

Recreational Boats

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1990-1991

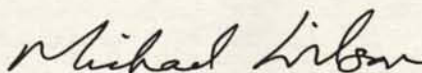
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FOREWORDBIBLIOTHÈQUE
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In a rapidly changing global trade environment, the international competitiveness of Canadian industry is the key to growth and prosperity. Promoting improved performance by Canadian firms in the global marketplace is a central element of the mandates of Industry, Science and Technology Canada and International Trade Canada. This Industry Profile is one of a series of papers in which Industry, Science and Technology Canada assesses, in a summary form, the current competitiveness of Canada's industrial sectors, taking into account technological, human resource and other critical factors. Industry, Science and Technology Canada and International Trade Canada assess the most recent changes in access to markets, including the implications of the Canada-U.S. Free Trade Agreement. Industry participants were consulted in the preparation of the profiles.

Ensuring that Canada remains prosperous over the next decade and into the next century is a challenge that affects us all. These profiles are intended to be informative and to serve as a basis for discussion of industrial prospects, strategic directions and the need for new approaches. This 1990-1991 series represents an updating and revision of the series published in 1988-1989. The Government will continue to update the series on a regular basis.



Michael H. Wilson
Minister of Industry, Science and Technology
and Minister for International Trade

Structure and Performance**Structure**

The recreational boatbuilding industry comprises firms engaged in the building and repairing of recreational boats, including racing and cruising sailboats, dinghies, motor cruisers, runabouts, outboard motorboats, canoes, rowboats, pontoon boats, houseboats and other types of boats. In Canada, motorboats account for 75 percent of the market in value terms, followed by sailboats, which represent 14 percent, with utility boats accounting for 10 percent and small craft for about 1 percent.

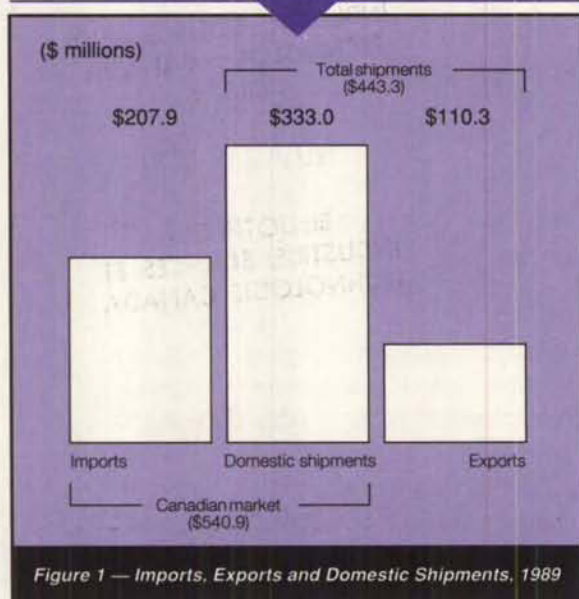
Canadians own 2.3 million recreational boats. The estimated annual expenditures on recreational boating in Canada, including storage, fuel, marina and club rental and membership

fees as well as boats and accessories, total \$2.5 billion or 7 percent of total estimated world expenditures of \$36 billion. The United States accounts for 50 percent of the world market, with the equivalent of \$18 billion in expenditures.

In 1989,¹ total shipments were \$443.3 million, of which 87 percent or \$386 million consisted of various types of boats, and 13 percent or \$57 million was made up of accessories and other products as well as boat repairs (Figure 1). The value of the Canadian recreational boat market was approximately \$540.9 million in 1989. Motors, although an integral part of most pleasure craft, are not included within the statistical category.

Canadian boat exports in 1989 totalled \$110.3 million, of which 90 percent or \$99.2 million went to the United States, a 94 percent increase relative to the 1986 level. Exports of inboard or semi-outboard motor cruisers exceeded sailboat

¹While ISTC estimates for 1990 are available, they should be regarded as preliminary. Therefore, this profile is based on ISTC estimates for 1989, which are more in line with long-term industry trend data.

