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Canadian Market Opportunities— Import Profile



Government
of Canada

Regional Industrial
Expansion

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Expansion industrielle
régionale

Canada

INDUSTRIAL BOTTLE FILLING MACHINES

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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.

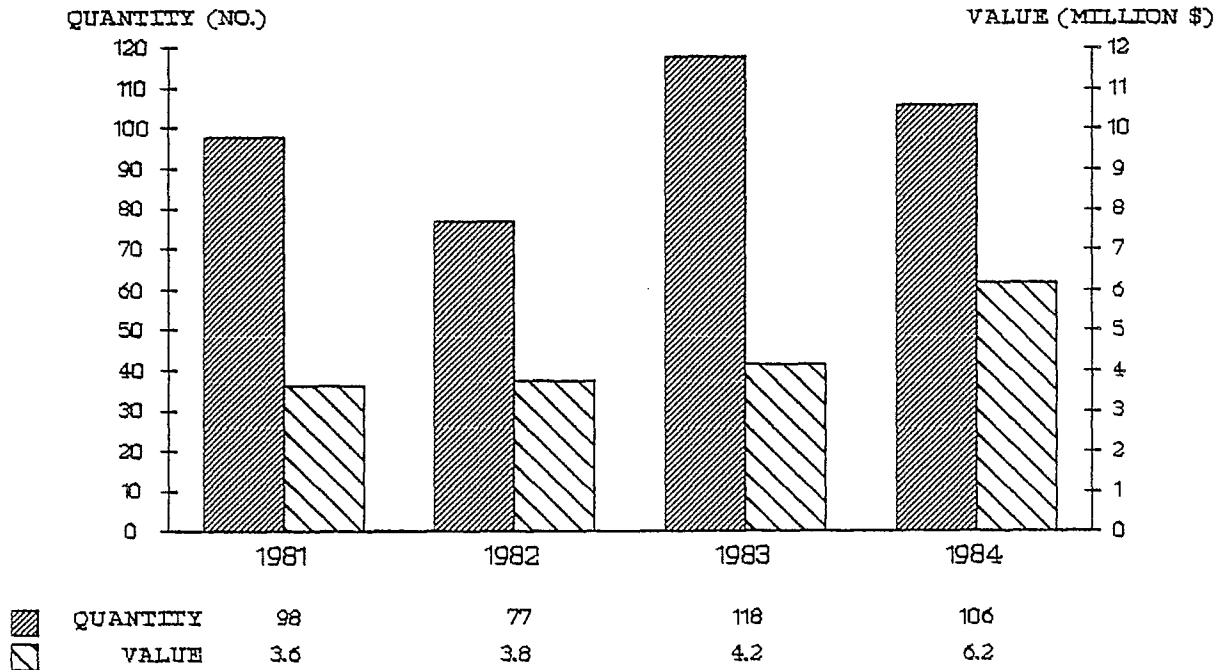
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

INDUSTRIAL BOTTLE FILLING MACHINES

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
INDUSTRIAL BOTTLE FILLING MACHINES



Fluctuating imports for industrial bottle filling machines during the period 1981 to 1984 resulted in an overall rate of growth amounting to three per cent per annum in terms of quantity and 20 per cent in terms of dollar value.

B - IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT
(IN DESCENDING ORDER OF 1984 VALUES)

<u>FOREIGN COUNTRY OF EXPORT</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>UNIT PRICE 1984</u> \$	<u>AVERAGE ANNUAL GROWTH RATE 1981-1984</u> %	<u>PER CENT CHANGE 1983-1984</u> %
UNITED STATES							
QUANTITY (NO.)	63	70	110	95		15	-14
VALUE (\$000)	2 594	3 409	4 023	5 633	59 295	29	40
SWEDEN							
QUANTITY (NO.)	0	1	0	1		N/A	N/A
VALUE (\$000)	0	192	0	263	263 000	N/A	N/A
BRAZIL							
QUANTITY (NO.)	0	0	0	1		N/A	N/A
VALUE (\$000)	0	0	0	162	162 000	N/A	N/A
ITALY							
QUANTITY (NO.)	33	4	1	1		-69	0
VALUE (\$000)	134	117	82	52	52 000	-27	-37
MEXICO							
QUANTITY (NO.)	0	0	0	1		N/A	N/A
VALUE (\$000)	0	0	0	52	52 000	N/A	N/A
OTHER							
QUANTITY (NO.)	2	2	7	7		52	0
VALUE (\$000)	890	33	54	32	4 571	-67	-40
TOTAL							
QUANTITY (NO.)	98	77	118	106		3	-10
VALUE (\$000)	3 618	3 751	4 159	6 193		20	49
UNIT PRICE (\$)	36 920	48 714	35 246	58 425			

