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Canadian Market Opportunities— Import Profile



Government
of Canada

Regional Industrial
Expansion

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Expansion industrielle
régionale

Canada

PACKAGING MACHINERY AND
PARTS, VARIOUS

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These offices are listed on page 13
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

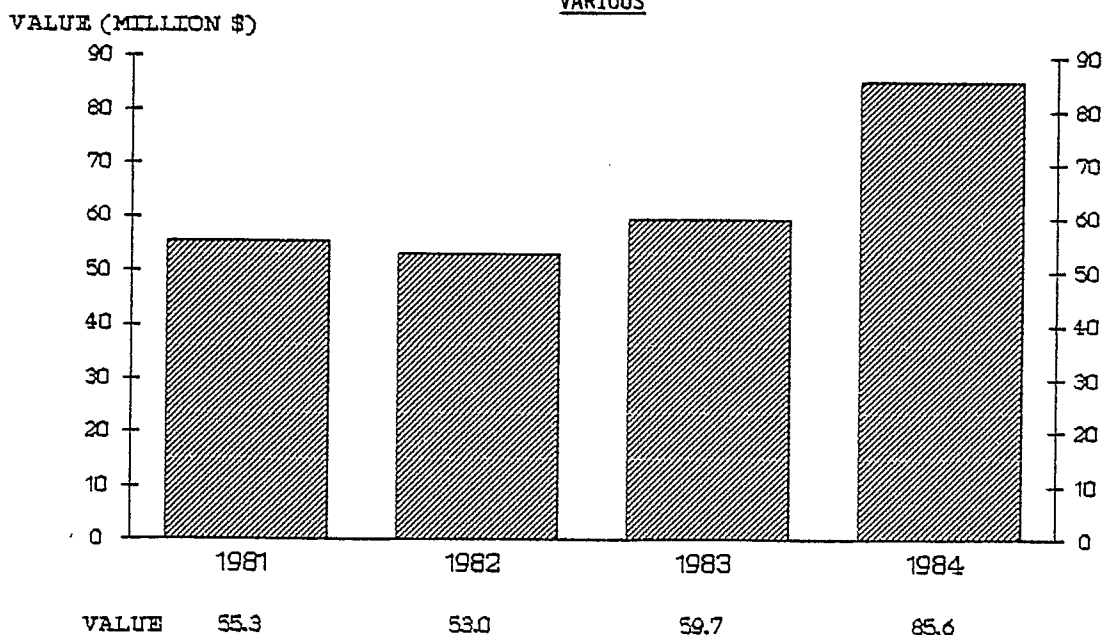
PACKAGING MACHINERY AND PARTS, VARIOUS

INTRODUCTION AND SCOPE

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.

This report covers only certain packaging machinery and parts, such as ice cream packaging machines, bag and envelope machines, forming machines and other machines listed in section "C" of this report. The report does not cover bottle washing, filling, capping, sealing and labelling machines (import class 509-04), can washing, filling, closing and labelling machines, (509-06), heat sealing machinery (509-09), strapping machinery (509-11), or wrapping and labelling machinery (509-14).

A - IMPORT TRENDS
OF
PACKAGING MACHINERY AND PARTS,
VARIOUS



Imports fluctuated between \$53 million and \$60 million from 1981 to 1983. Between 1983 and 1984 there was a substantial increase of 43 per cent to \$86 million.

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>AVERAGE ANNUAL GROWTH RATE 1981-1984 %</u>	<u>PER CENT CHANGE 1983-1984 %</u>
UNITED STATES VALUE (\$000)	38 438	36 089	37 907	61 429	17	62
WEST GERMANY VALUE (\$000)	6 410	9 126	7 750	9 698	15	25
SWITZERLAND VALUE (\$000)	2 786	1 963	3 023	3 869	12	28
SWEDEN VALUE (\$000)	2 267	1 495	2 314	3 361	14	45
ITALY VALUE (\$000)	1 640	1 307	4 807	2 619	17	-46
OTHER VALUE (\$000)	3 802	3 003	3 894	4 638	7	19
TOTAL VALUE (\$000)	55 343	52 983	59 695	85 614	16	43

Imports from the United States, consistently the top exporter, made up 72 per cent (\$61.4 million) of the total value of imports in 1984. This was a sizable 62 per cent increase in United States imports from 1983. West Germany, the second largest exporter, had an 11 per cent share of the total value of 1984 imports.

