Canadian Market Opportunities— Import Profile

Government of Canada / Gouvernement du Canada
Regional Industrial Expansion / Expansion industrielle régionale
Canada

ELECTRIC MOTORS, D.C. OVER 1/3 H.P. TO 1 H.P.

Pub. No: 3-85 March 1985

Think Canadian
Pensons canadien

ELECTRIC MOTORS, D.C. OVER 1/3 H.P. TO 1 H.P.

Pub. No: 3-85 March 1985

Published by
Market Information and Analysis Division
Market Development Branch
Department of Regional Industrial Expansion

REFERENCE SOURCES

Department of Regional Industrial Expansion

Statistics Canada

Revenue Canada

Supply and Services Canada

For more information please contact:

Market Information and Analysis Division
Market Development Branch
Department of Regional Industrial Expansion
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 992-4446

OR

The nearest DRIE Regional Office.
These offices are listed on page 8
of this publication.

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.

PUB. NO: 3-85
IMPORT COMMODITY CODE - 503-69-41

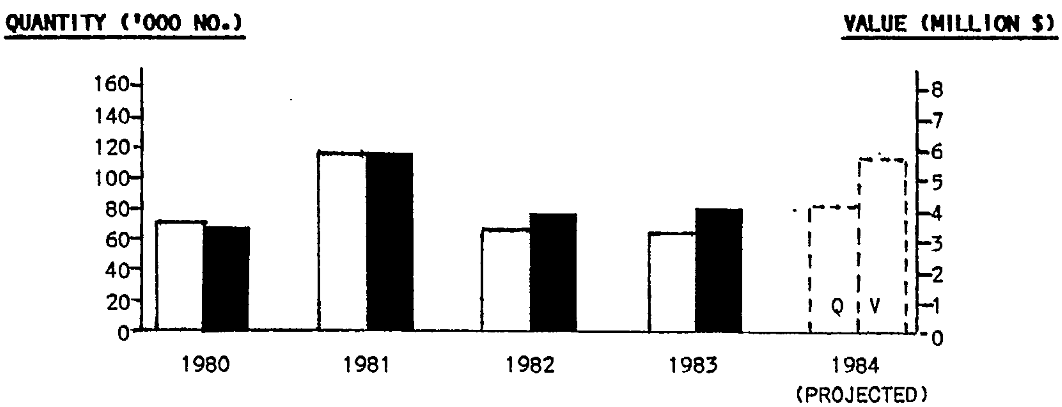
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

ELECTRIC MOTORS, D.C. OVER 1/3 H.P. TO 1 H.P.

INTRODUCTION

This report is one of a continuing series designed to increase business awareness of the enormous 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 ELECTRIC MOTORS D.C. OVER 1/3 H.P. TO 1 H.P.



	1980	1981	1982	1983	1984
QUANTITY	70.3	119.3	64.6	63.5	82.9
VALUE	3.4	5.9	4.0	4.2	5.7

From 1980 to 1983 imports of electric motors, D.C. over 1/3 H.P. to 1 H.P. decreased at an average annual rate of 3 per cent in terms of quantity and increased at a rate of 7 per cent in terms of dollar value.

B - IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT
(BASED ON 1983 FIGURES)

FOREIGN COUNTRY OF EXPORT	1980	1981	1982	1983	UNIT PRICE 1983 $	AVERAGE ANNUAL GROWTH RATE 1980-83 %	PER CENT CHANGE 1982-83 %	10-MONTH IMPORTS JAN. TO OCT. 1983	1984
UNITED STATES									
QUANTITY (NO.)	69 704	118 921	63 160	61 315		-4	-3	54 731	65 955
VALUE ($000)	3 378	5 857	3 872	4 088	66.67	7	7	3 604	4 463
WEST GERMANY									
QUANTITY (NO.)	12	8	46	715		291	1 454	289	153
VALUE ($000)	3	2	6	72	100.70	188	1 100	12	29
JAPAN									
QUANTITY (NO.)	286	52	307	698		35	127	603	536
VALUE ($000)	19	10	67	19	27.22	0	-72	17	20
BRAZIL									
QUANTITY (NO.)	-	42	-	253		N/A	N/A	253	-
VALUE ($000)	-	3	-	13	51.38	N/A	N/A	13	-
FRANCE									
QUANTITY (NO.)	-	-	778	59		N/A	-92	59	205
VALUE ($000)	-	-	34	6	101.69	N/A	-82	6	44
OTHER									
QUANTITY (NO.)	22	284	281	423		168	51	209	2 212
VALUE ($000)	4	36	41	20	47.28	71	-51	13	194
TOTAL									
QUANTITY (NO.)	70 317	119 307	64 572	63 463		-3	-2	56 144	69 061
VALUE ($000)	3 439	5 908	4 020	4 218	66.46	7	5	3 665	4 750

N/A - NOT APPLICABLE

During 1983 imports totalled 63 463 units valued at $4.2 million which was an increase of 5 per cent in terms of dollar value and a decrease of 2 per cent in terms of quantity from 1982. The average unit price in 1983 was $66.46. However, unit prices ranged from $27.22 for imports from Japan to $101.69 from France. The variation in unit prices is due to the wide variety of different types of motors included in this group. The United States has consistently been the major exporter to Canada, accounting for 97 per cent of the quantity and 97 per cent of the value in 1983. The value of imports increased by approximately 30 per cent for the first 10 months of 1984 compared to the first 10 months of 1983.

C - IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1983 VALUE)

TOP 5 IMPORTERS	TOP 10 IMPORTERS	TOP 20 IMPORTERS	TOP 30 IMPORTERS
28	48	67	75

The 10 major importers accounted for 48 per cent of the total imports for 1983. Five of these were identified as manufacturers, and five as wholesalers. The main manufacturers are producers of electrical appliances and industrial equipment. Seven of the top 10 importers are located in Ontario.

