

HF
3221
.A1
C3
no. 38-85



IMPORT PROFILE

Investment Opportunities

CABINETS FOR TVS, RADIOS AND
PHONOGRAPHS

Pub. No: 38-85

December 1985



Government
of Canada

Regional Industrial
Expansion

Gouvernement
du Canada

Expansion industrielle
régionale

Canada

DEPARTMENT OF REGIONAL
INDUSTRIAL EXPANSION
LIBRARY

FEB 9 1988

BIBLIOTHEQUE
MINISTERE DE L'EXPANSION
INDUSTRIELLE REGIONALE

CABINETS FOR TVS, RADIOS AND
PHONOGRAPHS

Pub. No: 38-85

December 1985

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

Furniture Products Division
Food and Consumer Products Industries Branch
Department of Regional Industrial Expansion
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 992-7253

OR

The nearest DRIE Regional Office.
These offices are listed on the last page
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

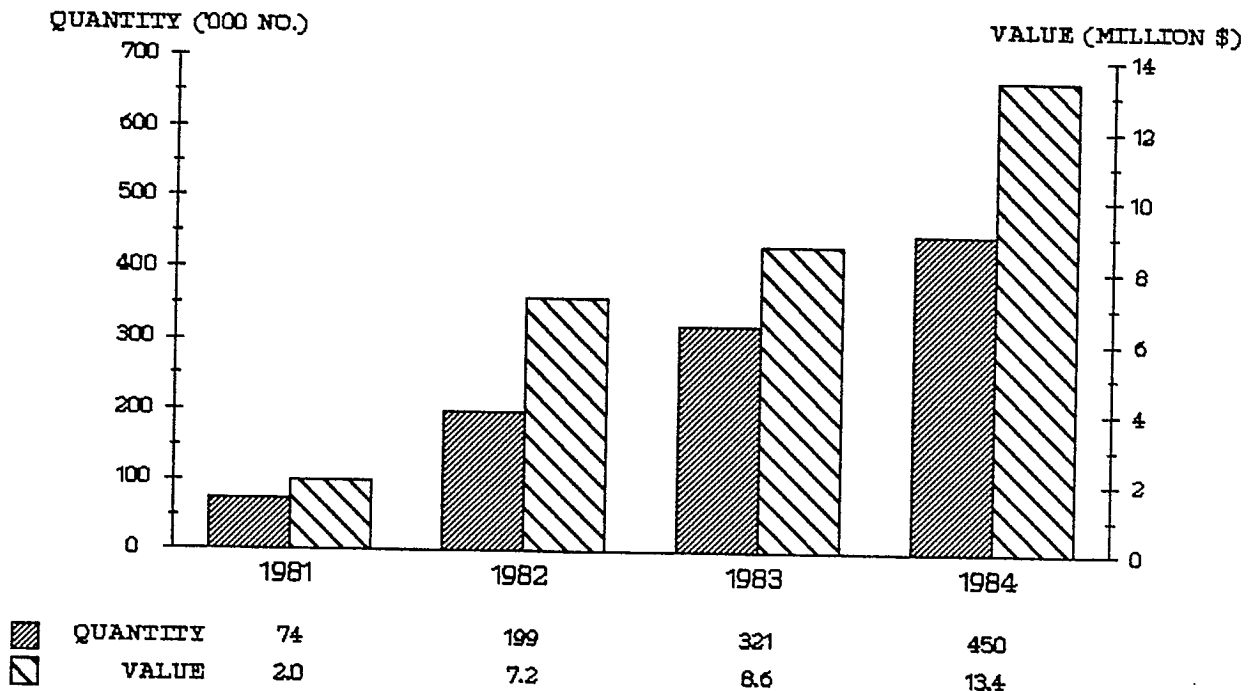
CABINETS FOR TVS, RADIOS AND
PHONOGRAPHS

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.

This report covers only cabinets for television sets, radios, phonographs (including stereos), and combinations; and cabinet fronts and cabinet backs, as listed on page 5.

NOTE: Stands for televisions, stereos and VCRs are not included in this report.

IMPORT TRENDS



The value of imports of cabinets for TVs, radios and phonographs increased by 262 per cent between 1981 and 1982, then by 21 per cent between 1982 and 1983 and 55 per cent between 1983 and 1984. Average unit prices did not change greatly over the four years, so quantity movements were generally similar to value changes.

