Specialty Vehicles

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Canada

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1990–1991

SPECIALTY VEHICLES

FOREWORD

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

Introduction

The automotive industry in Canada broadly includes the manufacturers both of motor vehicles (passenger cars, trucks, buses and specialty vehicles) and of the parts, tires and tubes that are used as original equipment in the assembly of new motor vehicles as well as for replacement parts and accessories. Most of the industry is rationalized to operate in one market that includes both Canada and the United States.

Automotive activities in 1989 generated slightly over 15 percent of the total shipments of products manufactured in Canada. They accounted for 32.5 percent of all exports of fabricated materials and end products. In 1989, automotive shipments were composed of $28.1 billion in automobile, truck and bus assembly; $14.7 billion in parts; $1.9 billion in specialty vehicles; and about $1.5 billion[1] in tires and tubes. In the same year, the industry employed 185 200 people. Of these, 55 500 were involved in assembling automobiles, trucks and buses; 96 500 in parts; 22 700 in specialty vehicles; and about 10 500[1] people worked to manufacture tires and tubes.

This profile deals only with the specialty vehicles manufacturing sector. In addition to *Specialty Vehicles*, industry profiles have been prepared covering

- *Automotive Aftermarket Parts*
- *Automotive Original Equipment Parts*
- *Automotive Tires*
- *Heavy-Duty Trucks*
- *Light Motor Vehicles*
- *Urban and Intercity Buses*

[1]ISTC estimates.

Structure and Performance

Structure

The specialty vehicle sector comprises the manufacturers of truck and bus bodies,[2] commercial trailers, non-commercial (recreational and other) trailers, airport mobile equipment, municipal service vehicles, all-terrain tracked and wheeled vehicles as well as snowmobiles. Besides general transportation of goods and people, the equipment is used in the maintenance and operation of airports, roads and highways as well as for fire protection, ambulance services and transportation in remote areas.

The structure of the specialty vehicle sector, with the contributions in 1989 to shipments, imports and exports from the major products manufactured, is shown in Table 1.

Total shipments by the specialty vehicle sector in 1989 were estimated at $1 941 million (Figure 1). With exports accounting for only 15.6 percent of total shipments, production was largely geared to the requirements of the domestic market. Total imports of $571.1 million in 1989 represented 25.9 percent of the total Canadian market.

Direct employment in 1989 was approximately 22 700 people spread over an estimated 390 establishments, which were mainly small. Transport Canada records show some 600 additional truck and bus body and trailer manufacturers in Canada. However, since most of these firms are very small or are not primarily engaged in the manufacture of truck bodies or trailers, they are not included in the product category as defined by Statistics Canada.

Table 1 — Industry Structure of Specialty Vehicles Sector, 1989

($ millions)

	Shipments	Imports	Exports
Truck and bus bodies	590	54[a]	77
Commercial trailers	450	109	24
Non-commercial trailers	451	215	72
Snowmobiles and all-terrain vehicles	349	152	91
Airport mobile equipment and municipal service vehicles	101	41	39
Total, specialty vehicles	1 941	571	303

[a]Truck bodies imported on a chassis are not included in this amount.

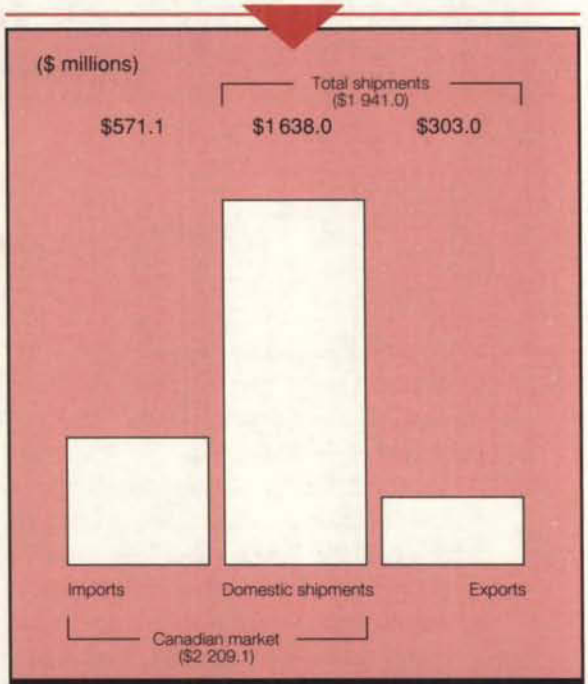

Figure 1 — Imports, Exports and Domestic Shipments, 1989

As Figure 2 shows, manufacturing of truck and bus bodies, commercial trailers and non-commercial trailers are the three largest industries in the specialty vehicles sector. Their combined employment in 1989 was estimated at 20 100 at some 360 establishments. Most of these firms are generally small, each employing fewer than 50 people. The largest firms are manufacturers of trailers in Ontario and of trailers and snowmobiles in Quebec. Most of the firms are Canadian-owned and are important to their local economies.

Truck and Bus Bodies

While there is a definite trend towards specialization in the truck, van and bus body group, the majority of firms make several types of vehicles, shifting production as demand requires. There were an estimated 180 establishments in this industry, employing 11 100 people, with shipments totalling $590 million in 1989. Manufacturing activity accounted for an estimated 80 percent of sales; repairs at 14 percent and parts at 6 percent made up the balance. Bodies are produced for dump, stake, tank, grain and cattle trucks, for vans, for utility and service vehicles, and for school buses. These bodies are mounted on truck chassis built by truck manufacturers. The truck and bus body industry is the only one in the specialty

[2]This industry profile does not include manufacturers of urban and intercity bus bodies, which are covered in the profile on *Urban and Intercity Buses*.

