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# Canadian Market Opportunities— Import Profile

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Regional Industrial  
Expansion

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Canada

**ELECTRIC MOTORS, D.C. 1/3 H.P. 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.

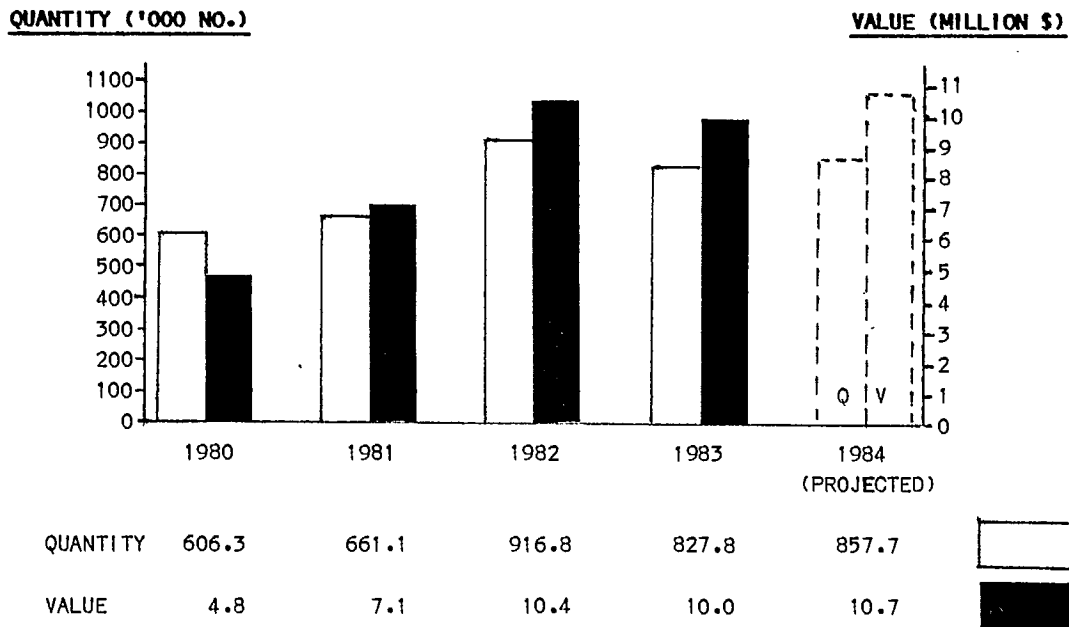
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

ELECTRIC MOTORS, D.C. 1/3 H.P. 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  
ELECTRIC MOTORS  
D.C. 1/3 H.P. AND UNDER



From 1980 to 1983 Imports of electric motors, D.C. 1/3 H.P. and under increased at an average annual rate of 11 per cent in terms of quantity and of 28 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 ANNUAL GROWTH RATE 1980-83 %	PER CENT CHANGE 1982-83 %	10-MONTH IMPORTS JAN. TO OCT.	
								1983	1984
<b>UNITED STATES</b>									
QUANTITY (NO.)	431 717	490 290	770 340	640 888		14	-17	560 147	512 903
VALUE (\$000)	4 451	6 743	9 949	9 331	14.56	28	- 6	7 940	7 685
<b>HONG KONG</b>									
QUANTITY (NO.)	74 695	114 375	95 945	100 562		10	5	86 062	36 362
VALUE (\$000)	41	90	112	187	1.86	66	67	156	64
<b>JAPAN</b>									
QUANTITY (NO.)	5 730	7 186	14 629	21 924		56	50	19 244	68 408
VALUE (\$000)	44	90	128	172	7.85	58	34	149	675
<b>WEST GERMANY</b>									
QUANTITY (NO.)	4 542	6 122	1 921	6 843		15	256	6 187	5 112
VALUE (\$000)	116	62	30	75	10.96	-14	150	63	228
<b>TAIWAN</b>									
QUANTITY (NO.)	82 484	41 200	1 200	55 189		-13	4,499	55 066	89 340
VALUE (\$000)	44	46	2	65	1.18	14	3,150	49	129
<b>OTHER</b>									
QUANTITY (NO.)	7 134	1 907	32 777	2 429		-30	-93	2 424	2 641
VALUE (\$000)	57	32	228	123	50.64	29	-46	123	122
<b>TOTAL</b>									
QUANTITY (NO.)	606 302	661 080	916 812	827 835		11	-10	729 130	714 766
VALUE (\$000)	4 752	7 062	10 448	9 952	12.02	28	-5	8 480	8 903

