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Canadian Market Opportunities— Import Profile



Government
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Regional Industrial
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Expansion industrielle
régionale

Canada

COMMERCIAL LAUNDRY TUMBLER-DRYERS

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OR

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These offices are listed on page 9
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.



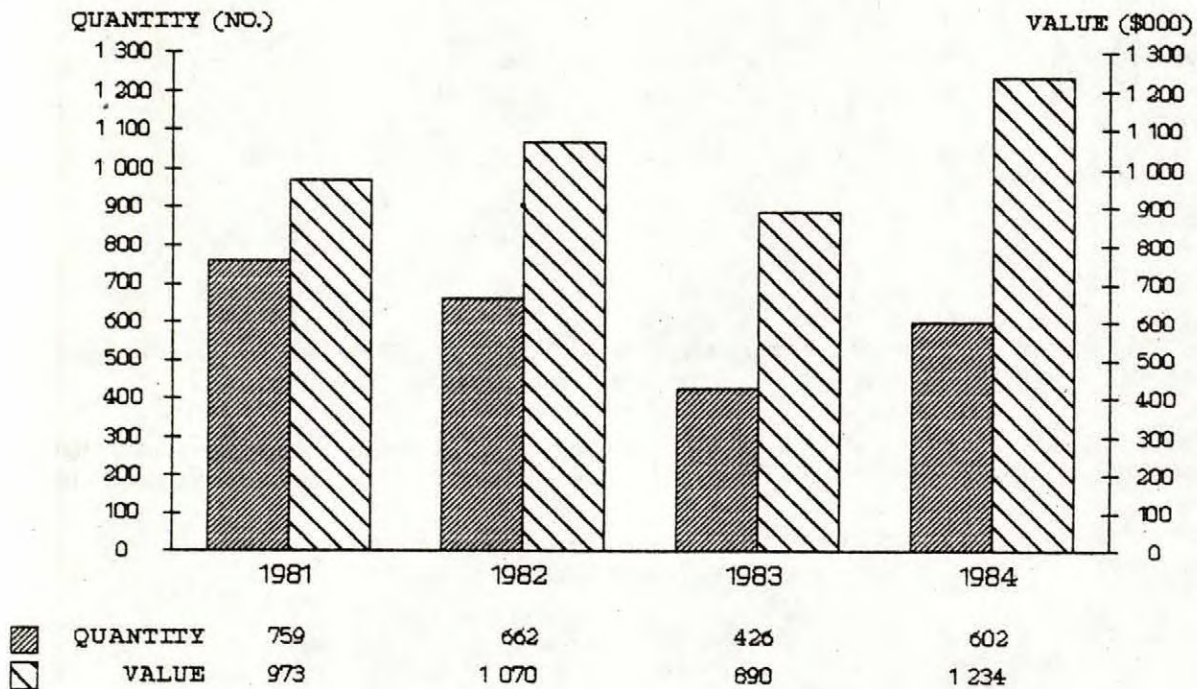
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

COMMERCIAL LAUNDRY TUMBLER-DRYERS

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
COMMERCIAL LAUNDRY TUMBLER-DRYERS



Imports of commercial laundry tumbler-dryers decreased in numbers from 1981 through 1983 (759 to 426), then showed a moderate recovery to 602 in 1984. Unit price increased rapidly before stabilizing in 1984, so total dollar volumes were more consistently strong over the period.

**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.) | 748 | 661 | 426 | 602 | | -7 | 41 |
| VALUE (\$000) | 761 | 1 069 | 890 | 1 234 | 2 050 | 17 | 39 |
| WEST GERMANY | | | | | | | |
| QUANTITY (NO.) | 11 | - | - | - | | -100 | N/A |
| VALUE (\$000) | 212 | - | - | - | N/A | -100 | N/A |
| OTHER | | | | | | | |
| QUANTITY (NO.) | - | 1 | - | - | | N/A | N/A |
| VALUE (\$000) | - | * | - | - | N/A | N/A | N/A |
| TOTAL | | | | | | | |
| QUANTITY (NO.) | 759 | 662 | 426 | 602 | | -7 | 41 |
| VALUE (\$000) | 973 | 1 070 | 890 | 1 234 | | 8 | 39 |
| UNIT PRICE (\$) | 1 282 | 1 616 | 2 089 | 2 050 | | | |

* Less than \$500

N/A Not applicable

During 1984 imports totalled 602 units, valued at \$1.2 million. These volumes were increases of 41 per cent in terms of quantity and 39 per cent in terms of dollar value from 1983.

The United States has consistently been the major exporter to Canada and accounted for 100 per cent of quantity and value in both 1983 and 1984. The average price per unit in 1984 was \$2 050.