D - TYPE AND LOCATION OF MAJOR IMPORTERS - 1983

	MANUFACTURERS		WHOLESALERS		OTHER		TOTAL	
	NO. OF IMPORTERS	VALUE ($000)	NO. OF IMPORTERS	VALUE ($000)	NO. OF IMPORTERS	VALUE ($000)	NO. OF IMPORTERS	VALUE ($000)
Ontario	14	1 665	8	675	2	78	24	2 418
Quebec / Western Provinces	4 (X)	237 (X)	4 (X)	507 (X)	2 (X)	71 (X)	10 (X)	815 (X)
Atlantic Provinces	-	-	-	-	-	-	-	-
TOTAL	18	1 902	12	1 182	4	149	34	3 233
Value by % of 1983 Total		45%		28%		4%		77%

(X) Quebec and Western Provinces aggregated to preserve confidentiality

There were approximately 371 importers during 1983. The major 34 importers accounted for 77 per cent or $3.2 million of the total imports. Of the major importers 18 were manufacturers, their total imports representing 45 per cent of the import total. The majority of these manufacturers were located in Ontario. They were identified as being manufacturers of electrical equipment, industrial controls, business machines, vehicles, communications equipment and general industrial equipment.

E - CANADIAN PRODUCTION

There is at least one manufacturer of D.C. motors of this size in Canada. This firm is located in Ontario. Statistics Canada reports that shipments of all D.C. motors (including generators) were $83.3 million in 1982, the latest year for which information is available. Production of small D.C. motors is not reported separately.

F - EXPORTS

Statistics Canada reports that exports of all types of electric motors during 1983 amounted to $20.4 million. There are apparently no exports of D.C. motors of this size range.

G - CANADIAN TARIFFS, 1984

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1983)	TARIFF TREATMENT: BRITISH(1) PREFERENTIAL TARIFF	MOST FAVOURED NATION TARIFF	GENERAL TARIFF	GENERAL PREFERENTIAL TARIFF	U.K. AND IRELAND
			%	%	%	%	%
44516-02	Electric motors over 1/10 horsepower but less than 1 horsepower; complete parts thereof	58	13.4	13.4	37.5	8.5	13.4
	01/01/85			13.1			
	01/01/86			12.8			
	01/01/87			12.5			
44516-01	Electric motors, and complete parts thereof, n.o.p.	28	11.4	11.4	37.5	7.5	11.4
	01/01/85			10.7			
	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, JAPAN, FRANCE
*MOST FAVOURED NATION OR GENERAL PREFERENTIAL: BRAZIL

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) 992-2623

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

H - FEDERAL GOVERNMENT PROCUREMENTS

The Department of Supply and Services reports that federal government purchases of all types of electric motors during the period April 1983 to March 1984 amounted to $1.6 million, and for the period April to September 1984 amounted to $830 000. No separate data are available for purchases of small D.C. motors.

I - MARKET SUMMARY

The Canadian market for D.C. motors in the over 1/3 to 1 H.P. size range is $4 to $6 million per year. It is satisfied almost entirely by imports. In the longer term D.C. motors in variable voltage drive systems will be replaced by A.C. induction motors powered by variable frequency controls. This is expected to be a very slow process that will start in the larger sizes and in the more difficult applications such as explosive and dust laden or polluted atmospheres where considerations other than cost are paramount. The rate of advance of this replacement will depend largely on the rate of cost reduction that will be effected in the manufacture of the solid state variable frequency control package.

Increasing demands for higher efficiency D.C. motors are forcing the use of the permanent magnet field structures in ever larger sizes. However, advancing permanent magnet technology and the associated costs are limiting the progress of permanent magnet motors into the larger sizes. The growing demand by more specialized applications for efficient D.C. motors, such as motive power, etc., and escalating electrical energy costs should make permanent magnet D.C. motors increasingly attractive.

For more information please contact nearest DRIE Regional Office

Newfoundland
P.O. Box 8950
Parsons Building
90 O'Leary Avenue
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-4884

Prince Edward Island
P.O. Box 1115
Confederation Court Mall
134 Kent Street, Suite 400
Charlottetown, Prince Edward Island
C1A 7M8
Tel: (902) 566-7400

Nova Scotia
P.O. Box 940, Station M
1496 Lower Water Street
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-2018

New Brunswick
P.O. Box 1210
Assumption Place
770 Main Street
Moncton, New Brunswick
E1C 8P9
Tel: (506) 388-6400

Québec
C.P. 247
Tour de la Bourse
800, Place Victoria, Bureau 4328
Montréal (Québec)
H4Z 1E8
Tel: (514) 283-8185

Ontario
P.O. Box 98
1 First Canadian Place, Suite 4840
Toronto, Ontario
M5X 1B1
Tel: (416) 365-3737

Manitoba
P.O. Box 981
400-3 Lakeview Square
185 Carlton Street
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 949-4090

Saskatchewan
814 Bessborough Tower
601 Spadina Crescent East
Saskatoon, Saskatchewan
S7K 3G8
Tel: (306) 665-4400

Alberta
Cornerpoint Building
10179 - 105th Street, Suite 505
Edmonton, Alberta
T5J 3S3
Tel: (403) 420-2944

British Columbia
P.O. Box 49178
Bentall Postal Station
Bentall Tower IV
1101 - 1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1K8
Tel: (604) 666-0434

Yukon
Suite 301
108 Lambert Street
Whitehorse, Yukon
Y1A 1Z2
Tel: (403) 668-4655

Northwest Territories
P.O. Bag 6100
Precambrian Building
Yellowknife, Northwest Territories
X1A 1C0
Tel: (403) 920-8568 or 8571