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Canadian Market Opportunities— Import Profile



Government
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Regional Industrial
Expansion

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Expansion industrielle
régionale

Canada

FANS, VENTILATORS AND THEIR PARTS

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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.

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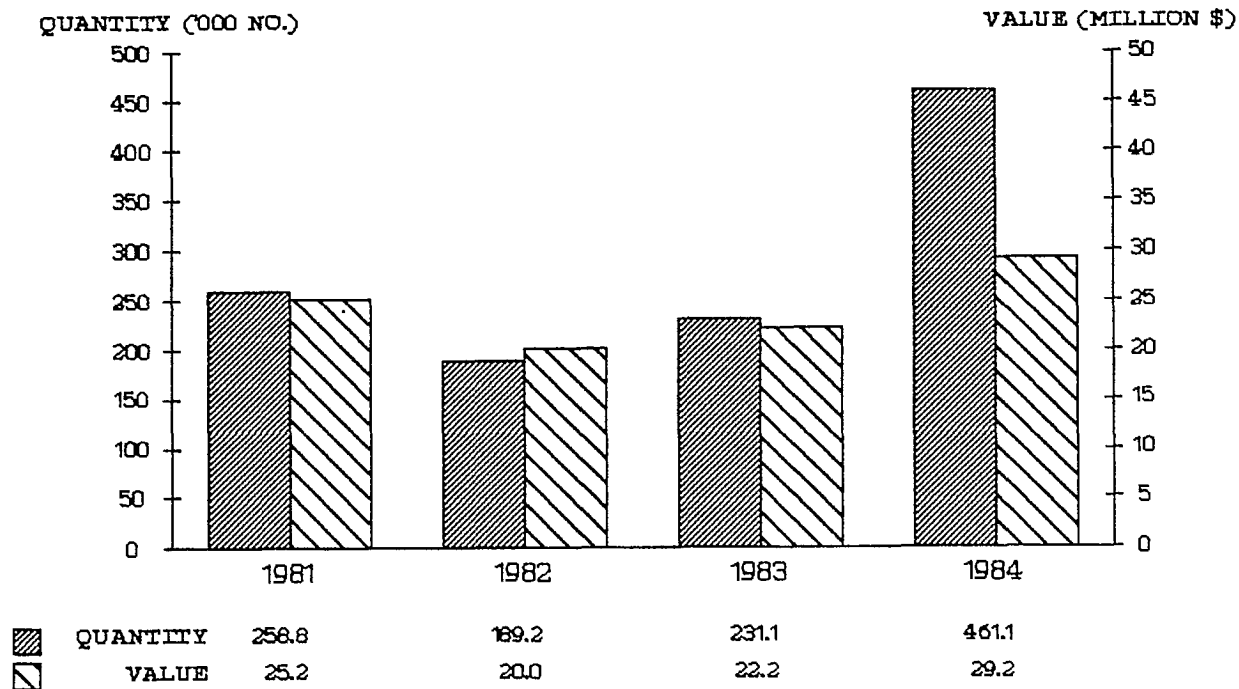
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

FANS, VENTILATORS AND THEIR PARTS

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
FANS, VENTILATORS AND THEIR PARTS



From 1981 to 1984 imports of fans, ventilators and their parts increased at an average annual rate of 21 per cent in terms of quantity and of 5 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
					\$	%	%
UNITED STATES							
QUANTITY (NO.)	91 179	50 058	73 126	144 557		17	98
VALUE (\$000)	16 826	12 056	14 968	16 649	115.17	0	11
TAIWAN							
QUANTITY (NO.)	40 537	52 920	67 480	162 932		59	141
VALUE (\$000)	1 378	2 090	2 484	6 463	39.67	67	160
HONG KONG							
QUANTITY (NO.)	103 431	81 990	79 525	109 848		2	38
VALUE (\$000)	5 243	4 414	3 470	4 284	39.00	-7	23
NETHERLANDS							
QUANTITY (NO.)	31	17	213	4 051		407	1 802
VALUE (\$000)	70	52	62	633	156.26	108	921
UNITED KINGDOM							
QUANTITY (NO.)	2 830	2 946	2 051	5 824		27	184
VALUE (\$000)	407	597	402	464	79.67	4	15
OTHER							
QUANTITY (NO.)	20 757	1 275	8 719	33 883		18	289
VALUE (\$000)	1 271	834	838	749	22.11	-16	-11
TOTAL							
QUANTITY (NO.)	258 765	189 206	231 114	461 095		21	100
VALUE (\$000)	25 195	20 043	22 224	29 242	63.42	5	32

This import class includes ceiling fans, roof ventilators and fans, exhaust fans and their parts. It does not include electric portable fans and air circulators (commodity code 697-62) imports of which totalled 632 190 units valued at \$10.6 million in 1984, or industrial fans for permanent installation (commodity codes 507-99-31 to 507-99-39) imports of which were valued at \$8 million during 1984.