Overall, imports stayed in a relatively narrow range in the period 1981 to 1983, followed by a market increase in 1984. As the following table shows, a similar pattern applied to many of the various kinds of packaging machines that constitute this class. The overall increase can thus be attributed largely to the economic recovery after 1982.

C - IMPORT DATA TRENDS - IMPORT COMMODITY CODE 509-19
PACKAGING MACHINERY AND PARTS, VARIOUS

<u>CODE</u>	<u>COMMODITY</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>AVERAGE ANNUAL GROWTH RATE 1981-1984 %</u>	<u>MAJOR COUNTRY OF EXPORT 1984 VALUE (\$000)</u>
5091911	Packaging Machine, Ice Cream						
	QUANTITY (NO)	1	1	3	2		UNITED STATES
	VALUE (\$000)	68	13	135	74	3	53
5091913	Packaging Machine, Vacuum Type, Food Products						
	QUANTITY (NO)	80	70	119	262		UNITED STATES
	VALUE (\$000)	3 358	2 475	2 064	2 188	-13	839
5091918	Packaging Machine, For Food Products NES, Parts Of						
	QUANTITY (NO)	-	-	-	-		UNITED STATES
	VALUE (\$000)	1 983	2 752	5 130	3 948	26	2 746
5091919	Packaging Machine, For Food Products, NES						
	QUANTITY (NO)	109	97	120	171		UNITED STATES
	VALUE (\$000)	7 155	6 276	10 733	11 536	17	7 778
5091911 to 5091919 VALUE (\$000)		12 564	11 516	18 062	17 746		
5091922	Filling/Stuffing Machine Bag/Envelope Packaging						
	QUANTITY (NO)	7	5	5	7		UNITED STATES
	VALUE (\$000)	71	320	383	228	47	185
5091923	Sealing Machine, Bag and Envelope, Packaging						
	QUANTITY (NO)	86	4 435	108	89		UNITED STATES
	VALUE (\$000)	424	473	269	1 599	55	1 528
5091924	Make/Fill/Close Combination Machine, Bag/Envelope, Packaging						
	QUANTITY (NO)	26	7	7	8		WEST GERMANY
	VALUE (\$000)	680	393	628	1 192	20	795

CODE	COMMODITY	1981	1982	1983	1984	AVERAGE	MAJOR COUNTRY
						ANNUAL	
						GROWTH RATE	1984 VALUE
						1981-1984	(\$000)
						%	
5091925	Open/Fill/Close, Combination Machine, Packaging						
	QUANTITY (NO)	8	16	36	9		UNITED STATES
	VALUE (\$000)	740	621	621	596	-7	448
5091926	Accumulating/Bundling Machine, Bag/Envelope						
	QUANTITY (NO)	-	-	-	5		ITALY
	VALUE (\$000)	3	1	0	94	212	52
5091928	Packaging Machine, Bag and Envelope, NES, Parts Of						
	QUANTITY (NO)	-	-	-	-		UNITED STATES
	VALUE (\$000)	338	604	351	1 898	78	1 613
5091929	Packaging Machine, Bag and Envelope NES						
	QUANTITY (NO)	34	53	59	77		UNITED STATES
	VALUE (\$000)	634	749	1 071	823	9	736
5091922 to 5091929 VALUE (\$000)		2 890	3 161	3 323	6 430		
5091932	Forming Machine, Box/Carton/Case, Packaging						
	QUANTITY (NO)	14	13	20	50		UNITED STATES
	VALUE (\$000)	492	223	998	2 465	71	2 367
5091933	Set-up Machine, Box/Carton/Case, Packaging						
	QUANTITY (NO)	12	4	1	5		UNITED STATES
	VALUE (\$000)	587	87	48	338	-17	338
5091935	Filling Machine, Box/Carton/Case, Packaging						
	QUANTITY (NO)	36	23	23	24		UNITED STATES
	VALUE (\$000)	1 399	1 877	909	945	-12	816
5091936	Closing Machine, Box/Carton/Case, Packaging						
	QUANTITY (NO)	21	8	16	15		UNITED STATES
	VALUE (\$000)	245	85	226	263	2	175

