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Canadian Market Opportunities— Import Profile



Government
of Canada

Regional Industrial
Expansion

Gouvernement
du Canada

Expansion industrielle
régionale

Canada

GENERATOR SETS, GAS ENGINE, A.C.
5 KW AND UNDER

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Market Information and Analysis Division
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 8
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.

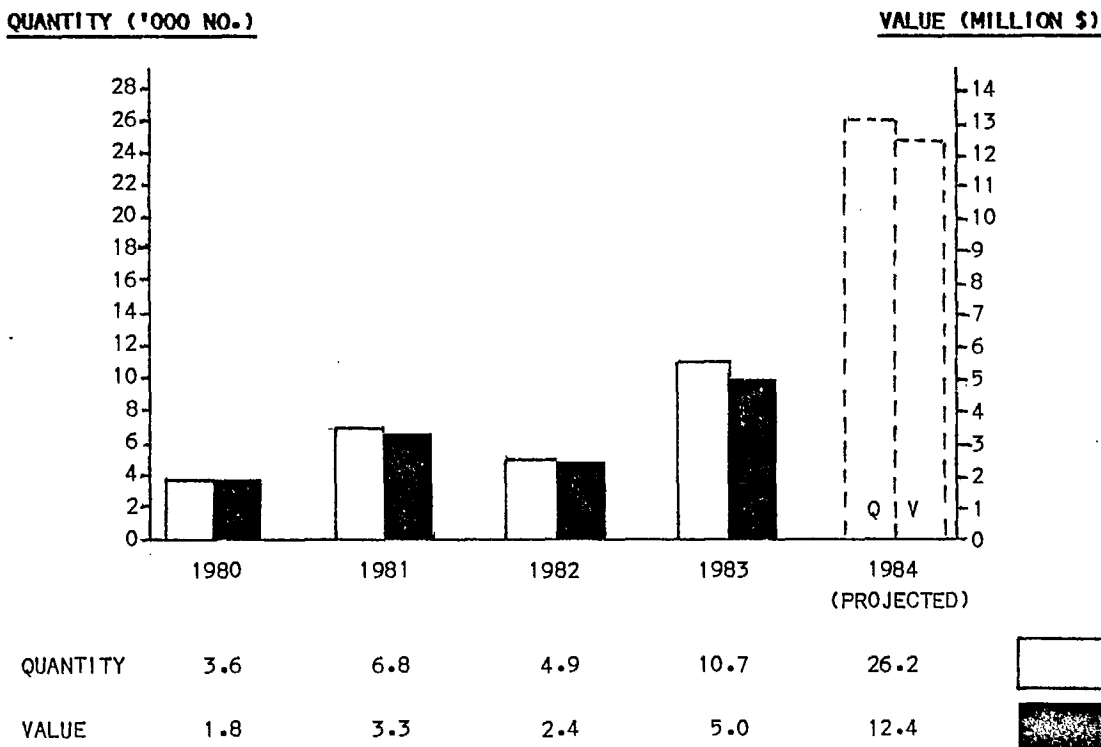
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

GENERATOR SETS, GAS ENGINE, A.C. 5 KW AND UNDER

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
GENERATOR SETS, GAS ENGINE,
A.C. 5 KW AND UNDER



During the years 1980 to 1983 imports of generator sets, gas engine, A.C. 5 KW and under, increased at an average annual rate of 44 per cent in terms of quantity and of 42 per cent in terms of dollar value.

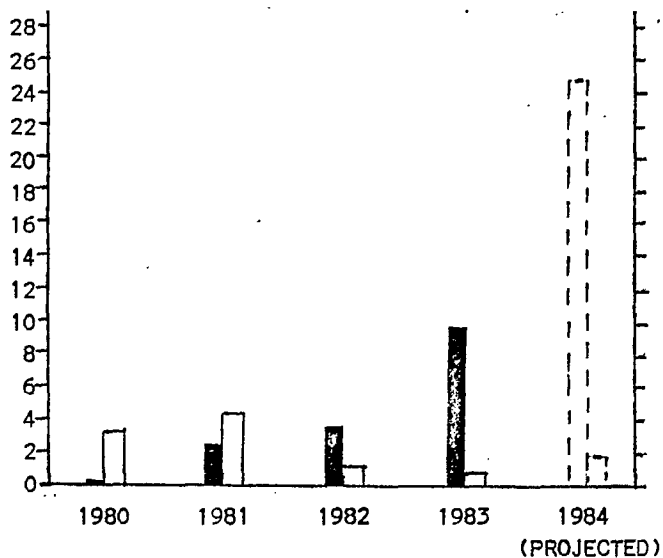
B - IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT
(BASED ON 1983 FIGURES)

FOREIGN COUNTRY OF EXPORT	1980	1981	1982	1983	UNIT PRICE 1983 \$	AVERAGE	PER CENT CHANGE 1982-83 %	10-MONTH IMPORTS JAN. TO OCT.	
						ANNUAL GROWTH RATE 1980-83 %		1983	1984
JAPAN									
QUANTITY (NO.)	36	2 589	3 697	9 799		548	165	7 460	20 368
VALUE (\$000)	27	1 268	1 586	4 384	447	446	176	3 520	9 299
UNITED STATES									
QUANTITY (NO.)	3 568	4 200	1 245	948		-36	-24	806	1 441
VALUE (\$000)	1 738	2 025	846	642	677	-28	-24	586	1 061
OTHER									
QUANTITY (NO.)	-	-	-	-	-	-	-	-	3
VALUE (\$000)	-	-	-	-	-	-	-	-	3