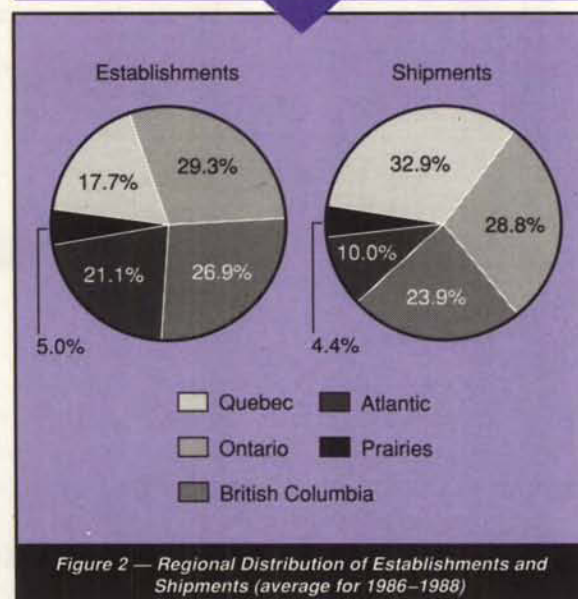


exports for a third consecutive year; they amounted to \$25.5 million, compared with \$17.5 million for sailboats. Conversely, imports, primarily of power boats, totalled more than \$207.9 million, of which 93 percent or \$193.2 million came from the United States. The result was an overall negative trade balance of \$97.6 million for 1989.

There were 300 establishments engaged in the manufacture and repair of recreational boats in 1989, employing an estimated 4 840 people. More than one-third of the industry's work force was concentrated in 17 establishments, which employed more than 50 persons each and accounted for 46 percent of the value of all boat shipments. Most firms employed fewer than 20 employees each, accounting for 39 percent of jobs in this industry, 38 percent of the value of shipments and 87 percent of the establishments.

The small average size of manufacturing firms is attributable to high shipping costs and the relatively small amount of capital required to start producing most types of boats, particularly those using fibreglass. Present manufacturing methods in Canadian plants do not allow any major economies of scale through mass production because of the limited number of boats of similar type produced. Also, the small size of the local market served by these firms restricts their growth.

Despite the small size of most firms, they are important employers in their local economies. The cost of shipping finished products contributes to the dispersion of the industry and the predominance of small firms. Shipping expenses can represent as much as 7 percent of the total cost of a boat;



however, this percentage is smaller for large, more expensive boats. As a general rule, each firm serves the market within a radius of 800 kilometres of its plant.

While there are boatbuilding firms in all regions, the industry is concentrated in Quebec, Ontario and British Columbia (Figure 2). Most sailboat manufacturers are located in Ontario, while the majority of motorboat manufacturers are in Quebec and British Columbia. The major recreational boat markets are Ontario and Quebec for sailboats and Ontario, Quebec and British Columbia for motorboats.

The boatbuilding industry is owned and controlled by Canadian interests, with the exception of Altra Marine Products of Princeville, Quebec, which is controlled by Outboard Marine Corporation (OMC) of the United States. Conversely, ownership of the outboard and inboard/outboard motor industry is concentrated in the United States, Japan and Sweden. Canadian production of such motors, totalling some \$248 million in 1988, consists mainly of products imported and assembled by foreign-owned subsidiaries and sold by dealerships.

The major competitors in the Canadian market are American-based multinationals, which directly export larger boats and offer greater diversity and a more complete line of products than Canadian-based companies. For instance, OMC, through the acquisition of U.S.-based recreational boatbuilding firms, now controls a sizable share of the North American boat market with its controlling interest in Donzi, Four Winns, Chris-Craft and Sea Nymph. In the motor market, OMC Cobra, Johnson and Evinrude are all products of OMC.



Many boatbuilders, particularly small firms that do custom work in Eastern and Western Canada, shift quickly from commercial to recreational boatbuilding or from one segment of recreational boatbuilding to another in response to demand. Recently, for example, a number of sailboat manufacturers began producing motorboats because of weakness in the sailboat market.

Recreational boatbuilders develop retail distribution networks for the more remote markets, normally through manufacturing agents, or by direct representation to marine retail outlets. In general, boat dealers seek to offer as broad a range of products as possible; that is, they offer complete lines of boats in terms of length and price, as well as related products such as motors, trailers and accessories.

Most pleasure boats are built in fall and winter for the next summer season. Consequently, there is significant risk incurred in that expected demand may not be realized. The turnover of firms in this industry is considerable, with many firms encountering financial difficulties and leaving, particularly when market conditions are unfavourable. Similarly, there are many newcomers to the industry when there is a recovery in demand.

Performance

Recreational boat sales, like those for many leisure products, tend to follow business cycles (Figure 3). Total industry shipments between 1983 and 1989 increased from \$183.2 million to \$443.3 million, the equivalent of a 16 percent average annual increase over the entire period, with shipments peaking in 1988 at \$463.4 million. In 1990, however, shipments fell back to near the 1986 level of \$333.9 million, primarily as a result of increased competition from the United States as well as decreased demand in the Canadian market with the onset of weak economic conditions.