N/A Not applicable

During 1984 imports totalled 106 industrial bottle filling machines (down 10 per cent from 1983), valued at \$6.2 million (up 49 per cent). Average unit prices vary greatly from year to year; in 1984 the average was \$58 425. The United States continues to lead as the chief source of these imports with at least 91 per cent of the total value and 90 per cent of the total quantity every year since 1982. There was a decrease from 1983 of United States imports in terms of quantity but in terms of value there was a significant 40 per cent increase. This increase is attributed to the economic recovery, the high rate of the U. S. dollar, and the availability of sophisticated equipment. Growth rate and per cent changes relating to countries other than the United States are erratic.

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 20</u> <u>IMPORTERS</u>	<u>TOP 30</u> <u>IMPORTERS</u>
65	78	89	94

The 10 major importers accounted for 78 per cent of the total imports for 1984. Of these, nine were identified as manufacturers, and one as a wholesaler. Eight of the firms are located in Ontario and one each in Quebec and the Western Provinces.

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

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</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>
Ontario	15	4 510	6	602	21	5 112
Quebec	3	310	3(Y)	109(Y)		
Western Provinces					9(Z)	695(Z)
Atlantic Provinces	3(X)	276(X)	-	-		
TOTAL	21	5 096	9	711	30	5 807
Per Cent of 1984 Total Value		82%		12%		94%

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

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

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

There were approximately 52 importers of industrial bottle filling machines during 1984. The major 30 importers accounted for 94 per cent or \$5.8 million of the total imports. Twenty-one of these major importers were identified as manufacturers, their total imports representing 82 per cent or \$5.1 million of the total value. Eighty-three per cent of the value of imports were to firms in Ontario.

E - CANADIAN PRODUCTION

There are at least five Canadian manufacturers of industrial bottle filling machines. Three firms are located in Ontario and two in Quebec. Statistics Canada does not provide separate data on shipments of this product.

F - EXPORTS

Canadian manufacturers do export, but Statistics Canada does not publish separate data for exports of these machines. They are included in a category described as "Bottle Washing/Filling Machinery."

G - CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1984)	TARIFF TREATMENT				U.K. AND IRELAND
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOURED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	
42700-06	Bottle washing machines, bottle filling machines, bottle capping machines, and any combination thereof, for use by the beverage industry	64	Free	Free	35	Free	Free
42700-01	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	36	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, SWEDEN, ITALY
MOST FAVOURED NATION OR GENERAL PREFERENTIAL: BRAZIL, MEXICO*

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) 992-5798

*NOTE: In order to qualify for General Preferential Tariff treatment, a special certificate of origin is required.

H - MARKET SUMMARY

During 1983, Canadian manufacturers shipped \$45.1 million of machinery and equipment for all kinds of packaging. Exports accounted for \$36.6 million of this. Shipments in 1985 are expected to rise to more than \$77 million (including \$69 million of exports).

Canadian manufacturing capabilities for industrial bottle filling machines are geared primarily to meet the need for in-line filling machines for the food, pharmaceutical and chemical industries in the maximum speed range of 350 bottles per minute.

The beverage breweries, distillers and soft drink industries, requiring much higher speed machines (which are not made currently in Canada) are forced to look to foreign imports of high speed rotary filling machines, available from the United States, Germany, Italy, etc.

The ever-increasing demand for complete high-speed bottling lines of machinery and equipment throughout the world presents a challenge and indeed could be a significant business opportunity for Canadian manufacturers.

Many Canadian manufacturers have the expertise, capability and technology to undertake the development of such machines and related equipment. Those who do not have all the necessary resources but who do have the capability to take on additional product lines are advised to seek a joint venture or licensing agreement with a major foreign company to build their machines in Canada for the total North American market. Canadian manufacturers interested in manufacturing these types of machines might also consider bottle capping and labelling machines. Additional information on industrial bottle capping machines can be found in profile number 26-85, July 1985.

This report was prepared by:

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in collaboration with the Department's
Machinery and Electrical Equipment Branch

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