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Canadian Market Opportunities— Import Profile



Government
of Canada

Regional Industrial
Expansion

Gouvernement
du Canada

Expansion industrielle
régionale

Canada

MACHINES FOR MAKING PLASTIC BAGS

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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.

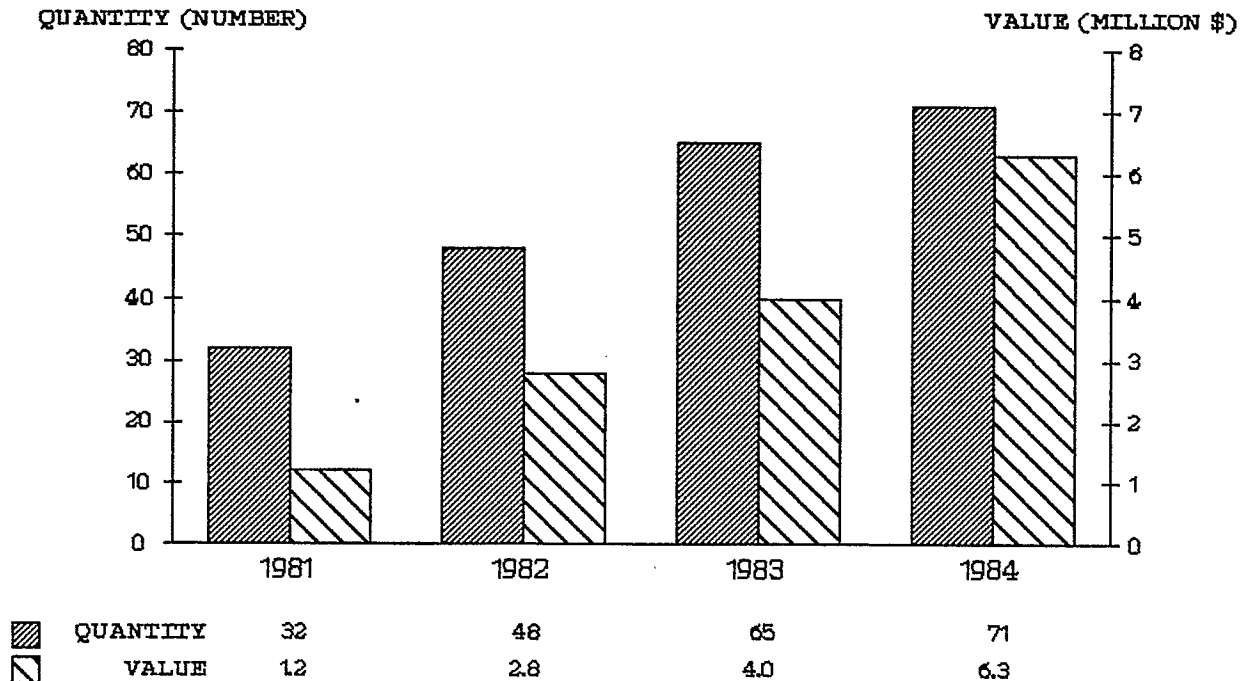
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

MACHINES FOR MAKING PLASTIC BAGS

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
MACHINES FOR MAKING PLASTIC BAGS



From 1981 to 1984 imports of machines for making plastic bags increased at an average annual rate of 30 per cent in terms of quantity and of 74 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	AVERAGE	PER CENT
					PRICE	ANNUAL	CHANGE
					1984	1981-1984	1983-1984
					\$	%	%
UNITED STATES							
QUANTITY (NO.)	30	33	43	34		4	-21
VALUE (\$000)	1 147	1 964	2 358	3 814	112 176	49	62
WEST GERMANY							
QUANTITY (NO.)	0	3	8	14		N/A	75
VALUE (\$000)	0	370	1 053	1 709	122 071	N/A	62
ITALY							
QUANTITY (NO.)	0	2	5	3		N/A	-40
VALUE (\$000)	0	269	359	228	76 000	N/A	-36
BELGIUM-LUXEMBOURG							
QUANTITY (NO.)	0	1	1	1		N/A	0
VALUE (\$000)	0	93	78	160	160 000	N/A	105
TAIWAN							
QUANTITY (NO.)	1	6	8	14		141	75
VALUE (\$000)	5	43	166	157	11 214	215	-5
OTHER							
QUANTITY (NO.)	1	3	0	5		71	N/A
VALUE (\$000)	31	58	0	219	43 800	92	N/A
TOTAL							
QUANTITY (NO.)	32	48	65	71		30	9
VALUE (\$000)	1 184	2 797	4 014	6 287	88 549	74	57

