton, and also produces most of the artificial fibres required by the domestic market. The textile industry became established several decades ago and after an intermediate period of stagnation, it is being modernized and expanded, and is now capable of supplying all domestic requirements as well as increasing exports. The garment and furnishing textiles industry is also well developed.

The fabricating level of industry in Argentina is capable of supplying all needs for personal, household, commercial and institutional consumer goods.

Import Policies

Imported fibres, yarns and textile material are subject to duties of 10 per cent, while that on apparel is 15 per cent.

Although the ban on imports of luxury and consumer goods was waived in 1976, the quality and design of the local consumer product allows local manufacturers to compete successfully with foreign suppliers.

Export Opportunities

Opportunities are limited to special products such as lastex/lycra yarn, and furs, natural and synthetic. The potential for consumer goods is mainly for high-quality luxury or novelty items.

BRAZIL

The Market

Brazil is a major low-cost producer of textiles and related products and protects its industry with a variety of import restrictions. It also produces a broad range of consumer goods.

Import Policies

Imports of all non-essential consumer products are currently banned and import permits will not be issued. Both textiles and consumer goods face import tariffs up to a level in the order of 200 per cent and all are subject to the 100 per cent prior deposit scheme.

Export Opportunities

Except for perhaps some slim opportunities for exports of apparel, consumer electronics, toys, games and giftware to the Brazilian Free Trade Zone of Manaus, no export opportunities exist in this sector.

However, as the Brazilian government is attempting to rationalize the textile and consumer products industry there may be possibilities for joint venture and licensing arrangements in some industrial sectors.

CHILE

The Market

For the first time in years, foreign consumer goods of all types are appearing in local stores in large quantities but by Canadian standards the potential market is still relatively small (no figures are available). Textile imports, particularly piece goods, have been creating havoc with the local industry resulting in production cuts of as much as 50 per cent. To date clothing imports have been negligible except in cheap apparel, including some used clothing.

Import Policies

By July 1979 the rates of import duties on all imported products will be reduced to 10 per cent ad valorem. The existing rate of duty for each product is being reduced on a

monthly basis from present levels ranging between 20 and 35 per cent, and on July 1, 1979, all rates of duty will be stabilized at 10 per cent. The only exception will be automotive imports for which the rate of duties will remain at 115 per cent. Foreign exchange is readily available. Procedures have been simplified for individual Chileans to import small quantities of items (up to US\$1,500).

Export Opportunities

Opportunities exist for a broad range of consumer goods. However, at this early stage, when imports have just opened up and trade channels have not become established, it is impossible to comment on individual products, the potential volumes of which would be rather limited.

COLOMBIA

The Market

Colombia is a major exporter of clothing, leather goods and textiles. Domestic and commercial furniture of wood, chrome and leather are locally produced and exported. The workmanship is good and prices are reasonable. Colombia is, therefore, not a market for Canadian furniture of this type.

Colombia is a major exporter of precious stones and is a source of gold and silver jewellery at reasonable prices. There is no market for Canadian jewellery or crafts.

Colombia has its own toy industry. A small amount is imported but these products are directed to the duty-free

zone of San Andrés. Sporting goods are imported and the major suppliers are the United States, Federal Republic of Germany, Britain and Japan. Colombia's language is Spanish and sale of Canadian books or videotapes would be on a one-time basis (if at all) with the possible exception of textbooks for schools teaching English. Records are locally produced and the LPs (classic and popular) market at less than \$3.50 per album. As local musical tastes differ from Canadian, record sales would be made by promotion of artist not by type of music. Pencils are locally produced and exported. Pens are locally assembled. Several international companies have local operations. Some parts are imported.

Import Policies

Heavy duties protect local manufacturers of any of these products. For example, duties on clothing range from 85 per cent to 95 per cent.

Export Opportunities

There is a limited market for specialized medical furniture such as dentists' chairs, operating tables and examining tables, and for a range of Canadian sporting goods, particularly for gymnastics, outdoor sports and fishing.

