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# Canadian Market Opportunities— Import Profile

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Government  
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Regional Industrial  
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Canada

FLASHLIGHTS AND LANTERNS

Pub. No: 44-86

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FLASHLIGHTS AND LANTERNS

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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.

**Rounding**

Due to rounding, sum of figures may not equal total.

PUB. NO: 44-86  
IMPORT COMMODITY CODE - 681-78-30 AND  
681-78-31

CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

FLASHLIGHTS AND LANTERNS

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.

Due to the recent proliferation of designs and models of both flashlights and lanterns, it is increasingly difficult to differentiate between the two products. This report therefore consists of the two products combined as well as individual data on each product.

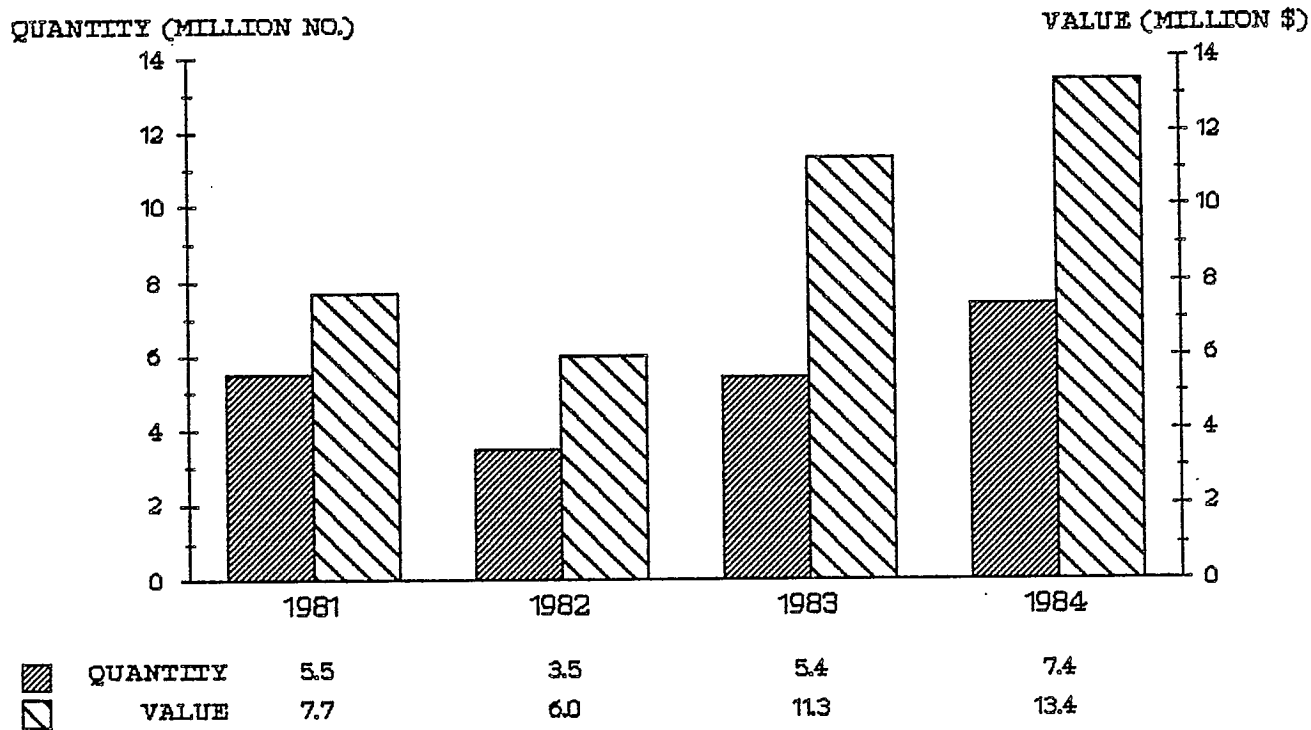
<u>Product</u>	<u>Import Commodity Code</u>	<u>Pages</u>
Flashlights and Lanterns (Total)	681-78-30 681-78-31	4-8
Canadian Tariffs		7
Market Summary		8
Flashlights Battery Type (Appendix A)	681-78-30	9-11
Lanterns Flashlight Type (Appendix B)	681-78-31	12-14

Statistics Canada's definition of Import Commodity Code 681-78-30, "Flashlights, Battery Type, Except Photographic", is that a flashlight is a small battery-operated portable light or portable electric light.

The definition of Import Commodity Code 681-78-31, "Lanterns, Flashlight Type, Electric", is also a portable electric light, but one that is usually operated by a six-volt battery. Some of the lantern models may be rechargeable.

FLASHLIGHTS AND LANTERNS - TOTAL

IMPORT TRENDS



Imports of flashlights and lanterns dropped sharply from 1981 to 1982, then grew rapidly through 1983 and 1984 to a combined total of 7.4 million units with a value of \$13.4 million.

FLASHLIGHTS AND LANTERNS - TOTAL (CONTINUED)

