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Canadian Market Opportunities— Import Profile



Government
of Canada

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Regional Industrial
Expansion

Expansion industrielle
régionale

Canada

STRAPPING MACHINERY, EQUIPMENT
AND PARTS

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OR

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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.

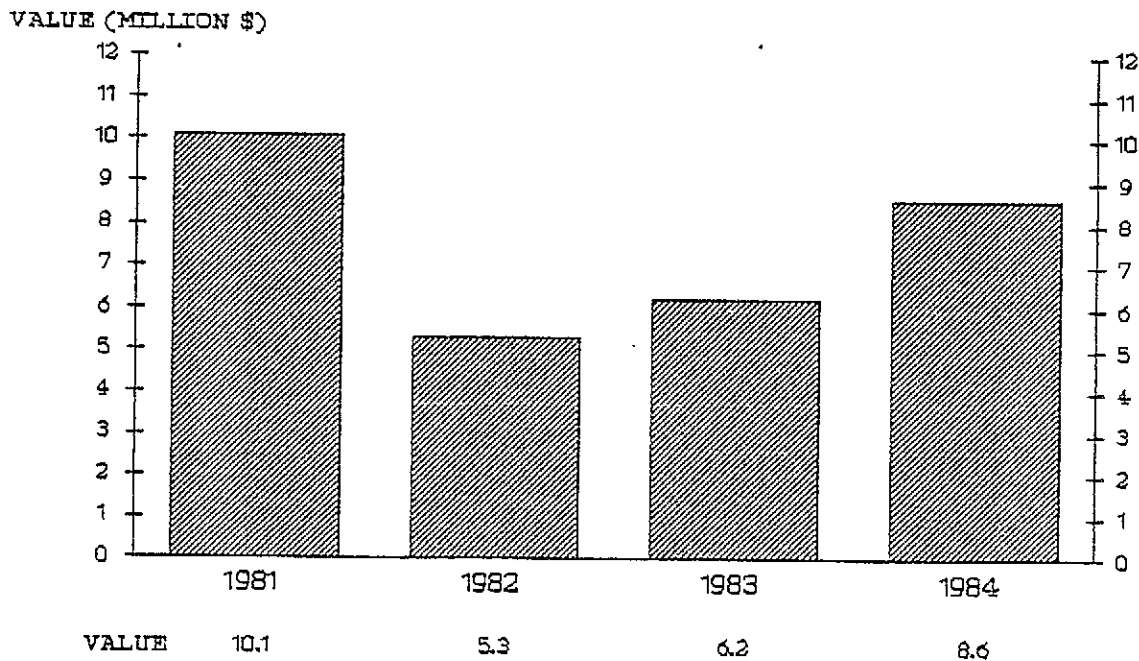
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

STRAPPING MACHINERY, EQUIPMENT AND 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
STRAPPING MACHINERY, EQUIPMENT AND PARTS



During the years 1981 to 1984 the value of imports of strapping machinery, equipment and parts decreased at an average annual rate of five per cent. Imports totalled \$5.3 million in 1982, a sharp drop of 48 per cent from 1981. There has been, however, steady growth in imports between 1982 and 1984.

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)	7 086	3 715	3 726	5 256	-9	41
JAPAN VALUE (\$000)	1 768	872	1 450	1 633	-3	13
SWITZERLAND VALUE (\$000)	403	290	563	623	16	11
WEST GERMANY VALUE (\$000)	546	167	210	602	3	187
THE NETHERLANDS VALUE (\$000)	39	201	59	180	66	205
OTHER VALUE (\$000)	217	100	191	294	11	54
TOTAL VALUE (\$000)	10 059	5 345	6 199	8 588	-5	39

During 1984 total imports were valued at \$8.6 million which was an increase of 39 per cent from 1983. In 1982 there was a considerable decrease of 47 per cent from 1981 in the total value of imports reflecting the onset of the recession.

The United States continues to be the major country of export with exports totaling \$5.3 million (61 per cent of the total) in 1984. Japan has consistently been the second largest exporter, supplying \$1.6 million of Canadian imports in 1984. Switzerland, West Germany and The Netherlands have increased their share of exports from 10 per cent of the total in 1981 to 16 per cent of the total in 1984.

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

<u>TOP 5 IMPORTERS</u>	<u>TOP 10 IMPORTERS</u>	<u>TOP 25 IMPORTERS</u>
82	94	97

The ten major importers accounted for 94 per cent of the total imports for 1984. Of these top ten, six were identified as manufacturers, and four as wholesalers. Nine of these 10 firms are located in Ontario and one in British Columbia.

D - TYPE AND LOCATION OF THE 25 MAJOR IMPORTERS - 1984

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</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	12	6 857	4	1 021	16	7 878
Quebec	5*	40*	4*	416*	9*	456*
Western Provinces						
Atlantic Provinces	-	-	-	-	-	-
TOTAL	17	6 897	8	1 437	25	8 334
Per Cent of 1984 Total Value	80%		17%		97%	

* Quebec and Western Provinces aggregated to preserve confidentiality.

Approximately 57 firms imported strapping machinery, equipment and parts during 1984. The top 25 importers accounted for 97 per cent or \$8.3 million of the import total. Of the 25 major importers 16 are situated in Ontario and represent 92 per cent of the total value of imports.

E - CANADIAN PRODUCTION

There are at least two Canadian manufacturers of strapping machines. One is located in Ontario and the other in British Columbia. Statistics Canada does not provide separate data on production of strapping machinery.

F - EXPORTS

Statistics Canada does not provide separate export data on strapping machinery equipment and parts.

G - CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1984)	TARIFF TREATMENT				U.K. AND IRELAND
			BRITISH PREFER- ENTIAL TARIFF(1) %	MOST FAVOURED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	
42700-01	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	92	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, JAPAN, SWITZERLAND, WEST GERMANY, THE NETHERLANDS

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

H - DEPARTMENT OF SUPPLY AND SERVICES PROCUREMENTS

The Department of Supply and Services reports that federal government purchases 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 amounted to \$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.

I - MARKET SUMMARY

Strapping, tying and bundling machines and tools are of two kinds:

(1) For use with steel strapping. There are at least four companies that manufacture automatic powered machines, on a custom basis, but none that make such machines on a standard basis.

(2) For use with plastic or other non-metallic strapping. No powered machines of this type are made in Canada, but some Canadian-made hand tools are available.

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 could 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.

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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