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Canadian Market Opportunities— Import Profile



Government
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Regional Industrial
Expansion

Expansion industrielle
régionale

Canada

INDUSTRIAL BOTTLE CAPPING MACHINES

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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.

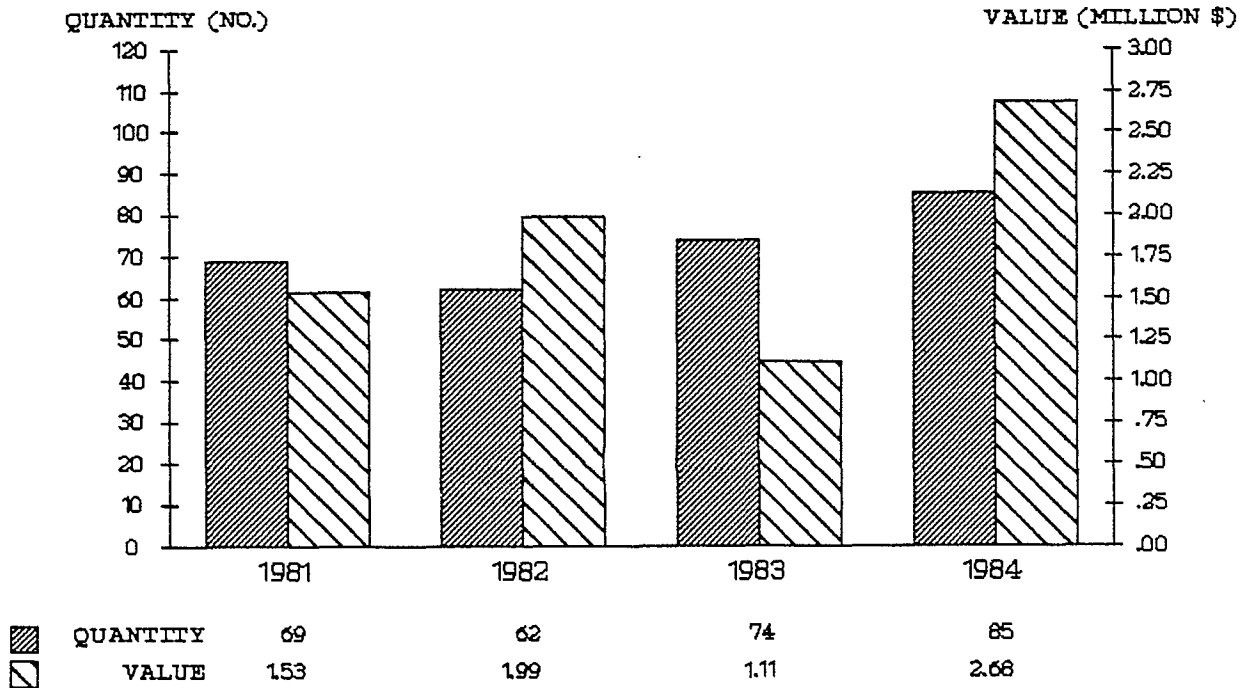
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

INDUSTRIAL BOTTLE CAPPING 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 CAPPING MACHINES



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

FOREIGN COUNTRY OF EXPORT	1981	1982	1983	1984	UNIT PRICE 1984 \$	AVERAGE	PER CENT
						ANNUAL GROWTH RATE 1981-1984 %	CHANGE 1983-1984 %
UNITED STATES							
QUANTITY (NO.)	40	48	51	60		14	18
VALUE (\$000)	905	1 669	670	2 163	36 050	34	223
ITALY							
QUANTITY (NO.)	9	2	10	12		10	20
VALUE (\$000)	171	64	161	248	20 666	13	54
FRANCE							
QUANTITY (NO.)	17	5	9	9		-19	0
VALUE (\$000)	376	153	223	240	26 666	-14	8
UNITED KINGDOM							
QUANTITY (NO.)	0	5	0	4		N/A	N/A
VALUE (\$000)	0	54	0	33	8 250	N/A	N/A
OTHER							
QUANTITY (NO.)	3	2	4	0		-100	-100
VALUE (\$000)	80	45	55	0	N/A	-100	-100
TOTAL							
QUANTITY (NO.)	69	62	74	85		7	15
VALUE (\$000)	1 532	1 985	1 109	2 684		21	142
UNIT PRICE (\$)	22 203	32 016	14 986	31 576			

N/A - Not applicable

During the years 1981 to 1984 imports of industrial bottle capping machines increased at an average annual rate of seven per cent in terms of quantity and 21 per cent in terms of dollar value.

Imports in 1984 totalled 85 units, valued at \$2.7 million, which was an increase of 15 per cent in quantity and 142 per cent in value from 1983.

The average unit price in 1984 was \$31 576, more than double the 1983 average, and similar to that of 1982. Most of the fluctuations in unit price are attributable to variations in year-to-year unit prices of United States imports. The price dip in 1983 reflected the weak economy, but was followed by economic recovery and high U.S. dollar exchange rates.

The United States supplied 81 per cent or \$2.2 million of the total value of 1984 imports of \$2.7 million. The U.S. has consistently been the chief exporter despite a conspicuous decrease in dollar value of U.S. exports in 1983. Imports from Italy and France accounted for nine per cent each of the total 1984 dollar value. The average weighted unit price from these two countries in 1984 was \$23 666 compared to \$36 050 for units from the United States.

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

<u>TOP 5 IMPORTERS</u>	<u>TOP 10 IMPORTERS</u>	<u>TOP 15 IMPORTERS</u>	<u>TOP 20 IMPORTERS</u>
58	77	86	91

The five major importers accounted for 58 per cent of the total imports for 1984. Of the top 10 importers, seven were manufacturers and three were wholesalers.

D - TYPE AND LOCATION OF THE 20 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	10	1 069	6(Y)	828(Y)		
Quebec	4(X)	538(X)			20(Z)	2 435(Z)
Western Provinces			-	-		
Atlantic Provinces	-	-	-	-	-	-
TOTAL	14	1 607	6	828	20	2 435
Per cent of 1984 Total Value		60%		31%		91%

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

(Y) Ontario and Quebec aggregated to preserve confidentiality.

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

There were approximately 36 importers of industrial bottle capping machines, during 1984. The top 20 importers accounted for 91 per cent or \$2.4 million of the total value of imports. Of these 20 importers, 14 were identified as manufacturers representing 60 per cent of the import total. The majority of these firms were located in Ontario.

E - CANADIAN PRODUCTION

There are at least two manufacturers of industrial bottle capping machines in Canada at the present time. Both firms are located in Quebec. Statistics Canada does not publish separate data on production of these machines.

F - EXPORTS

Industry sources indicate that there are exports of industrial bottle capping machines. Separate data pertaining to these machines are not available. Statistics Canada groups this product in a general class "Bottle Washing/Filling Machinery".

G - CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	By % OF TOTAL IMPORT VALUE (1984)	TARIFF TREATMENT				
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOURED NATION TARIFF %	GENERAL 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	87	2.5	10.7 9.9 9.2	35	2.5	9.2
	01/01/86						
	01/01/87						
42700-0	Bottle washing machines, bottle filling machines, bottle capping machines, and any combination thereof, for use by the beverage industry;	13	Free	Free	35	Free	Free

(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, ITALY, FRANCE
MOST FAVOURED NATION OR U.K. AND IRELAND: UNITED STATES

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 - 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 capping machines are geared primarily to meet the need for in-line capping 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 filling and labelling machines. Additional information on industrial bottle filling machines can be found in profile number 21-85, July 1985.

This report was prepared by:

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

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