INDUSTRY PROFILE

Industry, Science and Technology Canada
Industrie, Sciences et Technologie Canada

Clothing

Canada

INDUSTRY PROFILE

CLOTHING

1988

FOREWORD

In a rapidly changing global trade environment, the international competitiveness of Canadian industry is the key to survival and growth. This Industry Profile is one of a series of papers which assess, in a summary form, the current competitiveness of Canada's industrial sectors, taking into account technological and other key factors, and changes anticipated under the Canada-U.S. Free Trade Agreement. Industry participants were consulted in the preparation of the papers.

The series is being published as steps are being taken to create the new Department of Industry, Science and Technology from the consolidation of the Department of Regional Industrial Expansion and the Ministry of State for Science and Technology. It is my intention that the series will be updated on a regular basis and continue to be a product of the new department. I sincerely hope that these profiles will be informative to those interested in Canadian industrial development and serve as a basis for discussion of industrial trends, prospects and strategic directions.

Robert de Cotret

Minister

Canada

1. Structure and Performance

Structure

The clothing industry produces a wide range of apparel for consumers as well as functional garments for industrial and institutional users. The major processes in the production of clothing include: design, fabric sourcing, cutting, sewing and finishing. The industry's principal products consist of women's, men's and children's wear, leather apparel, furs, foundation garments and a wide range of knitted clothing such as T-shirts, underwear, gloves, sweaters and hosiery. This profile does not include the activities of the fur sub-sector.

The industry is concentrated in Quebec (57 percent of employment), Ontario (31 percent) and Manitoba (six percent). Manufacturers are located primarily in large urban centres such as Montréal, Toronto and Winnipeg in order to be close to major markets and to pools of semi-skilled labour. Clothing production accounts for 18, 17 and six percent of all manufacturing employment in the metropolitan areas of Montréal, Winnipeg and Toronto respectively. A unique feature of the Quebec branch of the industry is the presence of large contractors (firms which cut and sew garments for others) concentrated in the Eastern Townships.

There are an estimated 2260 establishments in the industry, of which about 700 are contractors. The industry's structure is characterized by a preponderance of small establishments. Roughly 88 percent of firms have fewer than 100 employees, but they provide only about half of the jobs and the value of shipments. Employment within the major sub-sectors is distributed as follows: women's wear (35 000), foundation garments and knitting mill products (13 000), men's fine clothing (11 000), pants (7700), children's wear (7400), leather apparel (1500). Of the 108 000 persons employed in the industry, 76 percent are women. About 40 percent of workers have union affiliation. In addition to employment reported in published data, there are an estimated 20 000 homeworkers not counted as part of official employment data.

Shipments were estimated at $5.4 billion in 1986. Imports in 1986 were valued at $2.1 billion while exports were $182 million. Three-quarters of all imports came from low-cost countries. Four-fifths of Canadian exports went to the United States.

There is little upstream integration in the industry, with virtually all firms purchasing yarns and fabrics from textile mills. The clothing industry in Canada is an important customer of the textile industry, using about 40 percent of its output on a "fibre-weight" basis.

Ownership is predominantly Canadian, with foreign-owned companies accounting for less than two percent of the total number of firms. However, foreign-owned firms are larger than average and account for an estimated 13 percent of total industry shipments. Although there have been some takeovers of Canadian firms over the years, many of the foreign-owned enterprises are part of multinationals which have established their own production facilities in Canada to overcome high tariff barriers. These firms tend to concentrate production in standardized large-volume products such as jeans, shirts, foundation garments and underwear.

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Imports, Exports and Domestic Shipments 1986

Performance

Since the early 1970s, the clothing industry has been going through a period of profound transition. Imports originating in low-cost countries have increased at rates in excess of market growth. To a great extent, adjustment has been hampered by the small Canadian market and a highly labour-intensive manufacturing process. Manufacturers are, however, adjusting to this difficult environment by investing in new technology, by improving their market position and service to customers, and by importing directly to complement their own domestic production.