Employment statistics provide an accurate reflection of recent performance and of the recovery in this sector between 1983 and 1988. Total employment in recreational boatbuilding plants increased from 2 684 in 1983 to 5 603 in 1988. However, the present market situation indicates a significant decline for employment in 1989 and again in 1990, to an estimated level of 3 400 jobs.

In constant 1981 dollars, the value-added per production worker reached a peak of \$34 070 in 1981, when the market was firm, and a low of \$30 227 in 1983, immediately following the 1981–1982 recession. Overall, the industry recorded a modest average annual growth of 2.5 percent in value-added between 1980 and 1988.

The Canadian market for recreational boats is cyclical, with demand being dependent on general economic activity

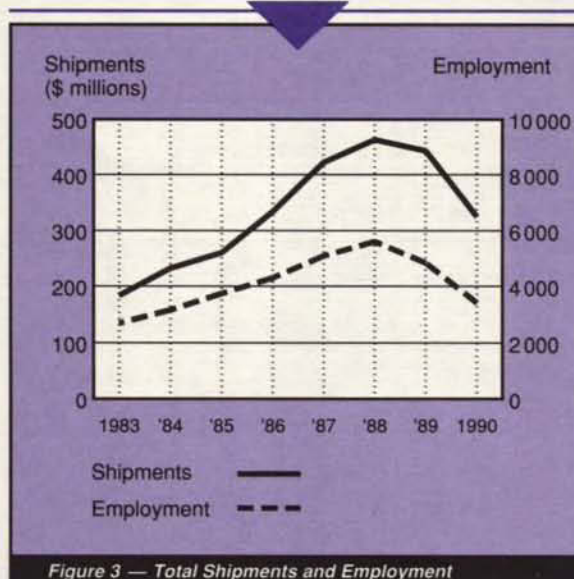


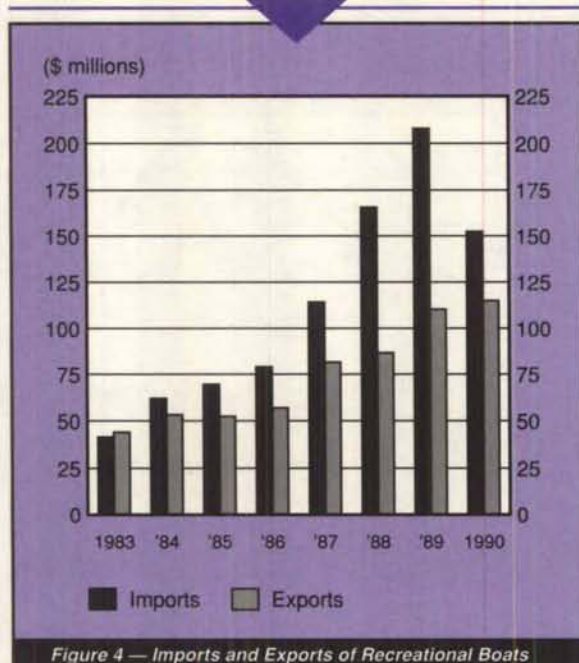
Figure 3 — Total Shipments and Employment

and the level of disposable earned income. From 1980 to 1983, a major decline from \$208.8 million to \$180.7 million was recorded in the Canadian market. The market then recovered to \$277.3 million in 1985 and has continued to rise through 1988 to \$542.4 million, only to decline to \$540.9 million in 1989, with a further steep drop to an estimated \$362.4 million in 1990 in current dollars. Analysis of this trend in constant 1981 dollars, however, reveals little long-term change.

The sustained demand between 1983 and 1988 made possible the rapid expansion in the capacity of boatbuilding firms to produce a wide variety of models and sizes. The present saturation of the market for small, lower-priced fibreglass boats through overproduction is a negative outcome of this growth in demand. The short-term demand for luxury fibreglass boats still seems promising, particularly for motorboats over seven metres in length. Uneven demand is anticipated for popular-sized boats of five to six metres in length. There is now a trend among manufacturers to offer boats with matching styles and colours of motors and trailers.

The demand for sailboats, after declining steadily since the start of the 1980s, does not seem promising in the short term. Only large catamarans and small sailboats without high-performance engines can expect renewed popularity over the medium term, as was confirmed by the sales and the interest generated in the last boat shows in Miami, Toronto and Annapolis, Maryland.

The structure of the industry and the depressed market have resulted in high inventory levels. These levels have left the pleasure craft segment in precarious financial health, as indicated by the closure of 30 manufacturers in 1990.