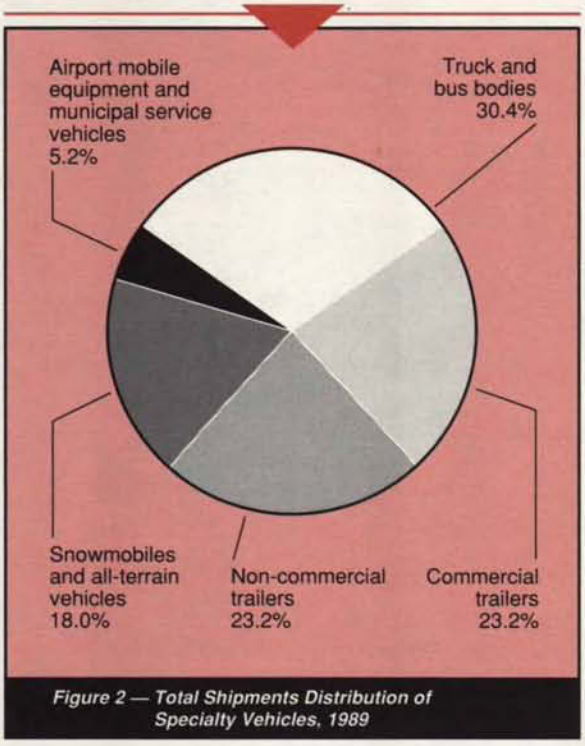

Figure 2 — Total Shipments Distribution of Specialty Vehicles, 1989

vehicle sector that operates under the provisions of the 1965 Canada-U.S. Automotive Products Trade Agreement (Auto Pact) because it manufactures chassis and trucks that are not specifically excluded from the agreement. Unlike the vehicle and automotive parts manufacturers, few of these companies are unionized.

Commercial Trailers

There were an estimated 90 establishments in the commercial trailer industry employing 4 000 people, with shipments of $450 million in 1989. This value amounted to 10.6 percent of the North American commercial trailer market, valued at approximately C$4.2 billion in 1989. Trailers can be grouped into the following categories: stake or platform, van, low-bed, logging, tank and dump trailers.

Non-Commercial Trailers

The non-commercial trailer industry includes the manufacturers of travel trailers, tent trailers, motor homes, truck campers and fifth-wheel trailers. There were an estimated 25 establishments in 1989, whose total shipments of recreational vehicles were valued at about $424 million. Also added to this industry are about 65 manufacturers of horse, snowmobile and utility trailers, whose shipments in 1989 were estimated at $27 million. Production employment that year for this industry was estimated at 5 000 people.

Snowmobiles and All-Terrain Vehicles

There are approximately 10 manufacturers of all-terrain vehicles and one major producer of snowmobiles in Canada. All-terrain vehicles are designed and built to meet difficult off-road transportation requirements that conventional vehicles would have trouble satisfying. Both tracked and wheeled vehicles are produced in a wide range of sizes, from small recreational all-terrain units to heavy-duty vehicles with a capacity of 63.5 tonnes. Total shipments of this industry for 1989 were $349 million, and employment was estimated at 2 600 people.

Airport Mobile Equipment and Municipal Service Vehicles

Manufacturers of airport mobile equipment and municipal service vehicles numbered about 20 companies in 1989. A few were medium-sized firms, but most were small operations. Their combined shipments were estimated at $101 million. No accurate count of employment in this group has been made.

Airport mobile equipment firms produce a variety of vehicles used in aircraft and airport servicing as well as maintenance, for such uses as aircraft refuelling and de-icing, passenger, cargo and baggage handling, runway snowblowing and sweeping, and for use in crash, fire and rescue operations. Although relatively small, this group is actively involved in seeking new export opportunities in addition to markets it now has, mainly in the United States.

The products of the municipal service vehicles group include fire trucks, garbage trucks, snow-clearing equipment, salt or sand spreaders, street sweepers and utility vehicles with aerial devices for power and telephone maintenance. Exports in this group are limited to fire trucks and utility vehicles.

Performance

The specialty vehicle sector serves a mature market characterized by slow growth. Its performance is closely related to that of the Canadian economy and the corresponding demand for transportation equipment. Overall demand in the sector has been affected by the current economic situation.

Shipments of specialty vehicles had an average annual growth rate in constant 1981 dollars of 7.8 percent between 1985 and 1989. The growth in employment in this period averaged 13 percent a year. The number of establishments rose from 284 in 1985 to an estimated 390 in 1989. These gains arose from the overall increase in economic activity. A notable exception for shipments and employment was in the commercial trailer industry, which had been declining since mid-1988.

Imports have increased considerably in recent years, especially those from the United States (Figure 3). Total imports grew from $242 million in 1985 to $571 million