Over the past three decades, the trend in the international trade of clothing products has been for low-cost countries to increase their share of world exports. These countries have put considerable emphasis on developing clothing industries primarily geared to exporting, and the trend is expected to intensify. Using their labour cost and productivity advantages, these countries have put increasing competitive pressure on the clothing industries of developed countries. Several newly industrialized countries (NICs), such as Hong Kong, have also worked diligently at in upgrading their products and, in many cases, are now competing with medium- to higher-priced merchandise produced in developed countries.

In Canada, the industry's market share has declined as a consequence of these imports, despite import restraints. A growing number of clothing manufacturers are reducing the production of uneconomical lines and, to maintain their profitability as well as meet their customers' needs, are importing an increasingly significant portion of their shipments. It is estimated that 25 percent of apparel imports are now accounted for by domestic manufacturers. This trend is expected to continue.

During these three decades, there have been large fluctuations in import levels created by the underfilling of quotas[1] in a given year, followed by precipitous increases the following year. This situation has been exacerbated by the sudden emergence of new suppliers of products not covered by the restraint agreements.

Between 1975 and 1986, the Canadian market for clothing (in units)[2] increased by 23 percent. Imports grew by 48 percent and consequently increased their share of the market in volume terms[3] from 35 percent in 1975 to 42 percent in 1986 despite high tariff protection (about 25 percent) and bilateral import restraint arrangements. Canadian manufacturers did not benefit as significantly as low-cost foreign suppliers from the overall market growth during this period, as the volume of net domestic shipments rose by only 10 percent (375 million units in 1986 as compared to 342 million units in 1975).

As a consequence of increased import penetration and the difficult economic climate during the recession of 1981-82, the level of employment in the clothing industry in 1986 was lower by approximately 15 000 workers than that of 1973, although it has stabilized at around 108 000 since 1983. On the other hand, the sector's productivity has improved consistently over the 1973-81 period (43 percent) but has declined somewhat following the 1981-82 recession and remained flat since. The improvement is both a consequence of increases in the value of apparel produced and a decline in employment over the long term, due to import competition, as well as a result of direct improvements in production efficiency.

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1 *The quota regime for clothing, established under the General Agreement on Tariffs and Trade (GATT)-sponsored Multifibre Arrangement is discussed later in the text.*

2 *It is established practice to use* units *of apparel to evaluate industry performance, as it is consistent with the measurements used in negotiating import restraint arrangements.*

3 *Volume data is available only for items under quantitative restraint, and represents about 75 percent of total industry shipments in value terms. Major product categories outside special import control measures include apparel accessories (e.g., scarves, ties, suspenders, etc.), hats and caps, gloves and mittens (other than work gloves), sheer hosiery, leather and fur garments, survival clothing and disposable garments.*

Exports are not a major factor in the industry overall and, in real terms, have remained relatively unchanged during the 1973 to 1986 period, accounting for an average of approximately three percent of the value of overall Canadian shipments. Export opportunities are concentrated in outerwear apparel and designer fashions in which Canada is able to compete successfully in developed countries, based on quality, style and price. The United States is Canada's primary export market, accounting for approximately 80 percent of the industry's foreign shipments. Since 1985, Canada has enjoyed a surplus in clothing trade with the United States.

The industry has generally maintained its profitability and long-term debt-equity position over the past 10 years. The long-term debt-to-equity ratio in clothing (expressed in percentage terms, 8.6 percent in 1985 as compared to 26.6 percent for all manufacturing) has remained relatively low in view of its lower fixed assets and reliance on short-term credit. After-tax profit on capital employed by the industry from 1973 to 1985 has remained higher than that of all manufacturing (12.6 percent as compared to 6.6 percent for all manufacturing in 1985), due to the lower capital requirements of this labour-intensive industry. In 1985, the after-tax profit on total income in the industry was three percent as compared to 3.5 percent for all manufacturing.

In 1987, clothing firms invested $55 million (1981 dollars) in buildings, machinery and equipment — a new record, exceeding by 10 percent the previous record set in 1980, and by 44 percent the average annual investment performance of the previous four years.

Despite a relatively good profit performance, the industry has had difficulty attracting sufficient capital to finance restructuring projects, probably because the continuing problems facing manufacturers have created a poor image of the industry within the financial establishment. As well, financial institutions may be hesitant to extend long-term financing to clothing manufacturers because of the relatively low value of the industry's fixed assets in comparison to other manufacturing sectors. To help alleviate the situation, an increasing number of firms have reorganized their financial structures and become public companies to secure their capitalization. To date, however, this strategy has only been moderately successful due in part to the poor performance of these stock offerings on the public exchanges.