This condition will restrict research and development (R&D), new product development and new marketing initiatives, especially the expansion of distribution networks.

With the exception of 1983, Canada has had a negative trade balance in the recreational boat industry since 1973. Imports increased more rapidly than exports until 1989 (Figure 4). Since 1985, Canada has had a negative trade balance with the United States. Although approximately 90 percent of trade in this industry is with the United States, trade with Europe and Japan is increasing.

Strengths and Weaknesses

Structural Factors

Since the recreational boatbuilding industry includes many small firms dispersed across the country, it faces many of the problems generally associated with any small business, such as lack of economies of scale, the difficulty of penetrating export markets, shortage of financing, limited distribution networks and undercapitalization. Canadian manufacturers of large sailboats have generally had more success in the export market than motorboat manufacturers. This is due to a reputation based on design excellence and product quality as well as a combination of strong image and competitive prices. However, their positive export market situation is deteriorating

rapidly because of eroding producers' margins and because demand in the North American market for Canadian-produced sailboats with auxiliary engines is declining steadily. The value of motorboat exports exceeded that of sailboats for the first time in 1987.

The largest builders of motorboats have invested in upgraded production capacity and in R&D for newer, usually more expensive boats. Operating profits average 4 percent of sales for the industry in general.

Industry productivity is limited by the large number of small firms and by the fact that 90 percent of the boats produced by the industry are made of fibreglass using labour-intensive processes (usually moulding or laminating of fibreglass by hand). The average hourly wage rate of production employees in Canada was \$9.15 in 1989, compared with \$11 in other Canadian manufacturing industries as a whole, the equivalent of C\$7.50 for those in the northern U.S. states, and the equivalent of C\$7 for employees of manufacturers located in the southern United States. The industry has a mean value-added of the equivalent of C\$25 per production hour. Raw materials make up an average of 53 percent of the cost of a boat, while labour costs account for only 17 percent.

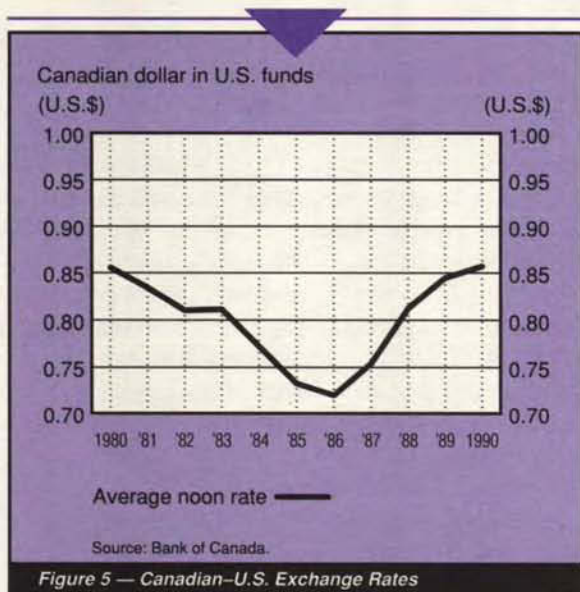
The financial structure of the firm varies with the type of products manufactured. For example, in 1986, the average amount of fixed assets required to produce \$1 000 of sales for the industry as a whole was \$184, while this amount was considerably higher at \$265 for sailboat manufacturers. The value-added per dollar of equipment and materials varied between \$0.95 and \$11.19, with the median being \$2.99, depending on whether a firm manufactured sailboats or fibreglass or aluminum motorboats.

In comparison with its U.S. competitors, the Canadian industry is handicapped by a small domestic market. However, the proximity of the world's largest water sports market compensates in part for this problem.

The Canadian industry specializes in high-quality products for specific market niches and has a solid reputation for quality and durability. Most of the manufacturers, however, cannot compete with low-priced American power boats. The industry's main structural weakness is its lack of financial resources to penetrate and maintain adequate distribution outlets throughout the entire U.S. market. It also suffers from a lack of vertical integration in comparison with its U.S. competitors, most of whom include engine manufacturers as part of the recreational boatbuilding group.

Trade-Related Factors

Under the Canada-U.S. Free Trade Agreement (FTA), tariffs on recreational boats traded between Canada and the United States are being phased out in 10 annual, equal steps.



The transition period is crucial to the Canadian industry. In the recreational boatbuilding industry, the Canadian and American tariffs on boats are 10.5 percent and 1.05 percent, respectively, in 1991.