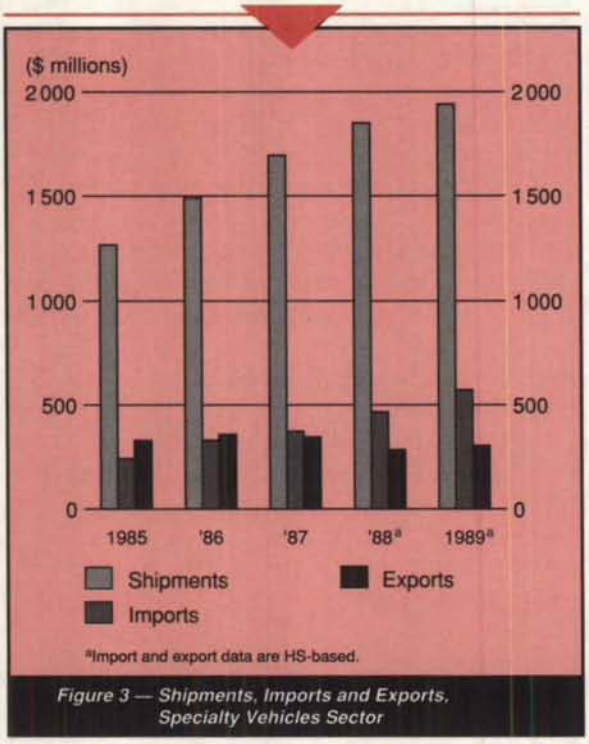

Figure 3 — Shipments, Imports and Exports, Specialty Vehicles Sector

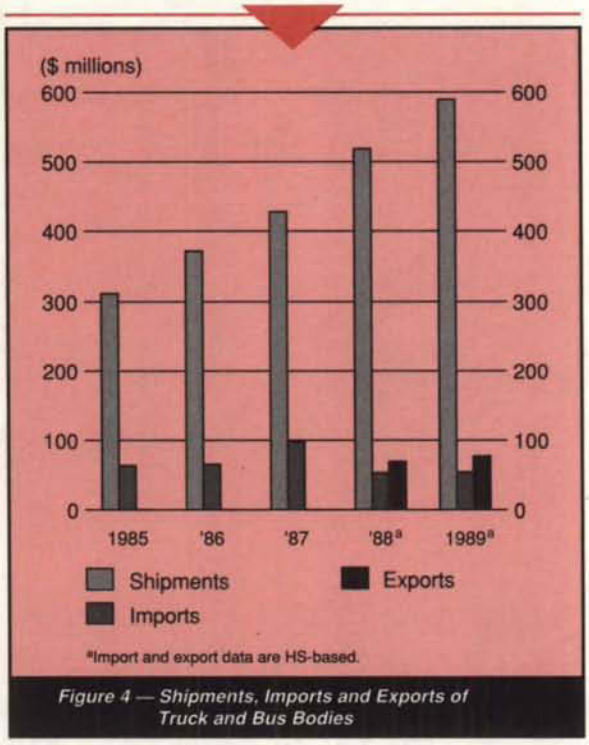

Figure 4 — Shipments, Imports and Exports of Truck and Bus Bodies

in 1989. Approximately 81 percent of the imports came from the United States in 1989, compared with only 63.5 percent in 1985. Overall exports declined from $328 million in 1985 to $303 million in 1989. Beginning in 1988, trade in all commodities has been classified according to the Harmonized Commodity Description and Coding System (HS), whereas trade in earlier years was measured according to other systems (see footnote to Trade Statistics table on page 11). In Figures 3, 4, 5, 7, 8 and 9, export data for 1985, 1986 and 1987 are available mostly in aggregate form only; a breakdown of these data by subsector is not available.

Because there are significant differences in performance among the industries making up the sector, they are reviewed separately.

Truck and Bus Bodies

The truck and bus body industry performed well over the period from 1985 to 1989. The value of shipments increased by 89 percent from $312 million in 1985 to $590 million in 1989 (Figure 4). A review of preliminary data provided by Statistics Canada indicates that shipments are likely to have decreased by approximately 10 percent to an estimated $530 million in 1990. This estimate of the decrease is considered low; manufacturers of van bodies, stake and cattle trucks, and cutaway or cube vans estimate the decline to be in the range of 25 to 35 percent.

Companies in this industry produce mainly for small, local markets, primarily on a custom-order basis. School bus bodies are the exception, with an estimated 27 percent of the value of production being exported, mostly to the United States. Overall exports of truck and bus bodies to the United States account for only 13 percent of shipments.

An interfirm comparison study conducted by Industry, Science and Technology Canada (ISTC) based on 1989 data indicates that sales growth of service truck bodies outperformed that of other types of bodies, while the manufacturers of van bodies recorded the best performance in profitability. The manufacturing process does not involve highly advanced technology.

Whereas imports of truck bodies are minimal, a truck body imported on a chassis is classified as a vehicle and therefore is not included in the statistical data for this subindustry. The Big Three U.S. automakers (Chrysler, Ford and General Motors) under the Auto Pact are allowed to import such vehicles duty-free provided content requirements are met.

Commercial Trailers

In the commercial trailer industry, the value of shipments increased by 41 percent between 1985 and 1987, from $396 million to $558 million (Figure 5). Shipments began to decline in 1988 and continued to decline through 1989, dropping to $450 million. Preliminary data for 1990

