

HF  
3221  
.A1  
C3  
no.33-85

# Canadian Market Opportunities— Import Profile



Government  
of Canada

Regional Industrial  
Expansion

Gouvernement  
du Canada

Expansion industrielle  
régionale

Canada

GOLF CLUB PARTS

Pub. No: 33-85      October 1985

Think  Pensons  
Canadian canadien

DEPARTMENT OF REGIONAL  
INDUSTRIAL EXPANSION  
LIBRARY

FEB 9 1988

BIBLIOTHEQUE  
MINISTERE DE L'EXPANSION  
INDUSTRIELLE REGIONALE

GOLF CLUB PARTS

Pub. No: 33-85      October 1985

**FOR MORE INFORMATION PLEASE CONTACT:**

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION  
INDUSTRIAL EXPANSION  
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

Leisure Products Division  
Food and Consumer Products Industries Branch  
Department of Regional Industrial Expansion  
235 Queen Street  
Ottawa, Ontario  
K1A 0H5  
Tel: (613) 992-1045

OR

The nearest DRIE Regional Office.  
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

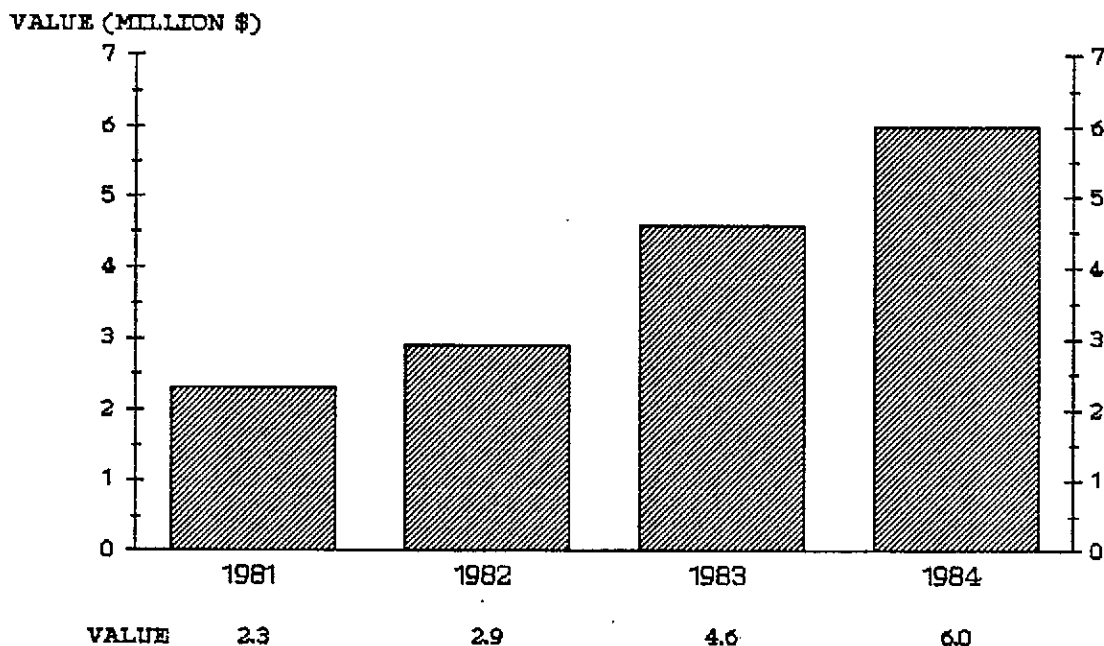
GOLF CLUB PARTS

INTRODUCTION AND SCOPE

This report is one of a continuing series designed to increase business awareness of the potential existing for domestic production and to stimulate Canadian business to further explore potential opportunities in both the Canadian and export markets. 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.

Additional information on golf equipment can be found in profile numbers 31-85, Golf Balls, and 32-85, Golf Clubs.

IMPORT TRENDS  
OF  
GOLF CLUB PARTS



From 1981 to 1984 the value of imports of finished parts of golf clubs increased steadily at an average annual rate of 38 per cent.

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT  
(IN DESCENDING ORDER OF 1984 VALUE)

<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)	1 939	2 131	3 253	3 689	24	13
TAIWAN VALUE (\$000)	136	435	1 013	1 910	141	89
JAPAN VALUE (\$000)	227	293	268	353	16	32
UNITED KINGDOM VALUE (\$000)	0	8	18	92	N/A	411
<b>TOTAL</b> VALUE (\$000)	<b>2 301</b>	<b>2 868</b>	<b>4 552</b>	<b>6 044</b>	<b>38</b>	<b>33</b>

N/A - Not applicable

During 1984 the value of imports was \$6 million which was an increase of 33 per cent from 1983 and over twice the 1982 value.

Canadian producers shipped finished golf clubs of their own manufacture for a value of \$11 million in 1983 and an estimated \$16 million in 1984. The increase of imports of golf club parts is due to this increase of Canadian production of finished golf clubs.

The United States has consistently been the major exporter to Canada, accounting for 61 per cent of the total value in 1984. Imports from Taiwan have grown significantly from six per cent of total imports in 1981 to almost a third in 1984.

