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Canadian Market Opportunities— Import Profile



Government
of Canada

Regional Industrial
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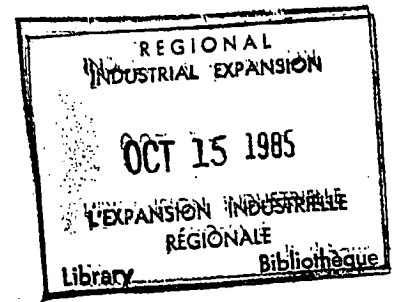
Canada

SKIS, DOWNHILL

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Market Development Branch
Department of Regional Industrial Expansion

REFERENCE SOURCES

Department of Regional Industrial Expansion

Statistics Canada

Revenue Canada

Supply and Services Canada

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OR

The nearest DRIE Regional Office
These offices are listed on page B
of this publication.

EXPLANATORY NOTES

Valuation

Imports are generally recorded at the values established for customs duty purposes according to the provisions of the Customs Act. Customs values are identical to selling prices for most transactions between non-affiliated firms, but customs values exceed selling prices for many transactions between affiliated firms. All values are reported in Canadian dollars and do not include duty.

Average Growth Rate

Growth rates are calculated on the basis of annual compounding.

CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

SKIS, DOWNHILL

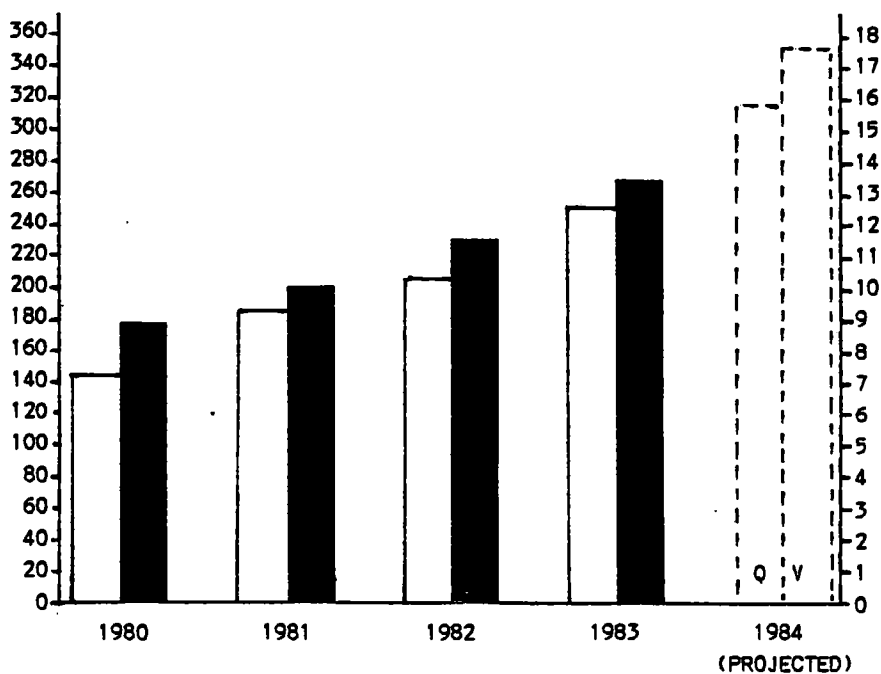
INTRODUCTION



This report is one of a continuing series designed to increase business awareness of the enormous potential existing in the Canadian marketplace for domestic production and to stimulate Canadian business to explore further potential market opportunities in Canada. It is important to emphasize that this report does not attempt any assessment as to the feasibility of manufacturing or competing in a particular market and should be treated as an indicator or starting point for the manufacturer or entrepreneur.

A - IMPORT TRENDS
OF
DOWNHILL SKIS

QUANTITY ('000 NO.)

VALUE (MILLION \$)



QUANTITY	145.0	184.1	205.6	250.6	318.9	
VALUE	9.0	10.2	11.7	13.6	17.6	

The overall import trend for downhill skis during the period 1980 to 1983 resulted in a rate of growth amounting to 20 per cent per annum in terms of quantity and 15 per cent in terms of dollar value.

B - IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT
(BASED ON 1983 FIGURES)

FOREIGN COUNTRY OF EXPORT	1980	1981	1982	1983	UNIT	AVERAGE	PER CENT	10-MONTH	
					PRICE	ANNUAL	CHANGE	IMPORTS	
					1983	1980-83	1982-83	1983	1984
					\$	\$	\$		
AUSTRIA									
QUANTITY (PAIR)	57 715	91 524	110 880	133 769		32	21	119 059	133 653
VALUE (\$000)	3 933	4 331	5 640	6 907	51.63	25	22	6 031	6 748
FRANCE									
QUANTITY (PAIR)	35 940	50 622	36 789	47 136		9	28	42 362	65 586
VALUE (\$000)	2 676	3 640	2 724	3 110	65.98	5	14	2 762	4 228
ITALY									
QUANTITY (PAIR)	3 175	1 687	10 652	19 710		84	85	17 426	24 567
VALUE (\$000)	247	110	477	1 005	50.99	60	111	910	1 445
YUGOSLAVIA									
QUANTITY (PAIR)	7 184	8 038	13 881	13 092		22	-6	11 980	7 497
VALUE (\$000)	314	411	680	684	52.25	30	1	645	416
UNITED STATES									
QUANTITY (PAIR)	15 676	12 113	10 114	4 009		-37	-60	2 585	8 137
VALUE (\$000)	1 194	939	911	426	106.26	-29	-53	306	954
OTHER									
QUANTITY (PAIR)	25 333	20 127	23 276	32 923		9	41	23 461	26 308
VALUE (\$000)	995	778	1 311	1 427	43.34	13	9	1 032	843
TOTAL									
QUANTITY (PAIR)	145 023	184 111	205 592	250 639		20	22	216 873	265 748
VALUE (\$000)	8 959	10 209	11 743	13 559	54.10	15	15	11 686	14 634