CODE	COMMODITY	1981	1982	1983	1984	AVERAGE	MAJOR COUNTRY OF EXPORT
						ANNUAL GROWTH RATE 1981-1984 %	
5091937	Sealing Machine, Box/Case						
	QUANTITY (NO)	331	288	281	392		UNITES STATES
	VALUE (\$000)	826	1 415	1 669	2 851	51	2 313
5091938	Packaging Machine, Box/Case, NES, Parts						
	QUANTITY (NO)	-	-	-	-		UNITED STATES
	VALUE (\$000)	2 194	3 262	6 903	5 582	37	5 054
5091939	Packaging Machine, Box/Case, NES						
	QUANTITY (NO)	147	118	147	228		UNITED STATES
	VALUE (\$000)	4 563	5 269	4 691	10 081	30	9 204
5091932 to 5091939 VALUE (\$000)		10 306	12 818	15 434	22 525		
5091941	Presses, Baling, For Scrap Metal						
	QUANTITY (NO)	17	5	13	7		UNITED STATES
	VALUE (\$000)	2 997	847	361	298	-54	250
5091942	Presses, Baling, For Waste Paper						
	QUANTITY (NO)	8	11	6	7		UNITED STATES
	VALUE (\$000)	440	511	38	425	-1	425
5091948	Baling Machinery, Industrial NES, Parts Of						
	QUANTITY (NO)	-	-	-	-		UNITED STATES
	VALUE (\$000)	844	670	400	513	-15	439
5091949	Baling Machinery, Industrial, NES						
	QUANTITY (NO)	134	178	77	61		UNITED STATES
	VALUE (\$000)	2 877	954	810	1 163	-26	1 151
5091941 to 5091949 VALUE (\$000)		7 158	2 982	1 609	2 399		

CODE	COMMODITY	1981	1982	1983	1984	AVERAGE	MAJOR COUNTRY OF EXPORT
						ANNUAL GROWTH RATE 1981-1984 %	
5091951	Bagging Machine, Bread						
	QUANTITY (NO)	33	19	21	11		UNITED STATES
	VALUE (\$000)	382	345	228	233	-15	233
5091958	Bagging Machinery, Industrial, NES, Parts Of						
	QUANTITY (NO)	-	-	-	-		UNITED STATES
	VALUE (\$000)	864	656	1 037	1 264	14	1 197
5091959	Bagging Machinery, Industrial, NES						
	QUANTITY (NO)	93	61	89	147		UNITED STATES
	VALUE (\$000)	1 541	669	687	1 538	0	1 372
5091964	Tying Machine, Bag						
	QUANTITY (NO)	29	16	28	8		UNITED STATES
	VALUE (\$000)	63	22	36	17	-36	17
5091968	Tying And/Or Bundling Machine, Industrial Parts Of						
	QUANTITY (NO)	-	-	-	-		UNITED STATES
	VALUE (\$000)	90	89	160	185	27	183
5091969	Bundling Machine, NES						
	QUANTITY (NO)	81	36	21	31		UNITED STATES
	VALUE (\$000)	362	237	117	112	-32	99
5091951 to 5091969 VALUE (\$000)		3 302	2 018	2 265	3 349		
5091974	Packaging Machine, Cigarettes						
	QUANTITY (NO)	9	11	9	18		WEST GERMANY
	VALUE (\$000)	1 359	1 677	2 400	3 458	37	2 087
5091976	Filling Machine, Collapsible Tube						
	QUANTITY (NO)	11	9	12	12		ITALY
	VALUE (\$000)	260	272	817	1 489	79	731
5091977	Glueing Machine, Packaging						
	QUANTITY (NO)	233	184	109	148		UNITED STATES
	VALUE (\$000)	563	676	821	766	11	736

<u>CODE</u>	<u>COMMODITY</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>AVERAGE ANNUAL GROWTH RATE 1981-1984</u> <u>%</u>	<u>MAJOR COUNTRY OF EXPORT 1984 VALUE (\$000)</u>
509179	Packaging Machine, Tobacco Products, NES						
	QUANTITY (NO)	5	3	4	7		WEST GERMANY
	VALUE (\$000)	1 113	937	348	1 090	-1	916
509174 to 509179 VALUE (\$000)		3 295	3 562	4 386	6 803		
509188	Packaging Machine, Industrial, NES, Parts						
	QUANTITY (NO)	-	-	-	-		UNITED STATES
	VALUE (\$000)	10 314	10 299	10 068	13 892	10	9 687
509189	Packaging Machine, Industrial, NES						
	QUANTITY (NO)	359	508	317	351		UNITED STATES
	VALUE (\$000)	5 517	6 623	4 548	12 471	31	8 105
509188 to 509189 VALUE (\$000)		15 831	16 922	14 616	26 363		
TOTAL VALUE (\$000)		55 343	52 983	59 695	85 614	43	