N/A - Not applicable

During 1984 imports totalled 71 units valued at \$6.3 million which was an increase of nine per cent in terms of quantity and 57 per cent in terms of value from 1983. The average unit price in 1984 was \$88 549. However, unit prices ranged from \$11 214 for imports from Taiwan to \$160 000 for imports from Belgium-Luxembourg. The United States has consistently been the major exporter to Canada, accounting for 48 per cent of the quantity and 61 per cent of the value in 1984.

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

<u>TOP 5 IMPORTERS</u>	<u>TOP 10 IMPORTERS</u>	<u>TOP 20 IMPORTERS</u>
62	76	89

The five major importers accounted for 62 per cent of the total imports for 1984. All five firms are manufacturers, three of which are located in Ontario.

D - TYPE AND LOCATION OF THE 28 MAJOR IMPORTERS - 1984

	<u>MANUFACTURERS</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>
Ontario	11	2 283	4	416	15	2 699
Quebec	7	1 132	-	-	7	1 132
Western Provinces	4 (X)	1 740 (X)	1	4	6 (X)	1 898 (X)
Atlantic Provinces			1	154		
TOTAL	22	5 155	6	574	28	5 729
Per Cent of 1984 Total Value		82%		9%		91%

(X) Western Provinces and Atlantic Provinces aggregated to preserve confidentiality

(1) Includes wholesalers

There were approximately 32 importers during 1984. The major 28 importers accounted for 91 per cent or \$5.7 million of the total imports. Of the major 28 importers, 22 were manufacturers, whose total imports represented 82 per cent of the import total. Eleven of the 22 manufacturers were manufacturers of miscellaneous plastic products, representing 32 per cent of the total imports. Eleven of the manufacturers, representing 36 per cent of the total imports, were located in Ontario.

E - CANADIAN PRODUCTION

There is at least one Canadian manufacturer of plastic bag-making machines. Statistics Canada does not provide specific production data on these machines.

F - EXPORTS

Statistics Canada reports that exports of plastics industry machinery and parts during 1984 amounted to \$90.4 million. Separate export data are not available for plastic bag-making machines.

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 %
42700-01	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	100	2.5	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, WEST GERMANY, ITALY, BELGIUM-LUXEMBOURG, TAIWAN

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

TARIFF PROGRAMS
REVENUE CANADA
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OTTAWA, ONTARIO K1A 0L5
TEL: (613) 992-5798

H - MARKET SUMMARY

In 1975 the Canadian bag market was shared almost equally between paper and plastic bags. However, by 1982 the plastic bag market share had grown to more than double that of paper bags.

The main types of paper bags still manufactured are grocery bags, check stand sacks and multi-wall shipping sacks. In the case of plastic bags the principal items are polyethylene garbage bags, check stand sacks, bakery bags and polypropylene heavy duty shipping sacks. The market for plastic bags continues to grow at a rate of about 12 per cent per annum.

The Canadian market for plastic bag-making machines, though it appears substantial, is small in comparison to the total North American market.

There is Canadian capability to produce a full range of plastic bag-making machines. However, the wide variety of types, sizes and specialty items required, coupled with the advanced technology in this area on the part of foreign competition, make it an extremely difficult market to break into, and very costly for new firms to start production or existing firms to expand.

Interested manufacturers would be best advised to consider and investigate possible joint ventures and/or licensing agreements with a major foreign manufacturer of plastic bag-making machines.

This report was prepared by:

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