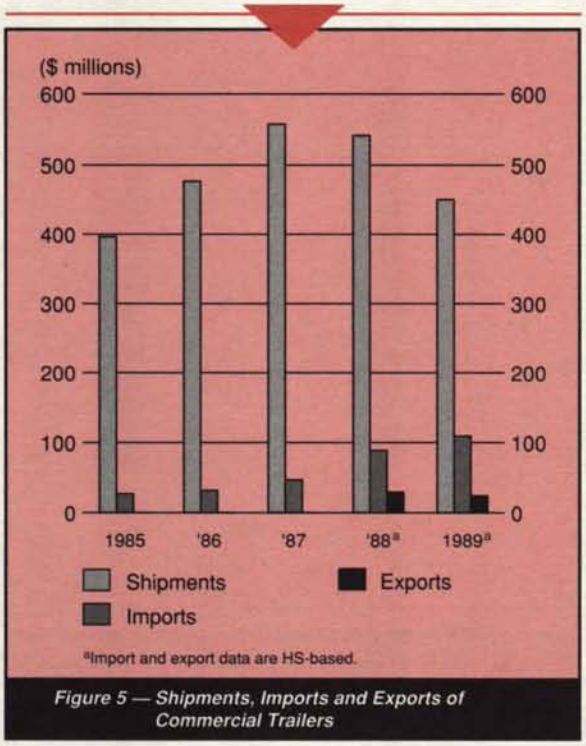

Figure 5 — Shipments, Imports and Exports of Commercial Trailers

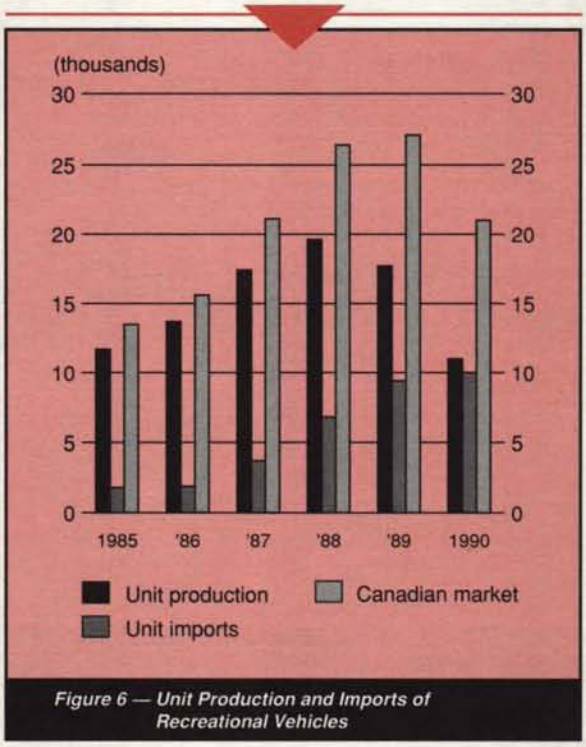

Figure 6 — Unit Production and Imports of Recreational Vehicles

indicate that the value of shipments decreased to an estimated $315 million. The manufacturers of highway van trailers have been affected the most by this decrease in production.

In 1989, U.S. imports worth $109 million accounted for an estimated 20 percent of the Canadian market, valued at $535 million. Exports in this period were $24.5 million.

Non-Commercial Trailers

The *recreational vehicle* (RV) group, which accounted for an estimated 94 percent of shipments in this segment of the industry in 1989, is particularly sensitive to economic conditions such as changes in consumer spending, energy pricing and interest rates. Production in the subsector increased from 11 700 units in 1985 to approximately 17 700 in 1989, an increase of 51 percent. The value of shipments increased by 71 percent during the same period to an estimated $424 million. Exports in 1989 were $67 million, an increase of 52 percent over the 1988 level; motor homes accounted for 95 percent of these exports. The value of imports in 1989 was $185 million, which was 40 percent higher than the 1988 level, and that trend continued in 1990. Production and import data for 1990 indicate that unit imports accounted for an estimated 48 percent of the Canadian market (Figure 6). The value of Canadian shipments for 1990 decreased by an estimated 25 to 30 percent to between $300 million and $325 million. A major RV manufacturer in Ontario, Firan Corporation, has

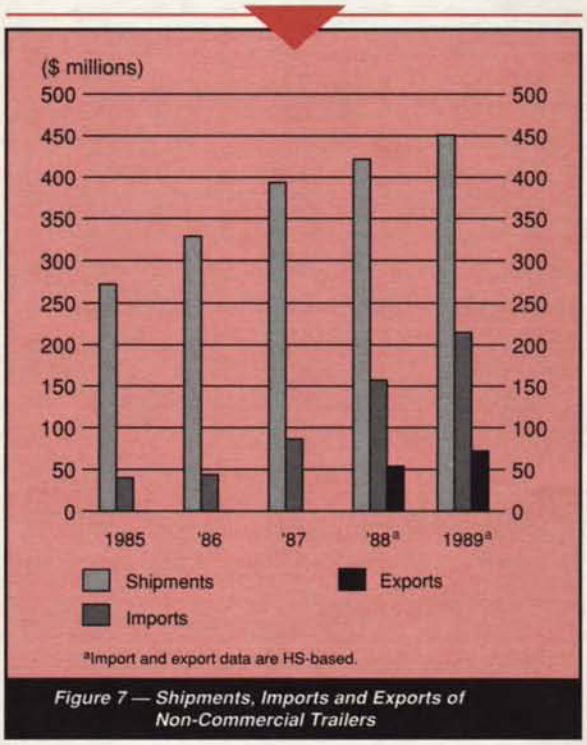

Figure 7 — Shipments, Imports and Exports of Non-Commercial Trailers

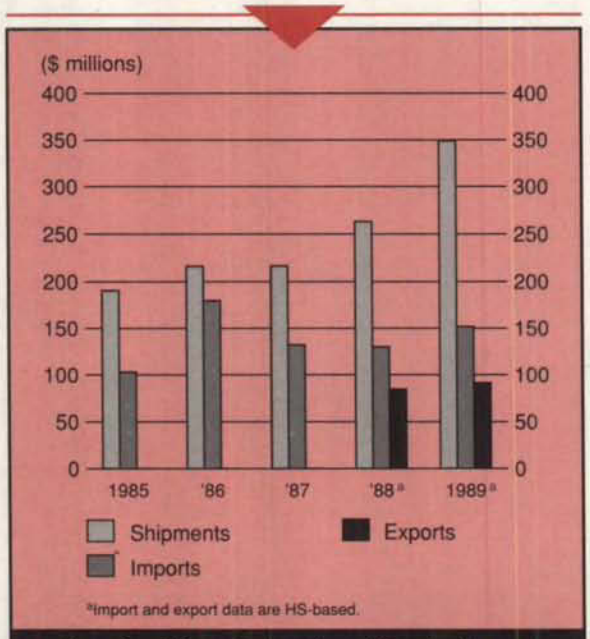

Figure 8 — Shipments, Imports and Exports of Snowmobiles and All-Terrain Vehicles