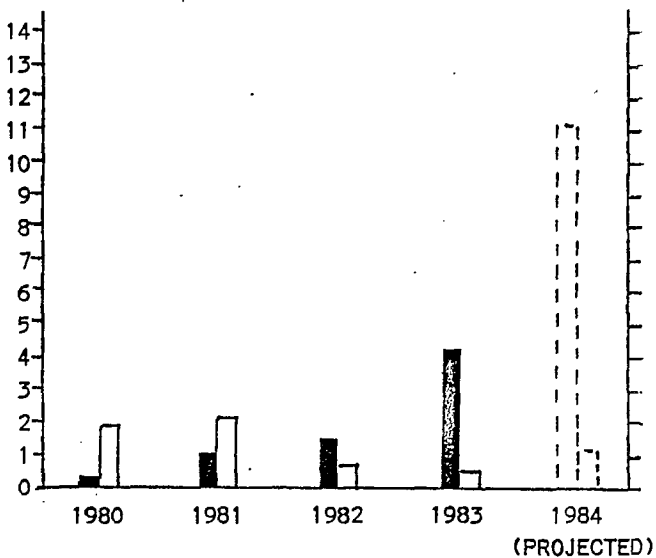
TOTAL									
QUANTITY (NO.)	3 604	6 789	4 942	10 747		44	117	8 266	21 812
VALUE (\$000)	1 765	3 294	2 433	5 027	468	42	107	4 106	10 363

Total Imports in 1980 to 1983 range between 3.6 to 6.8 thousand units. However, in 1983 they increased sharply to 10.8 thousand units and in the first 10 months of 1984 increased again to 21.8 thousand. Average unit prices changed only slightly during the period, so values paralleled the volume imported. During 1983 imports totalled 10 747 units valued at \$5 million. The average unit price in 1983 was \$468. Unit prices in 1983 ranged from \$447 for imports from Japan to \$677 for imports from the United States. In 1980 the majority of imports were from the United States, but by 1982 Japan had captured 75 per cent of the imports by quantity, and in 1984 (10 months) held 93 per cent of the import market. The value of imports increased by approximately 152 per cent for the first 10 months of 1984 compared to the first 10 months of 1983.

QUANTITY ('000 no.)



VALUE (million \$)



JAPAN

UNITED STATES

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

<u>TOP 5 IMPORTERS</u>	<u>TOP 10 IMPORTERS</u>	<u>TOP 20 IMPORTERS</u>	<u>TOP 35 IMPORTERS</u>
92	95	98	99

The ten major importers accounted for 95 per cent of the total imports for 1983. Of these, eight importers were identified as wholesalers of motor vehicles and industrial machinery and equipment.

D - TYPE AND LOCATION OF MAJOR IMPORTERS - 1983

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u>		<u>OTHER(1)</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>	<u>NO. OF IMPORTERS</u>	<u>VALUE (\$000)</u>
Ontario	3	16	6	4 402	4	42	13	4 460
Quebec	3 ^(X)	103 ^(X)	3	38	-	-	18 ^(X)	485 ^(X)
Western Provinces			9	328	3	16		
Atlantic Provinces	-	-	3	27	1	11	4	38
TOTAL	6	119	21	4 795	8	69	35	4 983
Value by % of 1983 Total		2%		95%		1%		99%

(X) Quebec and Western Provinces aggregated to preserve confidentiality.

(1) Includes retailers.

There were approximately 51 importers in 1983. The top 35 importers accounted for \$5 million or 99 per cent of the value of the total imports. Of these importers, 21 were identified as wholesalers, their total imports representing 95 per cent of the import total.

E - CANADIAN PRODUCTION

There are at least five manufacturers of gas engine generator sets of this size in Canada. Two are located in Ontario, two in British Columbia, and one in Quebec. Statistics Canada reports that shipments of all electric A.C. generators and parts were \$87.6 million in 1982, the latest year for which information is available. Production of A.C. gas engine generator sets is not reported separately.

F - EXPORTS

Statistics Canada reports that exports of generators, including self-contained generator sets, during 1983 were valued at \$20.9 million for a total of 3 677 units. Exports of A.C. gas engine generator sets are not reported separately.

G - CANADIAN TARIFFS, 1984

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1983)	TARIFF TREATMENT				U.K. AND IRELAND
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOURED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	
44514-01	Electric dynamos or generators and transformers, and complete parts thereof, n.o.p.	83	11.4	11.4	37.5	7.5	11.4
	01/01/85			10.7			
	01/01/86			9.9			
	01/01/87			9.2			

N.O.P. - Not otherwise provided for

(1) Excludes U.K. and Ireland

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: JAPAN, UNITED STATES

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) 992-2623

H - FEDERAL GOVERNMENT PROCUREMENTS

The Department of Supply and Services reports that Federal Government purchases of all types of generators and generator sets during the period April 1983 to March 1984 amounted to \$6 million and for the period April to September 1984 amounted to \$2.1 million. No separate data are available for purchases of gas engine generator sets.

I - MARKET SUMMARY

The Canadian market for electrical generator sets, gas engine, A.C. 5 KW and under is mainly supplied by companies whose main business is the supply and servicing of foreign-made engines incorporated in construction and transportation equipment, power tools and industrial machinery.

Electrical generator sets are mainly employed for supplying base load power, standby power and power for hand tools. The Canadian gasoline engine-driven electric generator set manufacturing sector is small. Generally, this is a high volume market and is mainly supplied by foreign manufacturers.

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