2. Strengths and Weaknesses

Structural Factors

In addition to market size and labour intensity, corporate fragmentation in some sub-sectors and a lack of diversified sources of input materials in Canada have contributed to the industry's vulnerability to low-cost import competition. On the other hand, the industry's strengths include its diversified manufacturing base and product range, high product quality, imaginative fashion orientation, and flexible and adaptive manufacturing plants.

Opportunities for significant economies of scale in the industry are limited by the relatively small size of the Canadian market and the high labour intensity of production — wages account for 24 percent of shipment value, as compared to 12 percent for all of manufacturing. Although there are certain scale economies to be gained in the case of standardized products such as pants and shirts, the size of operations in Canada is considerably smaller than in the clothing industries of most developed countries (e.g., United States) and of many low-cost suppliers (e.g., the Republic of Korea and Taiwan). However, the disadvantages of scale are counterbalanced to some extent by the compact size of many firms, which allows for flexibility in serving customer needs. An increasing proportion of clothing manufacturers are using their production flexibility to respond to a changing consumer market, in which quick response to fashion trends and the service needs of retailers is crucial to competitiveness. These firms are continually making efforts to improve their ability to respond to market changes.

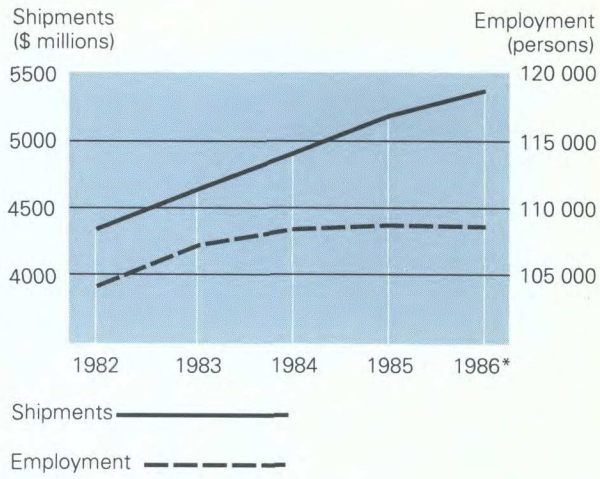
Canadian manufacturers do not appear to be at a competitive disadvantage vis-à-vis the United States with regard to major capital costs or product quality and diversity. Unit labour costs for the apparel industry were about six percent higher in Canada than in the United States in 1984 (the latest year for which accurate comparable data are available), while average hourly earnings were about two percent higher. There are no similar data available for low-cost countries.

The availability and price of Canadian-made apparel fabrics have been a problem for the clothing industry. Fabrics account for 35 to 40 percent of the industry's value of shipments. Clothing manufacturers cannot rely exclusively on Canadian-made fabrics because the styles and patterns which they need to meet fashion-conscious consumer demands are not available here in a sufficiently broad range. Approximately 50 percent of apparel fabric requirements are imported, almost evenly split between developed and low-cost countries. The high tariffs on imported fabrics and yarns result in relatively high costs for Canadian clothing manufacturers.

Fragmentation appears to be a phenomenon of clothing production worldwide, and the Canadian industry does not appear to suffer a serious comparative disadvantage in this regard, except perhaps in some high-volume sub-sectors like pants and shirts. In the aggregate, it can be argued that a less concentrated and diversified industry such as Canada's is perhaps more responsive to consumer fashion trends than some of the larger, more volume-oriented industries in low-cost countries, and those in the United States.

The industry historically has been characterized by entrepreneurial management under which owners, supported by informally organized executive staffs, have performed all the functions required in the day-to-day operations of the business. During the 1960s and 1970s, most firms did not operate with specific management functions in the areas of production, marketing and finance. In recent years, however, more and more firms, particularly the medium- to larger-sized operations, have introduced specialized skills to their management, to bring a more professional approach to executive decision making. This process has been driven, in large part, by firms restructuring themselves to adopt newer technologies and production engineering in order to reduce manufacturing costs. This trend may not be as strong in some of the smaller firms, many of which are experiencing difficulties in modernizing their operations and in attracting executive specialists.