IMPORT MARKET CONCENTRATION  
(BY % OF TOTAL 1984 VALUE)

<u>TOP 5 IMPORTERS</u>	<u>TOP 10 IMPORTERS</u>	<u>TOP 20 IMPORTERS</u>
62	88	92

The 10 top importers accounted for 88 per cent of the total imports for 1984. Eight of these 10 firms were located in Ontario. Five were manufacturers of sporting and athletic goods, and four were wholesalers of sporting and recreational goods and supplies.

TYPE AND LOCATION OF THE 37 TOP IMPORTERS - 1984  
(93% OF TOTAL IMPORT VALUE)

IMPORTER LOCATION	IMPORTER TYPE								TOTAL	
	MANUFACTURERS		WHOLESALEERS		RETAILERS		OTHER			
	NO. OF IMPORTERS	VALUE (\$000)	NO. OF IMPORTERS	VALUE (\$000)	NO. OF IMPORTERS	VALUE (\$000)	NO. OF IMPORTERS	VALUE (\$000)	NO. OF IMPORTERS	VALUE (\$000)
Ontario			8	2 099	5	61	3	27		
Quebec	12*	2 544*			-	-	-	-	37*	5 643*
Western Provinces			5**	846**	4	66	-	-		
Atlantic Provinces	-	-	-	-	-	-	-	-	-	-
TOTAL	12	2 544	13	2 945	9	127	3	27	37	5 643
Per Cent of 1984 Total Value		42%		49%		2%		0.4%		93%

\* Ontario, Quebec and Western Provinces aggregated to preserve confidentiality.

\*\* Quebec and Western Provinces aggregated to preserve confidentiality.

The top 37 importers accounted for \$5.6 million, or 93 per cent of the total imports. Of these 37 importers, 12 were manufacturers whose imports represent 42 per cent of the import total. Eleven of the 12 were manufacturers of sporting and athletic goods. Thirteen of the top 37 importers were wholesalers whose imports represented 49 per cent of the import total. Seven of these were wholesalers of sporting and recreational goods and supplies.

CANADIAN PRODUCTION

There is some manufacturing of finished parts for golf clubs in Canada by a number of manufacturers, but Statistics Canada does not report production amounts. Several golf club manufacturers themselves produce small quantities of various parts for use in their own production processes.

EXPORTS

Statistics Canada does not publish separate data on exports of finished parts for golf clubs. They are included in the commodity code "Sporting and recreation equipment and parts, not elsewhere specified". Exports of golf club parts are thought to be minimal.

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 %
51100-01	Racquets and racquet frames; baseball bats; hollow practice golf balls; balls of all kinds for use in sports, games or athletics, n.o.p.; finished parts of golf clubs	83	13.5	13.5	35	9	13.5
51103-01	Shafts of steel, including golf shafts enumerated in tariff item 44609-01, for use in the manufac- ture of golf clubs	11	Free	Free	35	Free	Free
51104-01	Finished grips for use in the manu- facture of golf clubs	3	Free	Free	30	Free	Free
51106-01	Shafts, composed wholly or in part of graphite, for use in the manufac- ture of golf clubs	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, TAIWAN, JAPAN  
MOST FAVOURED NATION OR U.K. AND IRELAND: UNITED KINGDOM

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) 996-9491

MARKET SUMMARY

Between 1976 and 1981, public participation in golf was estimated to have increased by 32 per cent. Recent smaller surveys have indicated that golf ranks in the top 12 in recreational activity popularity. According to the Canadian Golf Foundation, it is estimated that in 1985 there are 1.5 million Canadians playing 15 rounds or more a year, with an additional 300 000 casual golfers. Of this total, about 77 per cent were male.

The demographic characteristics of the United States and Canadian golfers are very similar. Most are university educated, have household income exceeding \$35 000 per year. In the United States, 84 per cent of those who golf are age 25+, while in Canada, 81 per cent are 20+.

There are strong indications that the golf club market will continue to show gradual sustained growth. In part this is attributable to several factors: general aging of a substantial portion of the population incorporating the characteristics to which golfing would appeal, an improving economy, increasing leisure time and greater emphasis on recreational activities.

The duty-free entry of certain major components, the close supply relationships between the United States parent companies and their Canadian branches, and the growing importance of parts sourcing from the Far East, place severe constraints on development of a Canadian golf club parts industry.

However, in Canada there may be specific opportunities. For example, as wooden golf club heads regain popularity, this could create opportunities for domestic manufacturing of these parts. More analysis would be needed before specific market commitment could be made.

This report was prepared by:

The Market Development Branch of  
the Department of Regional Industrial Expansion  
in collaboration with the Department's  
Food and Consumer Products Industries Branch



For more information please contact the 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) 857-6400

**Québec**

C. P. 247  
Tour de la Bourse  
800, Place Victoria, Bureau 3800  
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  
330 Portage Avenue  
Room 608  
Winnipeg, Manitoba  
R3C 2V2  
Tel: (204) 949-6163

**Saskatchewan**

Canada Building  
6th Floor, 105-21st Street East  
Saskatoon, Saskatchewan  
S7K 0B3  
Tel: (306) 975-4400

**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) 661-0434

**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 920-8571