The industry has expressed concern about the relatively higher value of the Canadian dollar in recent periods against the U.S. dollar (Figure 5). A significantly lower value, on the other hand, is widely recognized as being inflationary. The resulting higher domestic costs and prices in turn can erode, over time, the short-term competitive gains of such a lower-valued dollar.

Most boat components and accessories are imported from the United States. Tariffs for these products, which currently average about 10 percent, are also being phased out under the FTA in 10 steps which will result in lower production costs of finished goods. For small producers, component costs are generally higher in Canada than in the United States because of lower production volumes, higher duties and longer distribution chains.

The main export market for Canadian producers is the United States, which is protected by the *Merchant Marine Act*, commonly referred to as the "Jones Act." This legislation applies to all boats not intended strictly for non-commercial recreational use and it constitutes a major non-tariff barrier to all foreign cruising sailboat or motorboat manufacturers seeking to sell their boats to rental operations in this market. However, foreign-built boats can be chartered out by American companies without violating the "Jones Act" if the boat is registered with a recreational endorsement and is chartered, rented or leased without a crew.

Whereas building standards for small boats in Canada are enforced only for boats that are in operation, those in the United States are strictly enforced by the Coast Guard and the National Marine Manufacturers Association and apply to all boats sold and imported. Moreover, the American legal system tends to encourage litigation for any defects in boats. These conditions in the United States result in high liability insurance premiums for both manufacturers and distributors. This insurance cost, combined with the cost of establishing a new distribution network, poses a further obstacle to new exporters.

The Allied Boating Association of Canada (ABC) includes manufacturers and wholesale distributors of boats and has been active for over 30 years in establishing safety and construction regulations for small vessels in Canada. ABC, through its link with the technical and certification committees of the International Organization for Standardization and the International Council of Marine Industry Associations, is working to harmonize, where possible, international construction standards and certification procedures.

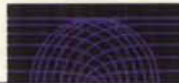
Technological Factors

Design, styling and performance are important factors for recreational boats. In Canada, sailboat builders who excel in design are successful in both the domestic and export markets. Leading Canadian motorboat builders manufacture top-quality and original product lines. This move towards original styling is a change, since most producers traditionally have adopted innovations and improvements developed abroad, primarily in the United States.

The presence of American manufacturers is very strong in international markets; in fact, more than 15 U.S. companies are active in Europe and Asia. Penetration of world markets by Canadian manufacturers is more limited, although several new Canadian products have been showcased at international boat shows. Canadian products compare favourably with international products in terms of styling, quality and design.

Many approaches can be used to develop exclusive styling or an exclusive product line and thus obtain marketing advantages. Many Canadian manufacturers order a particular boat model from naval architects. The usual procedure is to pay a fixed amount for the plans, then to pay a royalty on each unit produced. A few manufacturers, by purchasing all rights to a design, can then license other manufacturers to produce identical boats for their specific markets. Companies producing large cruising motor yachts and sailboats frequently use this technique.

Despite the small number of persons employed full-time in R&D for the creation of new boat designs, the Canadian recreational boatbuilding industry seems to keep well abreast



of developments in the industry by selectively introducing new materials, production techniques and designs. Canadian motorboats produced in recent years feature an excellent blend of new design and aesthetics, coupled with a level of quality often superior to that of U.S. products. For instance, many Canadian products use hulls that incorporate the latest fibreglass technologies, such as layers of fibreglass bonded in sandwich-type construction to a core of high-density foam. This substantially reduces the weight of the hull while increasing its structural strength. The technique is used extensively in aeronautics and in the construction of U.S. Navy mine sweepers. The use of specialized designers by Canadian firms contributes substantially to the diffusion of this technology.

Canadian manufacturers spend less than 1 percent of their revenues on new-product R&D. To remain competitive, manufacturers will have to invest in new production methods, make use of new materials, standardize ongoing in-house product development processes and collaborate with the network of subcontractors that has developed in the industry.

Evolving Environment

Before the 1981–1982 recession, the typical pleasure boater owned a sailboat. Today's boat owner probably has a motorboat and has previously operated a sailboat. In 1981, sailboat manufacturers were at their peak and had been striving to keep up with growing demand since the advent of new fibreglass products in the late 1960s. Sailboats accounted for more than 55 percent of all shipments in 1981, while motorboats represented only 15 percent of the total.

Motorboat shipments have since risen steadily at an average rate of more than 60 percent annually, increasing from \$14.9 million in 1982 to \$28.5 million in 1983 and reaching \$137.5 million and \$148 million in 1987 and 1988, respectively. Sailboat shipments have fared quite differently, however, with average sales holding at \$80 million annually between 1982 and 1985, then slumping steadily to \$40.1 million, or only 9 percent of total recreational boat shipments, in 1988. Several sailboat manufacturers have added motorboats to their product lines in order to benefit from this shift in popularity.