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

FOREIGN COUNTRY OF EXPORT	1981	1982	1983	1984	AVERAGE			6-MONTHS'	
					UNIT PRICE 1984	ANNUAL GROWTH RATE 1981-1984	PER CENT CHANGE 1983-1984	IMPORTS JAN. TO JUNE	
					\$	%	%	1984	1985
UNITED STATES									
QUANTITY (NO.)	71 769	193 400	305 111	398 088		77	30	229 788	176 620
VALUE (\$000)	1 926	7 029	8 465	12 813	32	88	51	6 809	5 936
JAPAN									
QUANTITY (NO.)	108	360	15 228	44 904		646	195	26 221	20 635
VALUE (\$000)	2	9	168	494	11	527	194	216	400
KOREA, REPUBLIC OF									
QUANTITY (NO.)	245	24	-	474		25	N/A	474	-
VALUE (\$000)	19	-	-	41	87	29	N/A	41	-
TAIWAN									
QUANTITY (NO.)	639	4 573	154	6 400		116	4 056	-	2 070
VALUE (\$000)	9	103	1	29	5	48	2 800	-	8
DENMARK									
QUANTITY (NO.)	627	279	338	423		-12	25	195	21
VALUE (\$000)	14	7	12	19	45	11	58	5	2
OTHER									
QUANTITY (NO.)	332	42	-	9		-70	N/A	-	-
VALUE (\$000)	5	2	-	1	111	-42	N/A	-	-
TOTAL									
QUANTITY (NO.)	73 720	198 678	320 831	450 298		83	40	256 678	199 346
VALUE (\$000)	1 975	7 150	8 646	13 397		89	55	7 070	6 346
UNIT PRICE (\$)	27	36	27	30					

In 1984, imports were 450 000 units valued at \$13.4 million.

Annual growth rates were consistently high, 40 per cent in quantity in 1983-84 and 55 per cent in value. However, the first half of 1985 shows declines from the same period a year earlier: down 22 per cent in quantity and 10 per cent in value.

TV cabinets accounted for 90 per cent of the 450 000 units, and 95 per cent of the \$13.4 million dollars worth imported in this group in 1984 (see page 5).

The United States has consistently been the dominant source of imports of cabinets for TVs, radios and phonographs in 1984, accounting for 84 per cent of the quantity and 96 per cent of the value. (From 1981 to 1983, the United States was the source of at least 95 per cent of the quantity and 98 per cent of the value.) In 1984 Japan captured 10 per cent of the import quantity with four per cent of the value, triple the volume of the previous year.

IMPORT DATA TRENDS - IMPORT COMMODITY CODE 639-05
CABINETS FOR TVS , RADIOS AND PHONOGRAPHS

<u>CODE</u>	<u>COMMODITY</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>AVERAGE</u>	<u>MAJOR COUNTRY</u>		
						<u>ANNUAL</u>	<u>OF EXPORT</u>		
						<u>GROWTH RATE</u>	<u>1984 VALUE</u>		
						<u>1981-1984</u>	<u>(\$000)</u>	<u>(SHARE OF</u>	
						<u>%</u>	<u>COMMODITY)</u>		
6390520	Cabinets, Radio								
	QUANTITY (NO)	3 101	2 378	256	6 830		UNITED STATES		
	VALUE (\$000)	62	80	3	44	-11	26	59%	
6390530	Cabinets, TV								
	QUANTITY (NO)	61 619	187 510	314 886	405 120		UNITED STATES		
	VALUE (\$000)	1 806	6 796	8 359	12 705	92	12 197	96%	
6390540	Cabinets, Phonograph								
	QUANTITY (NO)	4 426	1 476	551	7 144		TAIWAN		
	VALUE (\$000)	55	40	15	54	-1	29	54%	
6390550	Cabinets, Radio, TV, Phono, combination								
	QUANTITY (NO)	125	561	1 075	268		UNITED STATES		
	VALUE (\$000)	10	30	54	6	-1	6	100%	
6390560	Cabinet Fronts, TV, Radio, Phonograph								
	QUANTITY (NO)	4 449	6 753	4 063	30 936		UNITED STATES		
	VALUE (\$000)	32	84	20	190	-81	177	93%	
6390565	Cabinet Backs, TV, Radio, Phonograph								
	QUANTITY (NO)	-	-	-	-		UNITED STATES		
	VALUE (\$000)	10	121	195	398	239	398	100%	
<hr/>									
TOTAL									
	QUANTITY (NO)	73 720	198 678	320 831	450 298		UNITED STATES		
	VALUE (\$000)	1 975	7 150	8 647	13 396	89	12 813	96%	

IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1984 VALUE)

The 10 top importers accounted for 99 per cent of the total imports for 1984. Four of these 10 firms are manufacturers of radio and television equipment; and six are wholesalers, mainly of electrical household appliances or electronic parts and equipment.

(NOTE: "Top importers" are importers with the largest imports by value in 1984.)

TYPE AND LOCATION OF THE 39 IMPORTERS - 1984
(100% OF TOTAL IMPORT VALUE)

<u>IMPORTER</u> <u>LOCATION</u>	<u>MANUFACTURERS</u>		<u>WHOLESALERS</u>		<u>OTHER (1)</u>		<u>TOTAL</u>	
	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>
Ontario	4	12 489	11	279	11	57	26	12 825
Quebec	3*	371*	5*	193*	-	-	13*	570*
Western Provinces					5	6		
Atlantic Provinces	-	-	-	-	-	-	-	-
TOTAL	7	12 860	16	472	16	63	39	13 395
<hr/>								
Per cent of 1984								
Total Value		96%		4%		**		100%

(1) Includes retailers

* Quebec and Western Provinces aggregated to preserve confidentiality

** Less than one per cent

Four Ontario manufacturers accounted for 93 per cent of the imports. Most of the remaining imports were accounted for by the three other manufacturers (3 per cent) and by wholesalers (4 per cent).

CANADIAN PRODUCTION

There are at least 20 Canadian manufacturers of cabinets for TVs, radios and phonographs. Most of them also produce other products such as shelving and carts. A number make electric or electronic appliances.

Statistics Canada reports that shipments of cabinets for TVs, radios and phonographs totalled 147 573 units with a value of \$12.7 million in 1982.

EXPORTS FROM CANADA

Statistics Canada reports that exports of cabinets for TVs, radios and phonographs during 1984 totalled 8 189 units with a value of \$354 000.

CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	% OF TOTAL IMPORT VALUE (1984)	TARIFF TREATMENT				GENERAL PREFER- ENTIAL TARIFF
			BRITISH PREFER- ENTIAL TARIFF %	U.K. AND IRELAND %	MOST FAVOURED NATION TARIFF %	GENERAL TARIFF %	
44533-04	Domestic colour television receiving sets, other than 19-inch screen; parts of domestic colour television receiving sets	97	Free	7.5	10	25	Free

Cabinets for TVs, radios and phonographs are considered to be classified under the provision of tariff item 44533-04 (parts of domestic colour television receiving sets).

NOTE: Black and white televisions are imported as complete units only.

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: UNITED STATES, TAIWAN, DENMARK, JAPAN
 MOST FAVOURED NATION OR GENERAL PREFERENTIAL*: REPUBLIC OF KOREA

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) 996-9474

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

MARKET SUMMARY

The market growth of this product group particularly TV cabinets, is directly associated with that of the electronic equipment and appliance industry. Continued technological development and rapid change in consumer demand tend to render this market sub-sector more dynamic than other segments of the household furniture market.

Even though Japan and the Republic of Korea are large suppliers of electronic equipment, the United States is the only significant exporter of TV cabinets to Canada.

Given the volume of imports in relation to the Canadian market, it would seem that increased Canadian production could be feasible, possibly in the form of joint ventures with electronic equipment manufacturers.

Products associated with electronic home entertainment equipment have been rapidly changing from elaborately-styled cabinets to those that house the various components of entertainment centres. Import replacement opportunities exist for Canadian producers. However, they need to maintain an awareness of the latest trends in home entertainment components in order to supply the products which consumers demand. In this regard, joint ventures with large international stereo and television equipment producers are encouraged.

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
Furniture Products Division

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) 365-3821

Manitoba
P.O. Box 981
330 du Portage Avenue
Room 608
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 949-6182

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) 920-8668 or 920-8571