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Canadian Market Opportunities— Import Profile



Government
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Regional Industrial
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Expansion industrielle
régionale

Canada

DOMESTIC ELECTRIC HAIR DRYERS

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OR

The nearest DRIE Regional Office.
These offices are listed on page 8
of this publication.

REFERENCE SOURCES

Department of Regional Industrial Expansion

Statistics Canada

Revenue Canada

Supply and Services Canada

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.

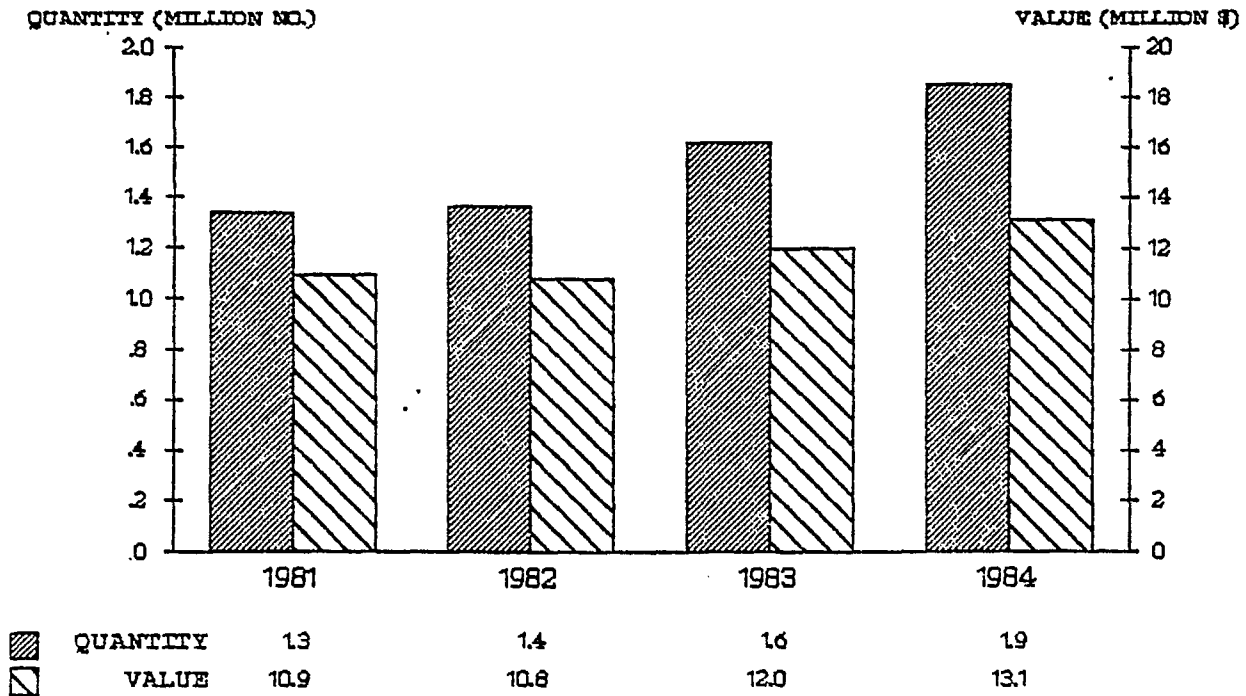
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

DOMESTIC ELECTRIC HAIR DRYERS

INTRODUCTION

This report is one of a continuing series designed to increase business awareness of the 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
DOMESTIC ELECTRIC HAIR DRYERS



From 1981 to 1984 Imports of domestic electric hair dryers increased at an average annual rate of 11 per cent in terms of quantity and of six per cent in terms of dollar value.

B - IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT
(BASED ON 1984 FIGURES)

FOREIGN COUNTRY OF EXPORT	1981	1982	1983	1984	UNIT PRICE	AVERAGE ANNUAL GROWTH RATE	PER CENT CHANGE
					1984 \$	1981-1984 %	1983-1984 %
HONG KONG							
QUANTITY (NO.)	1 130 804	1 131 345	1 468 012	1 658 552		14	13
VALUE (\$000)	8 559	8 466	10 347	10 994	6.63	9	6
SOUTH KOREA							
QUANTITY (NO.)	42 500	99 358	89 600	103 752		35	16
VALUE (\$000)	370	758	683	874	8.42	33	28
TAIWAN							
QUANTITY (NO.)	52 505	39 852	10 026	44 126		-6	340
VALUE (\$000)	467	389	98	463	10.49	0	372
UNITED STATES							
QUANTITY (NO.)	28 961	20 659	15 599	14 172		-21	-9
VALUE (\$000)	686	442	390	350	24.70	-20	-10
WEST GERMANY							
QUANTITY (NO.)	4 216	6 344	8 507	5 978		12	-30
VALUE (\$000)	97	136	203	153	25.59	16	-25
OTHER							
QUANTITY (NO.)	78 696	67 243	31 848	24 335		-33	-24
VALUE (\$000)	766	587	305	263	10.81	-30	-14
TOTAL							
QUANTITY (NO.)	1 337 682	1 364 801	1 623 592	1 851 015		11	14
VALUE (\$000)	10 945	10 778	12 026	13 097	7.08	6	9