Business cycles, the interest of Canadian dealers in American products and high interest rates have a considerable influence on Canadian shipments of recreational boats and directly affect the volume of boat imports or exports. Accordingly, the rate of increase in Canadian exports of boat products to the United States slowed in 1988 and 1990. Meanwhile, the rate of increase in boating imports from the

United States continued to outpace the rate of increase in exports to that country until 1990, when the onset of the recession sharply curtailed them.

Many factors indicate that the North American market will experience growth during the 1990s. Favourable demographics, the availability of long-term financing to consumers for the purchase of boats, the quality and diversity of products offered, the upgrading and addition of mooring slips by the country's 3 700 Canadian marina operators as well as growing publicity surrounding international boat races and events are all expected to contribute to growth in the North American market. Leading producers have surplus manufacturing capacity as well as the products necessary to make inroads on such major export markets as the United States, Italy, the United Kingdom, Germany, Japan and France.

The rapid consolidation of the U.S. marine industry through numerous mergers and acquisitions of boat manufacturers by two giants, OMC (maker of Johnson, Evinrude and OMC Cobra motors) and Brunswick (maker of Mercury, Mercruiser, Mariner and Force motors) has added to the vertical integration already characteristic of U.S. manufacturers, has upset the market balance and has created conflicting brand-name loyalties among dealers selling the boat brands of one manufacturer and the motors of the other.

The main obstacles to be overcome in the Canadian market stem from the increased acceptance of U.S. products by Canadian boat dealers, possible regulations regarding boat sizes and usage designed to protect the environment, lake closures in Quebec under municipal by-laws, an anticipated price war with low-priced U.S. manufactured products and controls on Canadian products exported to the United States. Under these circumstances, several North American manufacturers and retailers will be hard-pressed to survive. Depending on the health of the economy, the value of the dollar and Canadian and American interest rates, there could be a three-year period of depressed conditions, followed by renewed growth of 3 to 5 percent from 1993 to the end of the 1990s.

Competitiveness Assessment

The Canadian recreational boatbuilding industry has demonstrated that it can be competitive in North American markets. Canadian boat makers who offer and specialize in high-quality products will be in a competitive position, particularly for top-of-the-line boats, because of their styling, materials and performance.

But the industry is handicapped by its diffuse structure and typical small-business characteristics. Activity in the industry also parallels in part the major economic cycles,



with the demand for boat production being linked to disposable personal income.

Product innovation has been particularly important in the sailboat sector. Success in the world's largest export market, the United States, is dependent on the reputation of these sailboats for both quality and performance. The FTA will force Canadian boat manufacturers to become more productive, innovative and specialized in their market approach in order to remain competitive with the generally larger and better-financed U.S. producers.

Improvements in engines, electronic accessories, boat design, product variety and production methods have all helped to make pleasure boating more affordable. To maintain its growth, the industry must increase its American market penetration, turn towards new export markets, develop its domestic market by improving and developing the design, styling and technology of its boats, and be more innovative in its approach to after-sale service.

For further information concerning the subject matter contained in this profile or to obtain any ISTC materials listed on page 12, contact

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PRINCIPAL STATISTICS^a

| | 1973 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 ^b | 1990 ^b |
|--|-------|-------|-------|-------|-------|-------|-------|-------------------|-------------------|
| Establishments | 241 | 342 | 369 | 361 | 359 | 327 | 379 | 300 | 270 |
| Employment | 3 079 | 2 684 | 3 056 | 3 729 | 4 294 | 5 089 | 5 603 | 4 840 | 3 400 |
| Shipments (\$ millions) | 80.0 | 183.2 | 232.1 | 260.2 | 333.9 | 421.2 | 463.4 | 443.3 | 325.0 |
| Value-added manufacturing activity (\$ millions) | 38.8 | 84.2 | 110.8 | 119.4 | 143.2 | 166.2 | 189.7 | 187.0 | 135.0 |

^aSee *Transportation Equipment Industries*, Statistics Canada Catalogue No. 42-251, annual (SIC 3281, boatbuilding and repair industry).

^bISTC estimates.