Unfortunately, improvements in the industry's management capabilities often have not stressed the development of a higher degree of sophistication in market identification and development, because most management resources have been concentrated in other priority areas such as cost reduction. Strategic market positioning is becoming an increasingly important prerequisite for success in the apparel market, where retailing is dominated by a limited number of large department stores and chain stores which are also significant importers. Today, many clothing firms are not sufficiently familiar with the techniques of market development and positioning to be able to maximize their market opportunities fully. The present marketing strategies of many are confined to selling their products (through their own representatives or independent agents and wholesalers) to retailers at the most advantageous prices.



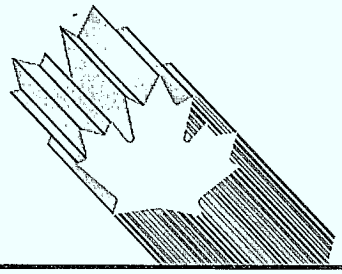
Total Shipments and Employment

** ISTC estimate*

Trade-related Factors

Historically, the clothing industry has been protected by high tariffs. However, these tariffs have been insufficient to protect manufacturers against competition from low-cost imports. Canada's trade-weighted average tariff on clothing is 24.7 percent (the average for all manufacturing is nine percent), ranging from 12.5 percent for accessories such as scarves and mufflers, to 25 percent for knitted and woven synthetic fibre clothing. By comparison, the average clothing tariff maintained by the United States is 22.5 percent; by the European Community (E.C.), 13.5 percent; and by Japan, 10 percent. In the past, clothing tariffs have not been reduced as much as other tariffs in multilateral trade negotiations (e.g., Tokyo Round — Canada, 27.3 percent to 24.7 percent; United States, 27 percent to 22.5 percent; the European Community 16.5 percent to 13.5 percent) because the developed countries felt that the major beneficiaries would be low-cost suppliers which already have a considerable competitive advantage in developed country markets.

Canada's trade policy for clothing has also involved the negotiation of bilateral quantitative restraint agreements with individual low-cost countries under the GATT-sponsored Multifibre Arrangement (MFA). Canada's objective (as well as that of the United States and the European Community) in participating in the MFA, since 1974, is to control the growth of garment imports to a pace that allows for a more gradual adjustment, and to avoid the short-term import fluctuations which have occurred frequently in the past. Approximately 50 countries, including Canada, are signatories to the MFA, which has recently been extended until June 30, 1991.



As for the industry's need to import its material requirements, the government has responded to this long-standing problem by announcing a package of tariff measures to reduce the burden of duties on certain types of imported apparel fabrics. At the same time, the government has announced that it "proposes to reduce Canada's textile tariffs over the next 10 years to levels comparable with those of other industrialized countries." In addition, the government will "seek advice from the new Canadian International Trade Tribunal on the levels of future reductions..." To complement these measures, the government announced that it would introduce three new sector-specific duty remission programs in addition to the existing tailored-collar shirt program. The objective of these measures is to encourage the sectors of the clothing industry most adversely affected by import competition and help them improve their competitive position.

Canada's clothing exports have faced access barriers worldwide. Among the most important have been the U.S. ornamentation regulations, which impose higher rates of duty on garments with non-functional features (e.g., men's woven coats with epaulettes, 21 percent; without, eight percent). Although the ornamentation provisions will disappear with the adoption of the Harmonized Tariff Nomenclature by the United States on January 1, 1989, the average rate used by the United States on goods formerly covered by the regulations will generally be higher than the present "unornamented" rate.

To a lesser degree, the stringent application of country-of-origin labelling rules by the United States and the resulting increased documentation requirements have acted as a non-tariff barrier (NTB) and significantly slowed the customs clearance process. As well, the ability of Canadian clothing manufacturers to compete for U.S. government contracts, particularly defence procurement, is impeded by legislation which gives preference to U.S. producers.

The duty-free movement of goods between E.C. countries, together with strong competition from European designer labels and the lack of agressive marketing for private labels by Canadian manufacturers largely for financial reasons, have hindered Canada's apparel trade in this market.