NOTES: Figures may not add due to rounding
NES - Not elsewhere specified

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

<u>TOP 10</u> <u>IMPORTERS</u>	<u>TOP 50</u> <u>IMPORTERS</u>	<u>TOP 80</u> <u>IMPORTERS</u>	<u>TOP 110</u> <u>IMPORTERS</u>
24	51	61	67

The 10 major importers accounted for 24 per cent or \$21 million of the total imports for 1984. Of these, eight were located in Ontario and two in Quebec.

E - TYPE AND LOCATION OF THE 130 MAJOR IMPORTERS - 1984

	<u>MANUFACTURERS</u>		<u>WHOLESALERS</u>		<u>OTHER (1)</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>
Ontario	52	25 486	30	15 416	5	936	87	41 838
Quebec	20	8 625			5	3 988		
Western Provinces	8	1 924	4*	1 414*	2	431	39*	16 382*
Atlantic Provinces	3	1 991	-	-	1	171	4	2 162
TOTAL	83	38 026	34	16 830	13	5 526	130	60 382
Per Cent of 1984 Total Value		44%		20%		6%		70%

* Quebec and Western Provinces aggregated to preserve confidentiality.

(1) Includes retailers

There were approximately 963 importers of miscellaneous packaging machinery and parts during 1984. The 130 major importers accounted for 70 per cent or \$60.4 million of the total imports. Of these 130 importers, 83 were manufacturers whose total imports represented 44 per cent of the import total. Of these 83 firms, 37 were manufacturers of food products.

F - CANADIAN PRODUCTION

There are at least 50 manufacturers of miscellaneous packaging machinery and parts in Canada. Statistics Canada reports that shipments of all kinds of packaging machinery, parts and accessories amounted to \$33.5 million in 1982, the latest year for which information is available.

G - EXPORTS

Statistics Canada reports that exports of all types of packaging machinery and parts during 1984 amounted to \$3.1 million.

H - CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	% OF TOTAL IMPORT VALUE (1984)	TARIFF TREATMENT				
			BRITISH PREFER- ENTIAL TARIFF(1)	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	91	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, SWITZERLAND, SWEDEN, ITALY

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
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I - DEPARTMENT OF SUPPLY AND SERVICES PROCUREMENTS

The Department of Supply and Services reports that its purchases for the federal government of all types of packaging machinery (strapping, sealing, bagging and wrapping machines, and baling presses) during the period April 1983 to March 1984 amounted to \$746 596, and for the period April 1984 to March 1985 totalled \$386 811. No separate data are available for each individual type of packaging machinery.

NOTE: The above data reflects purchases by the Department of Supply and Services only, and may not include some purchases by other federal government departments.

J - MARKET SUMMARY

This miscellaneous packaging machinery and parts category includes various types of packaging machines for food and all types of industrial and commercial packaging applications. For a detailed breakdown of types of machines and parts involved see table C.

Canadian manufacturers' strengths lie in areas of aseptic packaging systems; liquid and dry product filling systems for bags and pouches; capping and cleaning systems; case forming, opening and pouch and bag form-fill-seal machines; shrink, skin, stretch-wrap and pallet wrapping equipment; and vacuum forming, strapping and taping machinery for all types of industrial and commercial packaging applications. Most Canadian manufacturers specialize in the production of machines in the lower speed range to fill the needs of small to medium size end-users. Many opportunities exist in the packaging machinery sector for higher volume production machines, the majority of which are imported. This opportunity is indicated by the value of imports for miscellaneous packaging machinery totalling \$85.6 million.

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 should consider seeking 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 filling (for which additional information can be found in profile number 21-85) and bottle capping machines (profile number 26-85), both dated July, 1985.

This report was prepared by:

The Market Development Branch of
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in collaboration with the Department's
Machinery and Electrical Equipment Branch

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