TRADE STATISTICS^a

| | 1973 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 ^b | 1989 ^b | 1990 ^c |
|----------------------------------|------|-------|-------|-------|-------|-------|-------------------|-------------------|-------------------|
| Exports (\$ millions) | 23.0 | 44.0 | 53.2 | 52.4 | 56.9 | 81.5 | 86.6 | 110.3 | 115.0 |
| Exports, U.S. only (\$ millions) | 21.8 | 42.5 | 51.9 | 50.1 | 54.5 | 78.2 | 79.3 | 99.2 | 100.0 |
| Domestic shipments (\$ millions) | 57.0 | 139.2 | 178.9 | 207.8 | 277.0 | 339.7 | 376.8 | 333.0 | 210.0 |
| Imports (\$ millions) | 24.1 | 41.5 | 62.0 | 69.5 | 79.0 | 114.2 | 165.6 | 207.9 | 152.4 |
| Imports, U.S. only (\$ millions) | 21.3 | 33.6 | 46.5 | 50.3 | 62.0 | 96.7 | 148.7 | 193.2 | 142.9 |
| Canadian market (\$ millions) | 81.1 | 180.7 | 240.9 | 277.3 | 356.0 | 453.9 | 542.4 | 540.9 | 362.4 |
| Exports (% of shipments) | 28.8 | 24.0 | 22.9 | 20.1 | 17.0 | 19.3 | 18.7 | 24.9 | 35.4 |
| Imports (% of Canadian market) | 29.7 | 23.0 | 25.7 | 25.1 | 22.2 | 25.2 | 30.5 | 38.4 | 42.1 |
| Balance of trade (\$ millions) | -1.1 | 2.5 | -8.8 | -17.1 | -22.1 | -32.7 | -79.0 | -97.6 | -37.4 |

^aSee *Exports by Commodity*, Statistics Canada Catalogue No. 65-004, monthly; and *Imports by Commodity*, Statistics Canada Catalogue No. 65-007, monthly.

^bIt is important to note that data for 1988 and after are based on the Harmonized Commodity Description and Coding System (HS). Prior to 1988, the shipments, exports and imports data were classified using the Industrial Commodity Classification (ICC), the Export Commodity Classification (XCC) and the Canadian International Trade Classification (CITC), respectively. Although the data are shown as a continuous historical series, users are reminded that HS and previous classifications are not fully compatible. Therefore, changes in the levels for 1988 and after reflect not only changes in shipment, export and import trends, but also changes in the classification systems. It is impossible to assess with any degree of precision the respective contribution of each of these two factors to the total reported changes in these levels.

^cISTC estimates.



IMPORTS BY BOAT TYPE^a (\$ millions)

| | 1973 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 ^b |
|--------------------------------|------|------|------|------|------|-------|-------|-------|-------------------|
| Power inboard/outboard boats | 14.5 | 20.6 | 33.5 | 44.5 | 54.8 | 86.9 | 122.1 | 160.5 | 103.2 |
| Sailboats | — | 7.9 | 13.1 | 11.1 | 7.2 | 7.7 | 10.6 | 11.2 | 7.3 |
| Rowboats, outboards and others | 9.6 | 13.0 | 15.4 | 13.9 | 17.0 | 19.6 | 32.9 | 36.2 | 41.9 |
| Total | 24.1 | 41.5 | 62.0 | 69.5 | 79.0 | 114.2 | 165.6 | 207.9 | 152.4 |

^aSee *Imports, Merchandise Trade*, Statistics Canada Catalogue No. 65-203, annual.

^bISTC estimates.

EXPORTS BY BOAT TYPE^a (\$ millions)

| | 1973 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 ^b |
|--------------------------------|------|------|------|------|------|------|------|-------|-------------------|
| Power inboard/outboard boats | 6.0 | 4.5 | 3.6 | 8.4 | 11.5 | 36.7 | 44.7 | 25.5 | 31.3 |
| Sailboats | 14.9 | 35.6 | 44.4 | 36.9 | 36.2 | 32.8 | 26.6 | 17.5 | 16.6 |
| Rowboats, outboards and others | 2.1 | 3.9 | 5.2 | 7.1 | 9.2 | 12.0 | 15.3 | 67.3 | 67.1 |
| Total | 23.0 | 44.0 | 53.2 | 52.4 | 56.9 | 81.5 | 86.6 | 110.3 | 115.0 |

^aSee *Exports, Merchandise Trade*, Statistics Canada Catalogue No. 65-202, annual.

^bISTC estimates.

REGIONAL DISTRIBUTION^a (average over the period 1986 to 1988)

| | Atlantic | Quebec | Ontario | Prairies | British Columbia |
|-----------------------------|----------|--------|---------|----------|------------------|
| Establishments (% of total) | 21.1 | 17.7 | 29.3 | 5.0 | 26.9 |
| Employment (% of total) | 13.1 | 31.6 | 29.4 | 5.1 | 20.8 |
| Shipments (% of total) | 10.0 | 32.9 | 28.8 | 4.4 | 23.9 |

^aSee *Transportation Equipment Industries*, Statistics Canada Catalogue No. 42-251, annual.