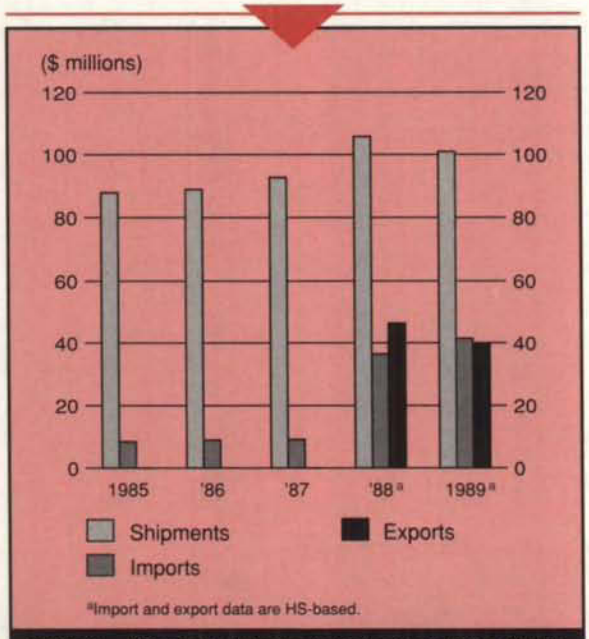

Figure 9 — Shipments, Imports and Exports of Airport Mobile Equipment and Municipal Service Vehicles

consolidated two of its plants because of a decrease in demand for wholesale shipments as well as increased market penetration by U.S. manufacturers.

Shipments of other trailers in 1989 totalled $27 million, with imports of $30 million and exports of $4.9 million. Shipments for 1990 were estimated at $33 million.

Shipments, imports and exports for the subsector as a whole are presented in Figure 7.

Snowmobiles and All-Terrain Vehicles

The value of shipments in this group increased by 83 percent between 1985 and 1989, from $191 million to $349 million (Figure 8). Imports in 1989 were $152 million, an increase of 17 percent over the 1988 level. Most of these imports came from the United States and Japan, which accounted for 55 and 42 percent, respectively, of the value of the imports. Exports, mostly to the United States, Finland and Sweden, increased by 8 percent during the same period to $91 million. The value of shipments for 1990 was estimated at $324 million.

Airport Mobile Equipment and Municipal Service Vehicles

In the airport mobile equipment and municipal service vehicle group, the value of shipments increased by 15 percent between 1985 and 1989 from $88 million to $101 million (Figure 9). Imports in 1989 were $41 million, an increase of 14 percent over the 1988 level. Exports for this group were $39 million in 1989, down from $46 million in 1988. A sample survey of shipments for 1990 indicated an increase to approximately $118 million.

Strengths and Weaknesses

Structural Factors

Truck and Bus Bodies

Because most assemblers of truck and bus bodies are relatively small, they tend to be niche producers, responding to local market requirements. The cost of entry into this industry is low. The technological sophistication required for their production, which basically consists of simple assembly operations, is minimal. Marketing strategies are fairly limited. Because of these factors, rationalization on a North American basis is rare. Most of the companies are too small to compete in the U.S. market but are large enough to compete in regional markets on custom jobs. Large U.S. manufacturers could compete in these niches with lower prices but have shown only minimal interest to date.

Commercial Trailers

Canadian commercial trailers are generally designed to be built heavier than U.S.-built trailers and have a longer

operating life. Weight regulations in Canada allow heavier trailers and hence a nominally greater payload. Greater capacity is not considered an advantageous feature by U.S. buyers, for whom price is the deciding factor.

A recently completed ISTC study on commercial highway trailers indicates that labour, materials, components and transportation costs are often higher in Canada than in the United States. U.S. producers are also normally larger and more highly mechanized than their Canadian counterparts. To take advantage of economies of scale and to reduce their operating costs, U.S. producers do not offer many vehicle options. The ability of Canadian manufacturers to compete in the domestic market is attributable to the customized nature of products, Canadian tariffs and regional distribution of smaller companies serving local markets. Except for some specialized trailers, the industry is not competitive in export markets.

Non-Commercial Trailers

As in the truck and bus body industry, the cost of entry into the manufacturing of recreational vehicles is low. The technological sophistication required for production, which basically consists of simple assembly operations, is minimal. Most RV manufacturers are not competitive with their U.S. counterparts.

Snowmobiles and All-Terrain Vehicles

This industry group produces technologically advanced products used for difficult off-road transportation requirements. Most of the establishments are small, with the exception of Bombardier, one of four major producers of snowmobiles in the world, and Canadian Foremost and Drill Systems.

The products supplied range from small recreational all-terrain units and snowmobiles valued at less than $5 000 to heavy-duty, all-terrain vehicles, with a payload capacity up to 63.5 tonnes, priced in excess of $750 000 each. The industry is internationally competitive, with exports accounting for 26 percent of total group shipments.

Airport Mobile Equipment

The manufacturers in this group also produce technologically advanced products used in providing essential services to the air transportation system. The restructuring of the largest manufacturer of crash, fire and rescue vehicles, AMERTEK, occurred in 1990. The establishments are characterized by short-run custom manufacturing operations. In general, this group is essentially healthy and internationally competitive.

Replacement of airport equipment by the major Canadian airlines and Transport Canada is expected to continue in the future. Canadian-built airport crash trucks, aircraft refuellers, airport snowblowers and runway sweepers are products that will continue to be internationally competitive. Canadian firms producing these vehicles will continue to be active in the export market.

