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Canadian Market Opportunities— Import Profile



Government
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Canada

ELECTRIC MOTORS, A.C. OVER 1 H.P. TO UNDER 20 H.P

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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

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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.

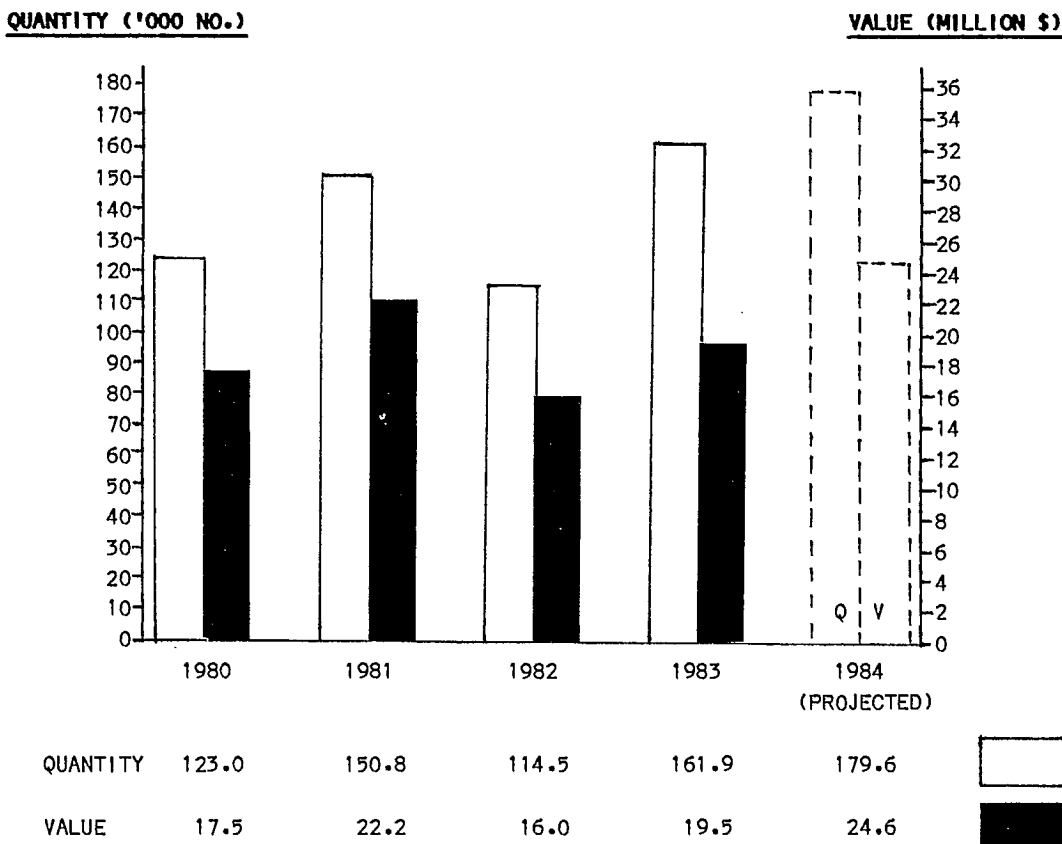
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

ELECTRIC MOTORS, A.C. OVER 1 H.P. TO UNDER 20 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, A.C.
OVER 1 H.P. TO
UNDER 20 H.P.



During the years 1980 to 1983 imports of electric motors, A.C. over 1 H.P. to under 20 H.P. increased at an average annual rate of 10 per cent in terms of quantity and at a rate of 4 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	PER CENT CHANGE 1982-83 %	10-MONTH IMPORTS JAN. TO OCT.	
						ANNUAL GROWTH RATE 1980-83 %		1983	1984
UNITED STATES									
QUANTITY (NO.)	83 299	105 492	79 958	122 679		14	53	102 609	99 858
VALUE (\$000)	11 187	14 337	10 911	14 082	114.78	8	29	11 562	13 668
UNITED KINGDOM									
QUANTITY (NO.)	26 570	22 705	19 459	18 828		-11	-3	14 943	22 882
VALUE (\$000)	3 922	3 459	2 412	2 222	118.02	-17	-8	1 780	2 651
JAPAN									
QUANTITY (NO.)	6 855	10 599	5 647	5 732		-6	2	5 177	5 088
VALUE (\$000)	1 337	2 273	1 290	972	169.57	-10	-25	841	1 074
BRAZIL									
QUANTITY (NO.)	2 958	2 866	3 439	6 058		27	76	3 604	9 467
VALUE (\$000)	308	361	377	660	108.95	29	75	385	1 151
FRANCE									
QUANTITY (NO.)	575	1 491	326	499		-5	53	403	1 205
VALUE (\$000)	232	462	305	522	1 046.49	31	71	406	565
OTHER									
QUANTITY (NO.)	2 751	7 677	5 652	8 097		43	43	5 567	11 125
VALUE (\$000)	556	1 342	709	1 061	131.04	24	50	819	1 391
TOTAL									
QUANTITY (NO.)	123 008	150 830	114 481	161 893		10	41	132 303	149 625
VALUE (\$000)	17 542	22 235	16 002	19 519	120.57	4	22	15 793	20 500