During 1984 imports totalled 461 095 units valued at \$29.2 million which was an increase of 32 per cent in value and 100 per cent in quantity from 1983. Average unit prices during the period 1981 to 1983 ranged from \$96 to \$106. The average unit price in 1984 was much lower at \$63.42. However, unit prices ranged from \$39.00 for imports from Hong Kong to \$156.26 for imports from the Netherlands. The variation in unit prices is due to the wide variety of equipment included in this group. The United States has consistently been the major exporter to Canada, accounting for 31 per cent of the quantity and 57 per cent of the value in 1984, followed by Taiwan with 35 per cent and 22 per cent respectively.

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

<u>TOP 10 IMPORTERS</u>	<u>TOP 20 IMPORTERS</u>	<u>TOP 30 IMPORTERS</u>	<u>TOP 40 IMPORTERS</u>
51	62	67	72

The 10 major importers accounted for 51 per cent of the total imports for 1984. Five of these firms were identified as manufacturers and five as wholesalers. Seven of the companies are located in Ontario and three in Quebec.

D - TYPE AND LOCATION OF THE 40 MAJOR IMPORTERS - 1984

	<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	9	6 782	6	2 660	3	1 995	18	11 437
Quebec	5 ^(X)	1 708 ^(X)	5	5 621	2	315		
Western Provinces			7 ^(Y)	1 462 ^(Y)	3	450	22 ^(Z)	9 556 ^(Z)
Atlantic Provinces	-	-			-	-		
TOTAL	14	8 490	18	9 743	8	2 760	40	20 993
Per Cent of 1984 Total Value		29 %		33 %		9 %		72 %

(X) Quebec and Western Provinces aggregated to preserve confidentiality

(Y) Western and Atlantic Provinces aggregated to preserve confidentiality

(Z) Quebec, Western and Atlantic Provinces aggregated to preserve confidentiality

(1) Includes retailers

There were approximately 361 importers of fans, ventilators and their parts during 1984. The top 40 importers accounted for 72 per cent or \$30 million of the total imports. Of these 40, 14 were identified as importers who were manufacturers, with their total imports representing 29 per cent of the import total. The majority of these manufacturers (64 per cent) were located in Ontario. Eighteen of the 40 major importers were identified as wholesalers, their total imports representing 33 per cent of the import total.

E - CANADIAN PRODUCTION

There are at least 31 manufacturers of fans, ventilators and their parts in Canada. Three companies are located in British Columbia, eight in Manitoba, 15 in Ontario and five in Quebec. Statistics Canada reports that shipments of all types of non-industrial electric fans totalled 749 869 units with a value of \$18.2 million in 1982, the latest year for which information is available.

F - EXPORTS

Statistics Canada includes data on exports of fans and ventilators in the class "Electrical equipment, appliances and parts, not elsewhere specified," exports of which totalled \$20.5 million in 1984.

G - CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1984)	TARIFF TREATMENT				
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOUR- ED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	U.K. AND IRELAND %
42700-01	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	84	2.5	10.7	35	2.5	9.2
	01/01/86			9.9			
	01/01/87			9.2			
42700-05	Household machines, electric motor driven, including knives, knife sharpeners, floor polishers, humidifiers, 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	6	2.5	13.5	35	2.5	12.5
	01/01/86			13.0			
	01/01/87			12.5			

(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, NETHERLANDS

*MOST FAVOURED NATION OR GENERAL PREFERENTIAL: HONG KONG

MOST FAVOURED NATION OR U.K. AND IRELAND: UNITED KINGDOM

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) 996-9474

*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 that federal government purchases of centrifugal, circulating (domestic), exhaust (domestic), and portable office fans during the period April 1984 to March 1985 amounted to \$241 000.

I - MARKET SUMMARY

The Canadian fan and ventilation industry manufactures a wide range of axial, centrifugal, portable, and permanently-installed fan units with a broad performance spectrum.

Growth in the market for fan and ventilation equipment during the past decade has resulted from a number of factors, including more rigid pollution control regulations, and the construction industry's transition to energy-efficient home designs which require forced ventilation.

Industry shipments of the fan and ventilation industry are expected to increase during the 1985-1990 period at an annual rate of 5 per cent (in constant dollar terms). This anticipated rate of growth in demand, along with the fact that imported quantities of fan and ventilator units represent approximately 50 per cent of Canadian unit shipments, indicate that potential opportunities exist for Canadian companies to manufacture new products as part of an overall sector import replacement activity.

This report was prepared by:

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