Municipal Service Vehicles

The majority of establishments in this group are medium-sized. They serve local markets and use standard technology in the production of their products. Municipal and provincial purchasing practices favouring local companies have encouraged the regionalization of the industry. Garbage trucks are the major product manufactured by the group. The purchasing of garbage trucks has been switching from municipalities to private waste management contractors, so changes in the system of providing these products may ensue.

The fire truck group is largely a custom market, controlled by municipal fire departments. The capacity to meet custom-designed requirements has permitted manufacturers to maintain their share of the Canadian fire truck market.

The tariff on fire engines was reduced to zero in 1989 under the terms of the Canada-U.S. Free Trade Agreement (FTA). Companies in this group lack the scale to compete directly with the larger U.S. manufacturers, one of which produces approximately 750 vehicles annually, more than twice the Canadian market. To provide a broader product offering, some companies have established strategic alliances with major U.S. manufacturers.

Exports of the airport and municipal equipment, mainly to the United States, accounted for 39 percent of total group shipments in 1989.

Canadian-built snow-clearing equipment and utility vehicles are mainly for Canadian use. Only limited numbers of these products are sold to the United States.

Trade-Related Factors

Table 2 shows the 1991 tariff rates assessed by Canada and the United States on key products in the specialty vehicle sector from nations having Most Favoured Nation (MFN) status and under the FTA.

The FTA rates apply to products produced in Canada or the United States that contain a minimum 50 percent North American value-added. The rates will continue to decline annually by 10 percent of the original tariff, decreasing to zero on 1 January 1998. This period of transition will encourage the commercial and non-commercial trailer industries to become more competitive. Currently, Canadian producers are well positioned to fill custom orders.

Tariffs on fire trucks and crash, fire and rescue vehicles were removed immediately upon implementation of the FTA on 1 January 1989. The tariff on parts for these vehicles, with the exception of aerial ladders, was later reduced to zero in Canada.

Table 2 — FTA and MFN Tariff Rates for Key Products, 1991

(percent)

	FTA tariff		MFN tariff	
	Canada	U.S.	Canada	U.S.
Truck and bus bodies	6.4	2.8	9.2	4.0
Commercial trailers	10.5	2.2	15.0	3.1
Recreational vehicles				
• camper trailers	7.1	2.2	10.2	3.2
• camper bodies	8.5	1.7	12.2	2.5
• motor homes	6.4	free	9.2	2.5
Utility, horse and snowmobile trailers	7.1	2.2	10.2	3.1
Fire trucks, airport crash, fire and rescue vehicles	free	free	10.2	3.7
All-terrain vehicles	6.4	free	9.2	2.5
Snowmobiles	free	free	free	2.5

Manufacturers other than the Big Three benefit from the FTA in that they can generally import parts duty-free if content requirements are met. This capability puts them on a similar basis to the Big Three producers. These components include refrigeration units, hydraulic tailgates, pumps, cylinders, door hardware, etc. for use in the manufacture of bodies.

The non-tariff barriers (NTBs) affecting Canada's exports of the airport mobile equipment group exist at the federal level in the United States, namely the "Buy America" and the "Small Business Set-Aside" practices. These practices reserve a certain portion of a federal or state contract to be filled by designated types of businesses.

In Canada, recreational vehicles are built to meet standards set by the Canadian Standards Association (CSA). These standards are not mandatory in all provinces. The four western provinces, Prince Edward Island and Newfoundland have some legislation in place to enforce these standards, but there is a question of consistency in application. The industry is concerned about harmonization of standards within Canada and within the United States.

Technological Factors

Manufacturers of truck and bus bodies and of commercial, recreational and other trailers invested $20 million in 1988. The preliminary estimates for 1989 suggest that the investment rose to $22 million that year.

Commercial Trailers

The ISTC study on the truck trailer industry states that, although Canadian commercial trailer manufacturers are generally lagging behind their U.S. competitors in automated production technology, some companies have invested in automated processes such as robotics and continuous welding. However, maintaining a high level of equipment utilization is a problem. On the basis of revenue per employee, revenue per hour worked, average wage rates, labour costs as a percentage of total costs and profit margins, Canadian manufacturers in this industry rank behind their U.S. counterparts. Higher labour cost in manufacturing results in lower gross margins, which imply poorer financial health and relatively fewer resources for product development and the purchase of capital-intensive technologically advanced equipment.

Airport Mobile Equipment, Snowmobiles and All-Terrain Vehicles

The airport equipment group and the snowmobile and all-terrain groups produce technologically advanced products. Canadian technology and expertise in building airport snow-clearing equipment as well as all-terrain vehicles and snowmobiles for use in difficult terrain are recognized worldwide. They are the main contributing factors to the groups' international competitiveness.

Evolving Environment

At the time of writing, the Canadian and U.S. economies were showing signs of recovering from a recessionary period. During the recession, companies in the industry generally experienced reduced demand for their outputs, in addition to longer-term underlying pressures to adjust. In some cases, the cyclical pressures may have accelerated adjustments and restructuring. With the signs of recovery, though still uneven, the medium-term outlook will correspondingly improve. The market for specialty vehicles depends on the general state of the economy. It will continue to rely principally on domestic demand.

The industry has expressed concern about the relatively higher value of the Canadian dollar in recent periods vis-à-vis the American dollar (Figure 10). On the other hand, under certain economic conditions, it is widely recognized that a significantly lower value is likely to be inflationary. The resulting higher domestic costs and prices can erode, over time, the short-term competitive gains of such a lower-valued dollar.