During 1983 imports totalled 161 893 units valued at \$19.5 million which was an increase of 41 per cent in terms of quantity and 22 per cent in dollar value from 1982. The average unit price in 1983 was \$121. However, average unit prices ranged from \$109 for imports from Brazil to \$1 046 from France. The high unit price of imports from France is accounted for by orders for motors with specialized applications. The United States has consistently been the major exporter to Canada, accounting for 76 per cent of the quantity and 72 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)**

<u>TOP 5 IMPORTERS</u>	<u>TOP 10 IMPORTERS</u>	<u>TOP 15 IMPORTERS</u>	<u>TOP 25 IMPORTERS</u>
27	40	50	62

The 10 major importers accounted for 40 per cent of the total imports for 1983. Of these, four were identified as manufacturers located mainly in Ontario, and six as wholesalers.

D - TYPE AND LOCATION OF MAJOR IMPORTERS - 1983

	<u>MANUFACTURERS</u>		<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>	<u>NO. OF IMPORTERS</u>	<u>VALUE (\$000)</u>
Ontario	14	4 053	9	5 033	-	-	23	9 086
Quebec	4 ^(X)	1 037 ^(X)	3	1 205	-	-	12 ^(X)	4 556 ^(X)
Western Provinces			4	2 003	1	311		
Atlantic Provinces	-	-	-	-	-	-	-	-
TOTAL	18	5 090	16	8 241	1	311	35	13 642
Value by % of 1983 Total		26%		42%		2%		70%

(X) Quebec and Western Provinces aggregated to preserve confidentiality

There were approximately 670 importers during 1983. The top 35 importers accounted for 70 per cent or \$13.6 million of the total imports. Eighteen of these importers were identified as manufacturers with their total imports representing 26 per cent of the import total. These firms produce a diversity of products, including pumps, automatic controls, construction machinery, ventilation equipment, household appliances and automotive parts. Sixteen of the top 35 importers were identified as wholesalers with their total imports representing 42 per cent of the import total.

E - CANADIAN PRODUCTION

There are at least seven manufacturers of A.C. motors, over 1 H.P. to under 20 H.P. in Canada. Four of the companies are located in Ontario, one in British Columbia, one in Manitoba and one in Quebec. Statistics Canada reports shipments of all A.C. motors and parts amounted to \$177.3 million in 1982, the latest year for which information is available. It does not report production of A.C. motors of this size separately.

F - EXPORTS

Statistics Canada reports that exports of all types of electric motors during 1983 amounted to \$20.4 million. Separate export data for A.C. motors are not available.

G - CANADIAN TARIFFS, 1984

TARIFF ITEM	DESCRIPTION	BY % OF TOTAL VALUE (1983)	TARIFF TREATMENT				
			BRITISH(1) PREFER- ENTIAL TARIFF %	MOST FAVOURED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %	U.K. AND IRELAND %
44516-01	Electric motors, and complete parts thereof, n.o.p.	84	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			
40950-01	Electric motors incorporated in or attached to, or to be incorporated in or attached to, agricultural implements or agricultural machinery; parts of the foregoing	7	Free	Free	Free	Free	Free
41501-01	Vacuum motors, electric, 1000 to 1490 watts, for use in the manufacture of central vacuum cleaners (temporary tariff item)	3	Free	Free	25	Free	Free
	30/06/85						

(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, JAPAN, FRANCE

*MOST FAVOURED NATION OR GENERAL PREFERENTIAL: BRAZIL

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) 992-2623

*NDTE: In order to qualify 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 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 A.C. motors.

I - MARKET SUMMARY

The Canadian market for A.C. induction motors is about \$80 million per year. Of this amount approximately one third is in the 1 to 25 H.P. range. These motors are used mainly to drive a diverse range of processing and production machinery. The major imports of induction motors are concentrated in the 1 to 20 H.P. range, having a value of \$19.5 million in 1983.

There is Canadian capability to produce a full range of induction motors but low priced imports have taken much of the 1 to 20 H.P. segment of the market.

Integral induction motors (in the 1 to 400 H.P. range) are gaining a growing acceptance in variable speed drive applications when used with a variable frequency power source. They are very slowly displacing D.C. motors with variable voltage control in many drive applications.

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