The strong "Buy Japan" philosophy, together with the complex distribution system and distinct marketing approaches required for the Japanese market, make doing business in that country extremely difficult. In addition, the length of time required to develop the market discourages manufacturers and is much more costly than developing markets in other countries.

Under the Canada-U.S. Free Trade Agreement (FTA), tariffs will be eliminated over a period of 10 years. However, clothing made from third-country fabrics, as a general rule, is not eligible for duty-free treatment under the FTA. The agreement contains an exemption to this clause whereby, in any calendar year, Canadian apparel exports to the United States made from third-country non-woollen fabric up to 50 million square-yard-equivalents (up to six million square-yard-equivalents for garments made of woollen fabrics) will qualify for the FTA tariff treatment. (The Canadian duty-free limits on similar apparel imported from the United States are 10.5 million and 1.1 million square-yard-equivalents, respectively.)

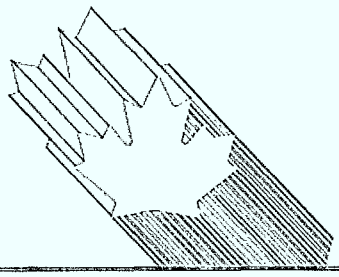
Duty drawback provisions (refund of duties on materials imported to make goods for export) are being continued for an indefinite period under the FTA, unlike other industrial sectors where duty drawback, in the context of bilateral trade with the United States, will be withdrawn within five years of the date of implementation of the FTA.

In addition, both countries have agreed to move toward harmonizing their regulations in such non-tariff areas as the flammability and labelling of clothing.

Technological Factors

Over the past decade, there have been a number of developments in applying new technologies to clothing production through computer-assisted design (CAD) and computer-assisted manufacturing (CAM). Such advances, along with the specialized management skills they require, are being adopted by the clothing industry in Canada at the early production stages (design, pattern making and cutting) and some progress has been made toward the reduction of material handling costs. Although some specialized functions have been aided by the application of micro-electronics to sewing, this will continue to be a highly labour-intensive process. With the possible exception of Canada's knitting industry, the rate at which such technology is being adopted in Canada, particularly by smaller firms, is slower than in the more technically advanced developed countries such as the United States or the Federal Republic of Germany.

New technology is now available which can improve the industry's ability to respond more quickly to changing consumer preferences. For example, computerized systems (designed to accumulate consumer point-of-sale data by means of a Universal Product Code) are being developed co-operatively by retailers and clothing firms. When these relatively economical systems become fully operational in a few years, they will provide manufacturers with important time advantages and cost savings in competing against low-cost imports. They will be able to speed deliveries and improve inventory flows to help retailers minimize their stocks-on-hand.



The application of the more complex new technologies to clothing production offers the potential to change the industry gradually into a more capital-intensive one, in which developed countries can offset, to a limited extent, the wage advantage enjoyed by low-cost countries. The cost of many of these new technologies, and the specialized management they require, however, is expected to be outside the financial reach of many small clothing firms in Canada. Adoption will likely accelerate industry restructuring to achieve greater scale economies.

Other Factors

The value of the Canadian dollar against the U.S. currency is helping the clothing industry. The exchange advantage Canadian producers enjoy appears to offset some of their production-cost disadvantage vis-à-vis U.S. manufacturers. The devaluation of the Canadian dollar in relation to European currencies over the last two years has sparked renewed interest by Canadian manufacturers in that market.

While maintaining import restraints and high tariffs, the federal government has sought to reduce the industry's reliance on such measures through financial assistance for rationalization and restructuring. Under a five-year program, the Canadian Industrial Renewal Board (CIRB) has provided clothing firms with financial assistance to improve their competitiveness. Although the program has been terminated, many specific projects identified under the program are still under way.

The Quebec government has assisted the Centre du développement de l'industrie de la mode (CDIM), whose mandate is to improve and develop the industry's competitiveness by providing manufacturers with advice on marketing and the best ways to improve production efficiency. (The CDIM also assists other fashion-related sectors such as textiles, footwear, furs and leather apparel.) The industry in Ontario has benefited from provincial and municipal government initiatives, the main thrust of which has been to enhance the image of Toronto as a fashion centre.