Commercial Trailers

The recession has placed significant pressures on the trucking industry that have been reflected in reduced

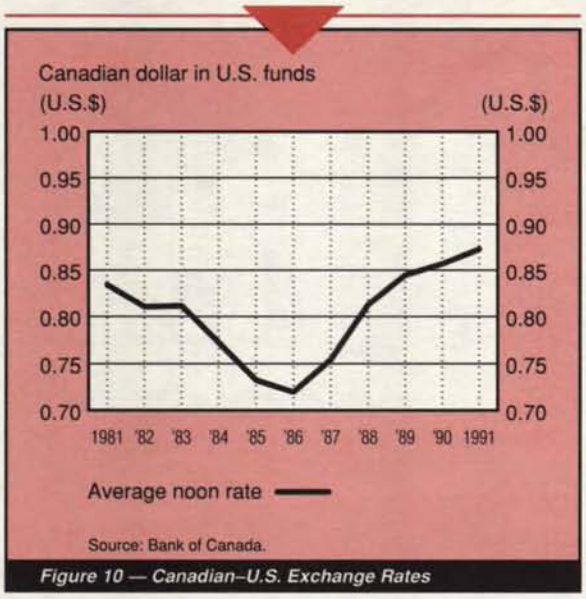

Figure 10 — Canadian–U.S. Exchange Rates

demand for trucks and commercial trailers throughout North America. The recession has adversely affected the commercial trailer industry.

Companies in this industry will have to continue to adjust over the next three to five years if an increase in imports from the United States is to be curbed. Several alternatives are being considered to combat the effect of imports on traditional Canadian markets. These options include entering the specialty trailer market, coproduction, importing labour-intensive subassemblies or product diversification.

Non-Commercial Trailers

In early 1990, Transport Canada implemented inspection procedures on imports in the RV group for the federally mandated standards under the *Motor Vehicle Safety Act*. Inspections were set in motion at four main border points, with restrictions on entry for vehicles that did not comply with the standards.

Competitiveness Assessment

Most of the companies in the specialty vehicle sector have a domestic and regional focus and do not compete in export markets. Reasons include small production scales, marginal financial resources and limited research and development capabilities. The exceptions to this are the airport mobile equipment, snowmobile and all-terrain vehicle groups. The recession and the high cost structure of Canadian firms competing in a North American marketplace for mass-produced items will put pressure on the industry.

The FTA has created opportunities for the more competitive industries in the sector by providing manufacturers of these products with improved access to the large U.S. market. Phased elimination of tariffs will increase competitive pressures on manufacturers producing for the domestic market.

Truck and Bus Bodies

At the present time, the truck and bus body industry is not concerned with competition from small manufacturers in the United States largely because of transportation costs on entire vehicles coming into Canada. However, the industry is concerned that key U.S. manufacturers are beginning to penetrate the Canadian market. Canadian manufacturers are not competitive with these large U.S. manufacturers, who can mass-produce and distribute their product through Canadian distributors at a lower price. The strength of Canadian producers is their ability to meet local requirements.

Commercial Trailers

The U.S. trailer market is extremely competitive and has a large number of local manufacturers of each type of product. Canadian companies should be able to survive in regional specialty markets, as the smaller U.S. companies do. For example, there appears to be no competitive threat to Canadian-built logging trailers at this time, which are built stronger in order to withstand the tougher Canadian operating environment.

With the exception of specialty product offerings, the commercial trailer industry, particularly the manufacture of highway van trailers, faces a stiff challenge from its U.S. counterparts. A glut of used trailers on the market caused by bankruptcies, mergers and closures of major firms in the trucking industry has also contributed to the decrease in production. Manufacturers of highway van trailers in Ontario and Quebec and manufacturers of flatbeds in the Prairie provinces are particularly vulnerable to these pressures.

Some highway trailer manufacturers are considering conversion to the specialty trailer market over the long term, which will make this market more competitive. As a consequence, the less efficient producers will be forced to improve. American companies have not shown any interest in this specialized market to date.

With the economic downturn in both countries, major manufacturers in the United States are starting to establish distributorships in Canada, particularly in the market for dry and insulated vans.

Non-Commercial Trailers

The RV group, which is normally subject to sales slumps when economic conditions worsen, is also feeling

stiff competition from imported vehicles. The industry has expressed its view that uniformity of manufacturing standards in Canada and the United States and uniform enforcement of these standards would be to its benefit.

Airport Mobile Equipment, Snowmobiles and All-Terrain Vehicles

Producers of airport equipment, snowmobiles and all-terrain vehicles are technologically advanced. They will likely continue to exploit export opportunities and to be internationally competitive.

For further information concerning the subject matter contained in this profile or in the ISTC sectoral studies and initiative listed on page 15, contact

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PRINCIPAL STATISTICS[a]

	1985	1986	1987	1988	1989
Establishments	284	315	319	341	390
Employment	13 675	15 230	15 670	17 745	22 700
Shipments ($ millions)	1 264.9	1 489.9	1 695.7	1 850.9	1 941.0

[a]All data are ISTC estimates. Statistics Canada publishes data on some of the industries in the specialty vehicles sector in *Transportation Equipment Industries*, Statistics Canada Catalogue No. 42-251, annual (SIC 3241, truck and bus body industry; SIC 3242, commercial trailer industry; SIC 3243, non-commercial trailer industry; and SIC 3299, other transportation equipment industries) and *Machinery Industries, Except Electrical Machinery*, Statistics Canada Catalogue No. 42-250 , annual (SIC 3199, other machinery and equipment industries not elsewhere classified).

TRADE STATISTICS

	1985	1986	1987	1988[a]	1989[a]
Exports[b] ($ millions)	328.0	356.8	344.6	283.6	303.0
Domestic shipments ($ millions)	936.9	1 133.1	1 351.1	1 567.3	1 638.0
Imports[c] ($ millions)	241.9	329.8	372.4	465.5	571.1
Canadian market ($ millions)	1 178.8	1 462.9	1 723.5	2 032.8	2 209.1
Exports (% of shipments)	25.9	23.9	20.3	15.3	15.6
Imports (% of Canadian market)	20.5	22.5	21.6	22.9	25.9

[a]It 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. Various HS classes treated here are assigned an additional four digits (ANNEX code) for more detailed descriptions.