MAJOR FIRMS

| Name | Country of ownership | Location of major plants |
|-------------------------------|----------------------|------------------------------------|
| Altra Marine Products Inc. | United States | Princeville, Quebec (PB) (R) |
| Bombardier Inc. | Canada | Valcourt, Quebec (PW) |
| C.S. Yachts Limited | Canada | Brampton, Ontario (S) |
| Cadorette Marine Co. | Canada | Grand' Mère, Quebec (PB) |
| Canoe Cove Manufacturing Ltd. | Canada | Sidney, British Columbia (PB) |
| Cooper Yachts Ltd. | Canada | Maple Ridge, British Columbia (PB) |
| Doral Boats Ltd. | Canada | Grand' Mère, Quebec (PB) |
| Hinterhoeller Yachts | Canada | St. Catharines, Ontario (S) |

(PB) Power boats (R) Rowboats
(PW) Personal watercraft (S) Sailboats

MAJOR AMERICAN COMPETITORS

| Name | Boating sales (1989) | Trade names |
|---------------------------------------|----------------------|---|
| Brunswick Corporation | \$2.007 billion | Bayliner, Sea Ray, Maxum, Arriva, Cobra, Starcraft, Fisher, Monark, Procraft, Astroglass, Blue Fin, Spectrum Motors: Mariner, Force, Mercury, Mercruiser |
| Outboard Marine Corporation | \$1.12 billion | Stratos, Sea Nymph, Donzi, Four Winns, Irisbowl (Australia) Chris-Craft, Lowe, Sunbird, Grumman, Sea Swirl, Hydra Sports, Ryds Batinchestri (Sweden) Altra (Canada) Motors: Evinrude, Johnson, Cobra |
| Genmar Industries Inc. (Minstar Inc.) | \$473.5 million | Lund, Glastron, Larson, Wellcraft, Crestliner, Hatteras, Minnetonka, Ski Supreme, Carver, Ranger, (Miramar Marine Inc., \$277 million) Motors: Volvo Penta |



INDUSTRY ASSOCIATIONS

Alberta Marine Trade Association
c/o Auto Marine Specialties Ltd.
4718 - 1st Street S.W.
CALGARY, Alberta
T2G 0A2
Tel.: (403) 287-2121
Fax: (403) 287-2122

Allied Boating Association of Canada
Suite 324, 5468 Dundas Street West
ISLINGTON, Ontario
M9B 6E3
Tel.: (416) 236-2497
Fax: (416) 236-3670

Association québécoise de l'industrie du nautisme
4545 Pierre-de-Coubertin Street
MONTREAL, Quebec
H1V 3N7
Tel.: (514) 257-7600
Fax: (514) 257-7362

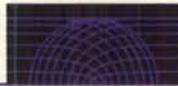
Atlantic Marine Trade Association
P.O. Box 339
WAVERLEY, Nova Scotia
B0N 2S0
Tel.: (902) 860-2220

Marine Trades Association of British Columbia
Suite 240, 1075 West Georgia Street
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V6E 3C9
Tel.: (604) 683-5191
Fax: (604) 688-3105

Mid-Canada Marine Dealers Association
23 Sage Crescent
WINNIPEG, Manitoba
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Tel.: (204) 831-5438
Fax: (204) 831-5438

Ontario Marina Operators Association
Suite 211, 4 Cataraqui Street
KINGSTON, Ontario
K7K 1Z7
Tel.: (613) 547-6662
Fax: (613) 547-6813

Personal Watercraft Industry Association
Suite 324, 5468 Dundas Street West
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Fax: (416) 236-3670



SECTORAL STUDIES AND INITIATIVES

The following information is available from Industry, Science and Technology Canada (see address on page 7).

Database on the Recreational Boats Industry

The database lists Canadian boatbuilders, accessory manufacturers and suppliers to the industry. Directories of manufacturers, product lists and exporting companies are periodically produced. Two database lists available include

- *Canadian Boat and Accessory Exporter Directory*
- *Canadian Boat Building Industry Directory*

Interfirm Comparison of Canadian Recreational Boats Manufacturers (1986 and 1990)

The object of these studies, compiled by ISTC, is to help participant manufacturers improve their productivity and profitability by providing them with analyses of their strengths and weaknesses relative to the other firms.

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