During 1983 Imports totalled 827 835 units valued at \$10.0 million which was a decrease of 10 per cent in terms of quantity and 5 per cent in terms of dollar value from 1982. The average unit price in 1983 was \$12.02. However, unit prices in 1983 ranged from \$1.18 for Imports from Taiwan to \$14.56 from the United States. This difference in unit price is due to the wide variety of different types of motors included in this group. The low end of the unit price range would include motors for toys, hand appliances, etc., with the upper end being special type motors, such as motors for wheel chairs. The United States has consistently been the major exporter to Canada and accounted for 77 per cent of the quantity and 94 per cent of the value in 1983. The value of Imports increased by approximately 5 per cent for the first 10 months of 1984 compared to the first 10 months of 1983.

NOTE: As of January 1985 motors for toys are included in commodity code 837-36-88 (Parts of Electric Toys).

**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 30 IMPORTERS</u>
60	66	74	79

The five major Importers accounted for 60 per cent of the total imports for 1983 and were located in Ontario. Three of these were identified as manufacturers.

**D - TYPE AND LOCATION OF MAJOR IMPORTERS - 1983**

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u>		<u>OTHER<sup>(1)</sup></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	23	6 631	8	650	2	436	33	7 717
Quebec	6	274	4 <sup>(X)</sup>	162 <sup>(X)</sup>	-	-	17 <sup>(X)</sup>	771 <sup>(X)</sup>
Western Provinces	3	180			4	155		
Atlantic Provinces	-	-	-	-	-	-	-	-
TOTAL	32	7 085	12	812	6	591	50	8 488
Value by % of 1983 Total		71%		8%		6%		85%

(X) Quebec and Western Provinces aggregated to preserve confidentiality

(1) Includes retailers

There were approximately 450 Importers during 1983. The top 50 Importers accounted for 85 per cent or \$8.5 million of the total imports. Of these 32 were identified as Importers who were manufacturers, with their total imports representing 71 per cent of the import total. The majority of manufacturers (72 per cent) were located in Ontario and were identified as being manufacturers of automobiles, small household appliances and business machines.

**E - CANADIAN PRODUCTION**

There are at least three manufacturers of small D.C. motors in Canada. All are located in Ontario and are primarily manufacturers of motors for automotive heater fans. Statistics Canada reports that shipments of all D.C. motors (including generators) were \$83.3 million in 1982, the latest year for which information is available. Production of small D.C. motors is not reported separately.

F - EXPORTS

Statistics Canada reports that exports of all types of electric motors during 1983 amounted to \$20.4 million. Separate export data is not available for small D.C. motors. However, exports of these motors appear to be very limited.

G - CANADIAN TARIFFS, 1984

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1983)	TARIFF TREATMENT				
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOURED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	U.K. AND IRELAND %
95002-01	All parts & accessories & parts of automobiles, except tires & tubes, when imported for use as original equipment in automobiles to be produced in Canada by a manufacturer of automobiles	47	Free	Free	-	-	-
44516-01	Electric motors, and complete parts thereof, n.o.p.	25	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			
44516-02	Electric motors over 1/10 H.P. but less than 1 H.P.; complete parts thereof	22	13.4	13.4	37.5	8.5	13.4
	01/01/85			13.1			
	01/01/86			12.8			
	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, JAPAN, TAIWAN, WEST GERMANY

\*MOST FAVOURED NATION OR GENERAL PREFERENTIAL: HONG KONG

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

\*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 all types of motors during the period April 1983 to March 1984 amounted to \$1.6 million, and for the period April to September 1984 amounted to \$830,000. No separate data are available for purchases of small D.C. motors.

I - MARKET SUMMARY

D.C. motors of 1/3 H.P. and less are produced in Canada only for automotive heater fans. This is expected to continue in the foreseeable future. Small D.C. motors are used in many applications from toys to instrumentation and light servomechanisms (e.g. robotics and aerospace). With the increasing use of portable battery powered equipment there has been a growing demand for higher efficiency small D.C. motors using permanent magnet field structures.

The demand for this type of motor is expected to continue to grow as higher efficiency requirements spread with the increasing cost of energy. The high reliability, less cost sensitive applications such as battery powered wheel chairs will lead the market for permanent-magnet-field electric motors.



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