In 1981, West Germany exported 11 units to Canada. The average unit price of the West German imports was about 19 times the price 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> |
|------------------------|-------------------------|-------------------------|-------------------------|
| 60 | 76 | 82 | 86 |

The 10 major importers accounted for 76 per cent of the total imports for 1984. Nine of these 10 importers were wholesalers and seven of the nine were in the field of service establishment equipment and supplies. Six of the 10 major importers were situated in the western provinces and four in Ontario.

D - TYPE AND LOCATION OF THE 20 MAJOR IMPORTERS - 1984

| | <u>WHOLESALEERS</u> | | <u>OTHER</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 | 7 | 599 | 1 | 47 | 8 | 646 |
| Quebec | 4(X) | 53(X) | - | - | 4(X) | 53(X) |
| Atlantic Provinces | | | | | | |
| Western Provinces | 8 | 358 | - | - | 8 | 358 |
| TOTAL | 19 | 1 010 | 1 | 47 | 20 | 1 057 |
| Per Cent of 1984 Total Value | | 82% | | 4% | | 86% |

(X) Quebec and Atlantic Provinces aggregated to preserve confidentiality

There were at least 29 importers during 1984. The major 20 accounted for \$1.1 million, or 86 per cent of the total imports. Nineteen of these importers were wholesalers, with total imports representing 82 per cent of the import total.

E - CANADIAN PRODUCTION

There are no known manufacturers of commercial laundry tumbler-dryers in Canada.

F - EXPORTS

Statistics Canada reports that exports of service industry equipment and parts not elsewhere specified, during 1984 totalled \$41.4 million. Separate data for commercial laundry tumbler-dryers are not available. However, since there are unknown manufacturers, exports are unlikely.

G - CANADIAN TARIFFS, 1985

| TARIFF ITEM | DESCRIPTION | BY % OF TOTAL VALUE (1984) | TARIFF TREATMENT | | | | |
|----------------|--|-------------------------------------|--|---|------------------------|---|--------------------------|
| | | | BRITISH(1) PREFER- ENTIAL TARIFF % | 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 | 99 | 2.5 | 10.7 | 35 | 2.5 | 9.2 |
| | 01/01/86 | | | 9.9 | | | |
| | 01/01/87 | | | 9.2 | | | |
| 42700-06 | Commercial laundry machines, namely: centrifugal extractors, flatwork ironers, washer extractors Effective 01/10/84 | 1 | 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, WEST GERMANY

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) 996-6595

H - DEPARTMENT OF SUPPLY AND SERVICES PROCUREMENTS

The Department of Supply and Services reported that purchases of laundry dry cleaning equipment during the fiscal year 84/85 totalled \$767 793. Separate data are not available for tumbler-dryers.

Please note that the above figure may not necessarily represent the total for all federal government purchases. The various departments make many purchases on their own without using the services of the Department of Supply and Services.

I - MARKET SUMMARY

The Canadian market for commercial laundry tumbler-dryers can be divided into three basic groups. These are: a) coin-operated commercial laundry dryers, b) commercial laundry dryers used in laundry plants, and c) institutional laundry dryers.

Coin-operated laundry dryers are used in the laundry rooms of apartment buildings and in laundromats. These coin-operated dryers usually have a maximum load capacity of seven to nine kilograms (16 to 20 pounds). From outward appearances they look very similar to domestic clothes dryers. Such dryers are manufactured in Canada by Canadian Appliances Manufacturing Company, Montreal, and by Inglis Limited, Toronto. Occasionally, laundromats have some larger (10 to 15 kilograms or 25 to 35 pound capacity) dryers that are also coin-operated. There are no Canadian manufacturers of such machines. Coin-operated seven to nine kilogram (16 to 20 pounds) dryers have not been included in this import profile.

Commercial laundry plants use dryers that are not coin-operated. These dryers generally have a capacity that ranges from 10 to 45 kilograms (25 to 100 pounds). They are used for drying clothes that have been brought to the plant or to one of their convenient store throughout a city. These machines are also used to dry workclothes and uniforms which the commercial laundries often pick up at the places where they are used. There are no Canadian manufacturers of the 10 to 45 kilogram commercial laundry dryers.

The third category of laundry dryers is the institutional dryers. These dryers are used in places such as hospitals, hotels, senior citizens' homes and prisons. These machines generally have load capacities from 45 to 180 kilograms (100 to 400 pounds). There are no Canadian manufacturers of such dryers.

There is an increasing tendency for hospitals and laundry companies servicing hospitals to use large capacity 90 to 180 kilograms (200 to 400 pounds) dryers.

In all three sectors, the Canadian market is generally constant. This import profile has shown an average annual decrease in the number of machines imported. There may be several reasons for this, but it should indicate that there is good potential in this market. As replacement dryers are always needed, and since recent imports have been low, then the replacement market will soon increase.

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ter Canada under tariff item 42700-01 and remission of duty is
production of reasonably equivalent dryers. All other commercial
under 42700-01, but remission of duty is granted because there is
production commence in Canada, then the imported dryers would no
sis.

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