ECUADOR

The Market

Most articles of clothing and leather are prohibited imports. Specialized clothing and sports goods are imported in small quantities, primarily from the United States.

Synthetic yarns and threads are also imported in substantial quantities from the U.S., Japan, Federal Republic of Germany and Brazil. While synthetic carpets are permitted, competition from the local natural, fibre-based industry makes success unlikely.

As Spanish is the language of Ecuador, sales of English or French books, stamped stationery items, records and films are unlikely. Pens and pencils are imported from the U.S., Federal Republic of Germany, Italy and China. Wheeled toys and metal toys, but not dolls, may be imported as may

sports equipment. Ecuador has fine jewellery craftsmen and as a result jewellery imports are prohibited. Most items of furniture are prohibited imports. Specialized medical furniture is imported but normally supplied as part of a turnkey package bid on total hospital supply and construction.

Import Policies

Low-cost ladies' and men's apparel.

Export Opportunities

Limited opportunities (usually in small volume) exist for: specialized protective clothing, leather goods for industrial use such as belting, selected sporting goods, synthetic fibres and yarns, and toys.

MEXICO

The Market

Mexico has a highly developed labour-intensive textile and garment industry supplying domestic needs and capable of competitive participation in international markets. A wide spectrum of consumer products is manufactured domestically or assembled from imported and local parts. The free zones of Mexico primarily along the United States/Mexico border, the States of Baja, California North and South and the State of Quintana Roo at the extreme south enjoy a more liberal policy relating to imports for consumption within their respective zones.

Import Policies

In view of existing domestic manufacture of textiles and consumer products, invariably similar imports are either subject to import licence control or an import duty which would render the import non-competitive in the domestic market.

Export Opportunities

Sales of textiles and consumer products exist in the Mexican free zones against brisk competition from European, American and Asian sources of supply.

PARAGUAY

The Market

The population of 2.5 million with per capita GNP of \$300 provides a small market.

Main imports in 1977 were:

Silk and garments thereof	\$4.5 million
Wool knitted garments	\$.102 million
Burlap	\$1.4 million

Import Policies

General customs duty is 15 per cent plus small charges and taxes. An import agent is required.

Export Opportunities

Low-cost ladies' and men's apparel.

PERU

The Market

The importation of most textile and consumer products is prohibited. There are exceptions, of course, and opportunities will continue to exist for such items as paper-makers' felts and certain specialized synthetic textiles.

factured in Peru which can meet domestic requirements both in quantity and quality. In addition, a prior licensing requirement for all imports of the private sector has been established. Imports are subject to the availability of foreign exchange.

Import Policies

The importation of a wide range of products is prohibited, primarily luxury goods and anything now being manu-

Export Opportunities

None.

URUGUAY

The Market

Although the population is only 2.8 million — 80 per cent is urban — it has a per capita GNP of \$960 and enjoys a relatively high standard of living. However, consumption is now reduced due to economic difficulties. Industrial development has been mainly in the fabricating level and a large proportion of textiles and consumer goods is supplied locally.

Import Policies

Imports of consumer goods are discouraged due to present economic situation. A good local agent is required.

Export Opportunities

Artificial fibres and yarns for textile industry, sporting goods.

VENEZUELA

The Market

The market opportunities in this sector are limited owing to local production and high protective duties. Imports, however, are not forbidden and small-scale sales are possible.

Margarita Island Free Zone offers a small market. Both Aruba and Curacao of the Netherlands Antilles (territory

covered by the Canadian Trade Office in Venezuela) offer small markets, and there are no import restrictions. Exporters should not spend much time or money developing their markets for products in this sector. This also applies to Venezuela and the Netherlands Antilles and Canadian exporters should insist on cash as the importers are usually small firms.

REGIONAL OFFICES

IF YOU HAVE NOT PREVIOUSLY MARKETED ABROAD, CONTACT THE NEAREST REGIONAL OFFICE OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE IN YOUR AREA.

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INDUSTRY CANADA/INDUSTRIE CANADA



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