Imports of downhill skis in 1983 totalled 250 639 pairs, valued at \$13.6 million, which was an increase of 15 per cent in value and 22 per cent in quantity from 1982. The average unit price for 1983 was \$54, however, unit prices from the five major countries of export range from a low of \$51 from Italy to a high of \$106 from the United States. The apparent reason for the high unit price for shipments from the U.S. is that these skis are primarily at the high end of the market and with the currency exchange difference are becoming a diminishing factor in the Canadian market. There are two U.S. manufacturers of downhill skis with one being the major exporter to Canada. Austria has consistently been the major exporter, accounting for 53 per cent of the volume and 51 per cent of the value in 1983, followed by France with 19 per cent and 23 per cent respectively. It should also be noted that imports from the U.S. have consistently decreased since 1980, most notably from 1982 to 1983 when imports decreased 60 per cent in terms of quantity and 53 per cent in terms of dollar value. The value of imports increased by approximately 25 per cent for the first 10 months of 1984 compared to the first 10 months of 1983.

C - IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1983 VALUE)

<u>TOP 5 IMPORTERS</u>	<u>TOP 10 IMPORTERS</u>	<u>TOP 15 IMPORTERS</u>	<u>TOP 20 IMPORTERS</u>
53	79	89	93

The five major importers accounted for 53 per cent of the total imports for 1983. Of the top 10 importers, all were identified as wholesalers, located primarily in Quebec.

D - TYPE AND LOCATION OF MAJOR IMPORTERS - 1983

	<u>WHOLESALEERS</u>		<u>RETAILERS</u>		<u>TOTAL</u>	
	<u>NO. OF IMPORTERS</u>	<u>VALUE (\$000)</u>	<u>NO. OF IMPORTERS</u>	<u>VALUE (\$000)</u>	<u>NO. OF IMPORTERS</u>	<u>VALUE (\$000)</u>
Ontario	3	3 008	-	-	3	3 008
Quebec	9	7 115	4 ^(X)	744 ^(X)	17 ^(X)	9 578 ^(X)
Western Provinces	4	1 719	-	-	-	-
Atlantic Provinces	-	-	-	-	-	-
TOTAL	16	11 842	4	744	20	12 586
Value by % of 1983 Total		87%		6%		93%

(X) Quebec and Western Provinces aggregated to preserve confidentiality

There were approximately 41 importers of downhill skis during 1983. The top 20 importers accounted for 93 per cent or \$12.6 million of the total imports. Of these importers, 16 were identified as wholesalers with their total imports representing 87 per cent of the import total.

E - CANADIAN PRODUCTION

There are at least two Canadian manufacturers of downhill skis, both located in Quebec. One is a major manufacturer, while the other firm produces a small quantity of low to medium priced junior downhill skis. Statistics on production of downhill skis are not reported separately, however, Statistics Canada reports that shipments of snow skis (including cross country) amounted to \$8.5 million in 1982, the latest year for which information is available.

F - EXPORTS

The Canadian manufacturers export. However, Statistics Canada does not publish separate data for downhill skis. They are included in a general category called "Sporting and recreation equipment and parts, not elsewhere specified".

6 - CANADIAN TARIFFS, 1984

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1983)	TARIFF TREATMENT				U.K. AND IRELAND
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOUR- ED NATION TARIFF %	GENERAL GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	
51110-01	Skis	94	14.6	14.6	35.0	9.5	14.6
	01/01/85			13.5			
	01/01/86			12.4			
	01/01/87			11.3			

NOTE: Although not applicable to skis, the following temporary tariff item is listed as additional information:

51130-01	Materials and core blanks for use in the manufacture of downhill and cross-country skis (temporary tariff item)						
	30/06/85		12.5	12.5	25	8	12.5

(1) Excludes U.K. and Ireland

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: AUSTRIA, FRANCE, ITALY, UNITED STATES

*MOST FAVOURED NATION OR GENERAL PREFERENTIAL: YUGOSLAVIA

ENQUIRIES CONCERNING TARIFFS SHOULD BE DIRECTED TO THE NEAREST CUSTOMS AND EXCISE OFFICE OR TO:

TARIFF PROGRAMS

REVENUE CANADA

CUSTOMS AND EXCISE

OTTAWA, ONTARIO K1A 0L5

TEL: (613) 996-9491

*NOTE: In order to qualify for General Preferential Tariff treatment a special certificate of origin is required.

H - FEDERAL GOVERNMENT PROCUREMENTS

The Department of Supply and Services reports no purchases of downhill skis.

I - MARKET SUMMARY

Between 1976 and 1981 participation in downhill skiing by Canadians age 14+ grew by 69 per cent and was second only to cross country skiing in terms of popularity growth.

Brand name loyalty and recognition are major factors in the successful marketing of Alpine skis. In addition major continuing cost expenditures in research and development involving new materials and technologies require a constant inflow of funds.

However, the continuing high level of imports from such countries as Austria, France and Italy, the popularity of downhill skiing in Canada, and the increasing time spent on recreational activities would indicate that there may be an opportunity for alpine ski production in Canada through such vehicles as joint ventures or licensing arrangements with a well-known European manufacturer.

The 1983 domestic consumption of downhill skis is estimated to be in the range of \$15 million.

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