3. Evolving Environment

Over the next four to five years, the annual growth rate in shipments of Canadian-made clothing for the Canadian market will likely be minimal, while export markets are expected to grow by eight to 10 percent because of the FTA. Imports, on the other hand, are expected to grow at an average annual rate of five to seven percent. Productivity growth is expected to average 1.5 percent per year. Over the long term, the number of firms in the industry, along with employment, will probably decline as a consequence of anticipated rationalizations and increases in low-cost imports.

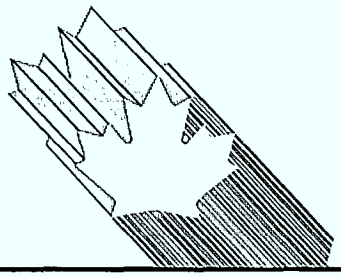
The growth of clothing production in Canada will depend on how successfully manufacturers adapt to the new trading environment under the FTA and compete with well-financed U.S. firms and their strong marketing capabilities. The 10-year phase-in period for the FTA should allow Canadian manufacturers sufficient time to adjust. Imports of clothing from the United States are not large at present, but could increase if Canadian manufacturers, particularly those concentrated in volume products such as shirts or foundation garments, are unable to rationalize their product lines and improve their marketing capabilities.

The "tariff rate quota" in the FTA will eventually hinder the export efforts of many apparel manufacturers who rely extensively on foreign fabrics to give their products a fashion edge, and reduce their potential for success in the U.S. market. Nevertheless, the FTA significantly improves Canada's access to the U.S. market when compared to the status quo. Canadian clothing firms will have a 22.5 percent advantage in competing against exports from other developed countries in the U.S. market.

In addition, scale economies in that market and free access under the FTA to a wide variety of U.S. fabrics and yarns will help producers reduce manufacturing costs. It is estimated that the negotiated tariff quota levels will provide manufacturers with the potential to increase their current level of exports to the United States by a factor of six without incurring Most Favoured Nation (MFN) duties. Opportunities for exports are likely to be concentrated in fashion-oriented higher-quality outerwear, ladies' sportswear, co-ordinates, dresses and men's fine clothing.

Improvements in access to the U.S. military markets for apparel are not likely to occur, but this should not have any real effect on Canada's export potential, since American commercial markets alone are sufficiently large to accommodate Canada's export interests.

If, over the 10-year phase-in period of the FTA, manufacturers improve their marketing, and especially their restructuring of product lines and production capacity, it is anticipated there will be little change in overall shipments and employment directly attributable to the agreement. Losses of market share among producers of basic items such as jeans or underwear, the loss of licences to manufacture U.S.-designed clothing in Canada and a possible reduction in the scope of Canadian operations by U.S. parent companies will likely be offset by job creation related to new export opportunities in the United States. The industry's efforts to adjust to the FTA will also improve its competitiveness in other developed country markets such as the E.C. The FTA is expected to have a neutral or, at worst, a marginally negative effect on employment and shipments.



The multilateral reduction of tariffs in the Uruguay Round (assuming maintenance of MFA-regulated import quotas against low-cost suppliers) is not expected to enhance, to any great extent, the export opportunities for the industry. Instead, it could lead to increased import penetration, particularly from European countries. As well, multilateral freer trade would reduce the advantages of the FTA for Canadian exporters competing in the United States against third countries as the U.S. implements multilateral tariff reductions. Under multilateral freer trade, imports from low-cost sources would increase somewhat as they become even more price-competitive and would lead to an increase in the use of some quotas which are currently underfilled.

4. Competitiveness Assessment

Canada's steadily increasing volume of clothing exports to the United States (up by 53 percent in value over the five-year period from 1982 to 1986) would seem to indicate that, under the present duty structure and U.S. non-tariff barriers, manufacturers are competitive in the U.S. market. Canada has enjoyed a surplus in clothing trade with the United States since 1985, and likely will continue to be competitive with American manufacturers over a wide range of product lines. The FTA will increase the level of competition by U.S. garment producers in the Canadian market. It will also enhance access to the U.S. market and offer domestic producers an opportunity to develop production structures and marketing capabilities that will contribute to the improvement of their competitive position in world markets.