During 1984 imports totalled 1.9 million units valued at \$13.1 million which was an increase of 14 per cent in terms of quantity and nine per cent in terms of dollar value from 1983. The average unit price in 1984 was \$7.08. However, unit prices in 1984 ranged from \$6.63 for imports from Hong Kong to \$25.59 from West Germany. The difference in unit price range is accounted for by various models, types of motors, speeds, attachments, etc. Hong Kong has consistently been the major exporter to Canada, accounting for 90 per cent of the quantity and 84 per cent of the value in 1984. This report does not include electric hair dryers, beauty shop.

C - IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1984 VALUE)

<u>TOP 5</u> <u>IMPORTERS</u>	<u>TOP 10</u> <u>IMPORTERS</u>	<u>TOP 15</u> <u>IMPORTERS</u>	<u>TOP 20</u> <u>IMPORTERS</u>
42	69	87	94

The 10 major importers accounted for 69 per cent of the total imports for 1984. Of these, five were identified as manufacturers located in Ontario and accounted for 39 per cent of the total imports.

D - TYPE AND LOCATION OF THE 30 MAJOR IMPORTERS - 1984

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u>		<u>RETAILERS</u>		<u>OTHER</u>		<u>TOTAL</u>	
	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>
Ontario	6	5 599	3	1 201	3	1 237	1	280	13	8 317
Quebec	3	604	14	3 826	-	-	-	-	17	4 430
Western Provinces	-	-	-	-	-	-	-	-	-	-
Atlantic Provinces	-	-	-	-	-	-	-	-	-	-
TOTAL	9	6 203	17	5 027	3	1 237	1	280	30	12 747
Per Cent of 1984 Total Value		47%		38%		9%		2%		97%

There were approximately 64 importers of domestic electric hair dryers during 1984. The top 30 importers accounted for 97 per cent or \$12.7 million of the total imports. Of the major 30 importers nine were identified as manufacturers, their total imports representing 47 per cent of the import total. They were identified as being manufacturers of electric housewares and fans, perfumes, cosmetics and other toilet preparations.

E - CANADIAN PRODUCTION

Domestic electric hair dryers are not currently manufactured in Canada.

F - EXPORTS

Since there is no Canadian production, there are no exports of Canadian products.

G - CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1984)	TARIFF TREATMENT				
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOURED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	U.K. AND IRELAND %
42700-05	Household machines, electric motor driven, including knives, knife sharpeners, floor polishers, humidifiers, dehumidifiers, air conditioners, tooth brushes, can openers, hair dryers, food mixers, food blenders, food grinders, food choppers, garbage disposal units, portable dishwashers, shoe polishers, clothes brushes, massagers, and combinations thereof; accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	85	2.5	13.5	35	2.5	12.5
	01/01/86			13.0			
	01/01/87			12.5			
42700-01	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	15	25	10.7	35	2.5	9.2
	01/01/86			9.9			
	01/01/87			9.2			

(1) Excludes U.K. and Ireland.
N.O.P. - not otherwise provided for

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: UNITED STATES, TAIWAN, WEST GERMANY
*MOST FAVOURED NATION OR GENERAL PREFERENTIAL: HONG KONG, SOUTH KOREA

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) 996-6595

*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 does not publish separate data for domestic electric hair dryers. They are included in the general category "Miscellaneous household and commercial furnishings and appliances". It is estimated that federal government purchases of these dryers are very limited.

I - MARKET SUMMARY

Current imports of \$14 million annually indicate that there is a very attractive Canadian market for domestic hair dryers. Historically, Canadian manufacturers of hair dryers have not been able to compete with imports from the orient. The prime reasons for this are: low labour costs, frequent cosmetic changes involving excessive die costs, and lack of C.S.A. approvals.

If, however, the labour content could be reduced through automation, the design standardized to permit longer production runs, and major distributors convinced to market the product, there is the potential for a Canadian manufacturer to successfully participate in the Canadian domestic market.

This report was prepared by:

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