[b]See *Exports by Commodity*, Statistics Canada Catalogue No. 65-004, monthly.

[c]See *Imports by Commodity*, Statistics Canada Catalogue No. 65-007, monthly.

SOURCES OF IMPORTS[a] (% of total value)

	1985	1986	1987	1988	1989
United States	63.5	53.0	73.7	90.9	80.6
Other	36.5	47.0	26.3	9.1	19.4

[a]Special tabulations prepared by the Automotive Directorate. For additional detail, see *Imports by Commodity*, Statistics Canada Catalogue No. 65-007, monthly.

DESTINATIONS OF EXPORTS[a] (% of total value)

	1985	1986	1987	1988	1989
United States	57.2	58.6	75.4	90.2	92.9
Other	42.8	41.4	24.6	9.8	7.1

[a]Special tabulations prepared by the Automotive Directorate. For additional detail, see *Exports by Commodity*, Statistics Canada Catalogue No. 65-004, monthly.

MAJOR FIRMS[a]

Name	Country of ownership	Location of major plants
Truck and Bus Bodies		
Canadian Blue Bird Coach Ltd.	United States	Brantford, Ontario
Diesel Equipment Limited	Canada	Toronto, Ontario
Multi-Vans Inc.	Canada	Bolton, Ontario
Thomas Built Buses of Canada Limited	United States	Woodstock, Ontario
Transit Truck Bodies Inc.	Canada	Laval, Quebec
Commercial Trailers		
Advance Engineered Products Ltd.	Canada	Regina, Saskatchewan
Hutchinson Industries	Canada	North York, Ontario
Manac Inc.	Canada	Saint-Georges-de-Beauce, Quebec
REMTEC Inc.	Canada	Chambly, Quebec
Trailmobile Canada (Division of Gemala Industries Limited)	Indonesia	Ingersoll, Ontario
Westank-Willock (Division of Willock Industries Ltd.)	Canada	Regina, Saskatchewan

[a]These lists are not exhaustive. For more information please contact the associations or Industry, Science and Technology Canada (see page 10). *(continued)*

MAJOR FIRMS[a] (continued)

Name	Country of ownership	Location of major plants
Non-Commercial Trailers		
Bonair Leisure Products Ltd.	Canada	Thetford Mines, Quebec
Fleetwood Canada Ltd.	United States	Lindsay, Ontario
General Coach (Division of Citair Inc.)	United States	Hensall, Ontario
Glendale Recreational Vehicles (Division of Firan Corporation)	Canada	Strathroy, Ontario
Triple E Canada Ltd.	Canada	Winkler, Manitoba
Snowmobiles and All-Terrain Vehicles		
Bombardier Inc.	Canada	Valcourt, Quebec
Canadian Foremost and Drill Systems Limited	Canada	Calgary, Alberta
Fire Trucks		
Almonte Fire Trucks Ltd.	Canada	Carleton Place, Ontario
Anderson's Engineering Ltd.	Canada	Langley, British Columbia
Dependable Truck and Tank Ltd.	Canada	Brampton, Ontario
Hub Fire Engines & Equipment Ltd.	Canada	Abbotsford, British Columbia
Nova Quintech Corporation	Canada	Saint-François-du-Lac, Quebec
Phoenix Fire Apparatus Inc.	Canada	Drummondville, Quebec
SMI Manufacturing Inc.	Canada	Bathurst, New Brunswick
Superior Emergency Vehicles Ltd.	United States	Red Deer, Alberta
Airport Mobile Equipment		
AMERTEK Inc.	Canada	Woodstock, Ontario
Frink Canada (Division of Compro Limited)	United States	Cambridge, Ontario
Nordic Systems Inc.	Canada	Mississauga, Ontario
Robert Mitchell Inc.	Canada	Saint-Laurent, Quebec

(continued)

MAJOR FIRMS[a] (continued)

Name	Country of ownership	Location of major plants
Municipal Service Vehicles		
Équipement Labrie Ltée	Canada	Saint-Nicolas, Quebec
Fort Garry Industries Ltd.	Canada	Winnipeg, Manitoba
Haul-All Equipment Ltd.	Canada	Lethbridge, Alberta
Superior Emergency Vehicles Ltd.	United States	Red Deer, Alberta
Sweeprite Mfg. Inc.	Canada	Regina, Saskatchewan
Universal Handling Equipment Company Limited	Canada	Hamilton, Ontario

[a]These lists are not exhaustive. For more information please contact the associations or Industry, Science and Technology Canada (see page 10).

INDUSTRY ASSOCIATIONS

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Canadian Truck Trailer Manufacturers Association (CTTMA)
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Fax: (416) 893-2392

SECTORAL STUDIES AND INITIATIVES

The following publications are available from Industry, Science and Technology Canada (see page 10).

Two studies were prepared by Tandem Engineering and Management Consultants Inc. for ISTC. The first was completed in March 1990, and the second in September 1991.

- **Review of the Truck Trailer Industry in Canada**
- **Industry Review: Chassis Mounted Equipment Manufacturing Sectors**

The following initiative has been recently supported by Industry, Science and Technology Canada.

Interfirm Comparison of the Truck Body and Equipment Manufacturers
This ISTC initiative was requested by the industry and was completed in April 1990. The analysis discusses the results for all participants and provides breakdowns by volume of sales, region and types of vehicles manufactured. Copies of this initiative are not available for distribution, as the data contained therein apply to the specific firms that participated in the comparison and are confidential.

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