The clothing industry already competes fairly effectively against imports from developed countries for products in the medium- to higher-priced ranges. The adjustments brought about by the FTA can only improve an already favourable position.

However, it is clear that a large segment of the industry is not at present capable of competing against low-cost imports without special measures of protection. Import protection and slow market growth have increased pressures on manufacturers to rationalize and restructure. Although their adjustment efforts have been moderately successful, they cannot be expected to offset fully the significant cost advantages working in favour of low-cost countries. These adjustment efforts contribute, however, to expanding the core of clothing companies that can be expected to fare well in an environment of freer global trade.

For further information concerning the subject matter contained in this profile, contact:

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Attention: Clothing
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Ottawa, Ontario
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PRINCIPAL STATISTICS

SIC(s) COVERED: MAJOR GROUP 24 [1]

	1973	1982	1983	1984	1985	1986
Establishments	2 058	2 056	2 102	2 193	2 254	2 260[e]
Employment	123 820	104 585	107 393	108 197	108 270	108 315[e]
Shipments ($ millions)	2 081.6	4 376.3	4 640.1	4 894.8	5 221.5	5 419.7
(millions of units)[2]	N/A	336.1	338.5	339.7	355.6	381.3
Gross domestic product[3] (constant 1981 $ millions)	1 667.7	1 845.5	1 941.8	2 002.2	2 012.5	2 083.6
Investment ($ millions)	31.4	29.1	35.0	40.3	43.1	53.0
Profits after tax						
($ millions)	N/A	63.6	125.2	138.2	148.9	N/A
(% of income)	N/A	1.6	3.0	2.9	3.0	N/A

TRADE STATISTICS

	1973	1982	1983	1984	1985	1986
Exports ($ millions)	87.1	130.9	122.5	150.3	169.5	181.6
Domestic shipments ($ millions)	1 994.5	4 245.4	4 517.6	4 744.5	5 052.0	5 238.1
Imports ($ millions)	338.2	1 024.8	1 244.8	1 663.1	1 720.7	2 085.5
Canadian market ($ millions)	2 332.7	5 270.2	5 762.4	6 407.5	6 772.7	7 323.6
Exports as % of shipments (value)	4.2	3.0	2.6	3.1	3.3	3.4
Imports as % of Canadian market (value)	14.5	19.5	21.6	26.0	25.4	28.5
Imports as % of Canadian market (unit basis)	N/A	33.0	38.0	41.0	41.0	42.0

Source of imports (% of total value)[3]		U.S.	E.C.	Other Developed	Low-cost Countries
	1982	12	9	3	76
	1983	10	10	2	78
	1984	9	11	2	78
	1985	7	15	2	76
	1986	6	17	3	74

Destination of exports (% of total value)[3]		U.S.	E.C.	Other Developed	Low-cost Countries
	1982	61	17	17	5
	1983	73	11	11	5
	1984	79	6	7	8
	1985	83	4	5	8
	1986	80	5	7	8

(continued)

REGIONAL DISTRIBUTION — 1985

	Atlantic	Quebec	Ontario	Prairies	B.C.
Establishments – % of total	1	65	25	6	3
Employment – % of total	1	57	31	8	3
Shipments – % of total	1	60	28	8	3

MAJOR FIRMS

Name	Ownership	Location of Major Plants
Nygard International Inc.	Canadian	Winnipeg, Manitoba Thunder Bay, Ontario
Cluett Peabody Canada Inc.	American	Kitchener, Ontario Sherbrooke, Quebec
Canadian Lady Canadelle	American	Montréal, Quebec Québec City, Quebec
Great Northern Apparel Inc.	American	Hamilton, Ontario Cornwall, Ontario
Algo Industries Ltd.	Canadian	Montréal, Quebec
Mr. Jax Fashions Inc.	Canadian	Vancouver, British Columbia Winnipeg, Manitoba
Harvey Woods Ltd.	Canadian	Woodstock, Ontario

1 Based on 1980 SIC. Furs excluded unless indicated otherwise.
2 Volume data available only for items under quantitative restraint and represents about 75 percent of total industry shipments in value terms. Units exclude furs.
3 Includes furs.
e ISTC estimate.
N/A Not available.

Note: Statistics Canada data have been used in preparing this profile.

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