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Unit	Average	Per Cent Change	7-Month Imports	
					Price 1984	Growth Rate		1983-1984	Jan. to July 1984
					\$	%	%		
<b>UNITED STATES</b>									
Quantity (No. 000)	2 731	2 092	2 302	2 759		0	20	1 633	1 141
Value (\$000)	4 197	4 036	7 120	6 120	2.22	13	-14	3 937	3 567
<b>HONG KONG</b>									
Quantity (No. 000)	2 228	1 232	2 713	3 842		20	42	2 283	1 677
Value (\$000)	3 065	1 782	3 243	5 740	1.49	23	77	3 245	3 352
<b>JAPAN</b>									
Quantity (No. 000)	26	15	59	288		122	388	15	62
Value (\$000)	54	65	276	415	1.44	97	50	29	357
<b>TAIWAN</b>									
Quantity (No. 000)	66	67	122	200		45	64	133	58
Value (\$000)	61	51	128	225	1.12	55	76	136	92
<b>MEXICO</b>									
Quantity (No. 000)	-	-	9	39		N/A	333	12	27
Value (\$000)	-	-	395	659	16.90	N/A	67	225	435
<b>OTHER</b>									
Quantity (No. 000)	473	126	229	283		-19	24	161	154
Value (\$000)	337	111	162	270	.96	-14	67	166	199
<b>TOTAL</b>									
Quantity (No. 000)	5 524	3 532	5 434	7 411		10	36	4 237	3 119
Value (\$000)	7 714	6 045	11 324	13 429		20	19	7 738	8 002
UNIT PRICE (\$)	1.40	1.71	2.08	1.81				1.83	2.57

N/A - Not applicable.

Combined imports of flashlights and lanterns in 1984 were 7.4 million units with a value of \$13.4 million, an increase of 36 per cent and 19 per cent respectively from 1983. The United States has consistently been the major exporter to Canada, accounting for 46 per cent of the value and 37 per cent of the quantity in 1984. Hong Kong is a close second with 43 per cent of value and 52 per cent of the quantity.

FLASHLIGHTS AND LANTERNS - TOTAL (CONTINUED)

IMPORT MARKET CONCENTRATION  
(BY % OF TOTAL 1984 VALUE)

<u>Top 5</u> <u>Importers</u>	<u>Top 10</u> <u>Importers</u>	<u>Top 15</u> <u>Importers</u>	<u>Top 20</u> <u>Importers</u>
58	69	74	77

The 10 top importers accounted for 69 per cent of the total imports for 1984. Nine of these 10 firms were located in Ontario. Five were manufacturers (of whom three were manufacturers of batteries) with imports of \$6.8 million, and five were wholesalers.

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

TYPE AND LOCATION OF THE 28 TOP KNOWN IMPORTERS - 1984  
(80% OF TOTAL IMPORT VALUE)

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u> <u>AND RETAILERS</u>		<u>OTHER</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	8	6 956	12	2 546	-	-	20	9 502
Québec	-	-	7	1 199	1	99	8	1 298
Western Provinces	-	-	-	-	-	-	-	-
Atlantic Provinces	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>8</b>	<b>6 956</b>	<b>19</b>	<b>3 745</b>	<b>1</b>	<b>99</b>	<b>28</b>	<b>10 800</b>
Per cent of 1984								
Total Value		52%		28%		1%		80%

There were 423 known importers of flashlights or lanterns in 1984. The 28 top importers accounted for 80 per cent or \$10.8 million of the total imports. Among the 28, eight manufacturers imported \$6.9 million (52 per cent), and 19 wholesalers imported \$3.7 million (28 per cent). Ontario importers accounted for over 71 per cent of all imports in 1984.

CANADIAN PRODUCTION

There is at least one multinational firm currently manufacturing lanterns in Canada. In 1985, a large multinational firm ceased production of flashlights in Canada.

Statistics Canada does not publish separate data on production of flashlights and lanterns.

EXPORTS

Separate data pertaining to flashlights and lanterns are not available. Statistics Canada groups this product in a general class, "Electric Lighting Fixtures and Parts".

FLASHLIGHTS AND LANTERNS - TOTAL (CONTINUED)

CANADIAN TARIFFS, 1985

Tariff Item	Description	% of Total Import Value (1984)	TARIFF TREATMENT				
			British Preferential Tariff %	U.K. and Ireland %	Most Favoured Nation Tariff %	General Preferential Tariff %	
44502-01	Electric head, side and tail lights, n.o.p.; electric torches or flashlights and complete parts therefor	14	13.5	13.5	13.5	30	9
	<u>Future Scheduled Rates:</u>						
	January 1, 1986				12.4		8
	January 1, 1987				11.3		7.5

The goods at issue are considered to be classified under the provisions for tariff item 44502-01, electric flashlights and complete parts therefor.

44502-02	Portable electric flashlights designed for self-contained electrical source; complete parts therefor	82	5	5	5	30	Free
	<u>Future Scheduled Rates:</u>						
	January 1, 1986				2.5		
	January 1, 1987				Free		

N.o.p. - Not otherwise provided for

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: UNITED STATES, JAPAN, TAIWAN  
 MOST FAVOURED NATION OR GENERAL PREFERENTIAL\*: HONG KONG, MEXICO, THAILAND

ENQUIRIES CONCERNING TARIFFS SHOULD BE DIRECTED TO THE NEAREST CUSTOMS AND EXCISE OFFICE OR TO:

TARIFF PROGRAMS  
 REVENUE CANADA  
 CUSTOMS AND EXCISE  
 OTTAWA, ONTARIO  
 KIA 0L5  
 TEL: (613) 996-9491

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



FLASHLIGHTS AND LANTERNS - TOTAL (Continued)

DEPARTMENT OF SUPPLY AND SERVICES PROCUREMENTS

The Department of Supply and Services reports that its head office purchases of flashlights and lanterns during the period April 1984 to March 1985 amounted to \$255 175. Any purchases by the Department of Supply and Services in other regions or directly by other federal government departments are not included in this total, since they are reported regionally.

NOTE: The above data reflect purchases by the Department of Supply and Services only, and may not include some purchases by other federal government departments.

MARKET SUMMARY

There is at least one multinational firm currently manufacturing lanterns in Canada. Flashlights are not presently manufactured in Canada. The only known manufacturer of flashlights ceased operation in the spring of 1985.

The estimated market for flashlights and hand lanterns in 1984 was approximately \$15 million, with 90 per cent being supplied by imports, 51 per cent of which were from the Orient.

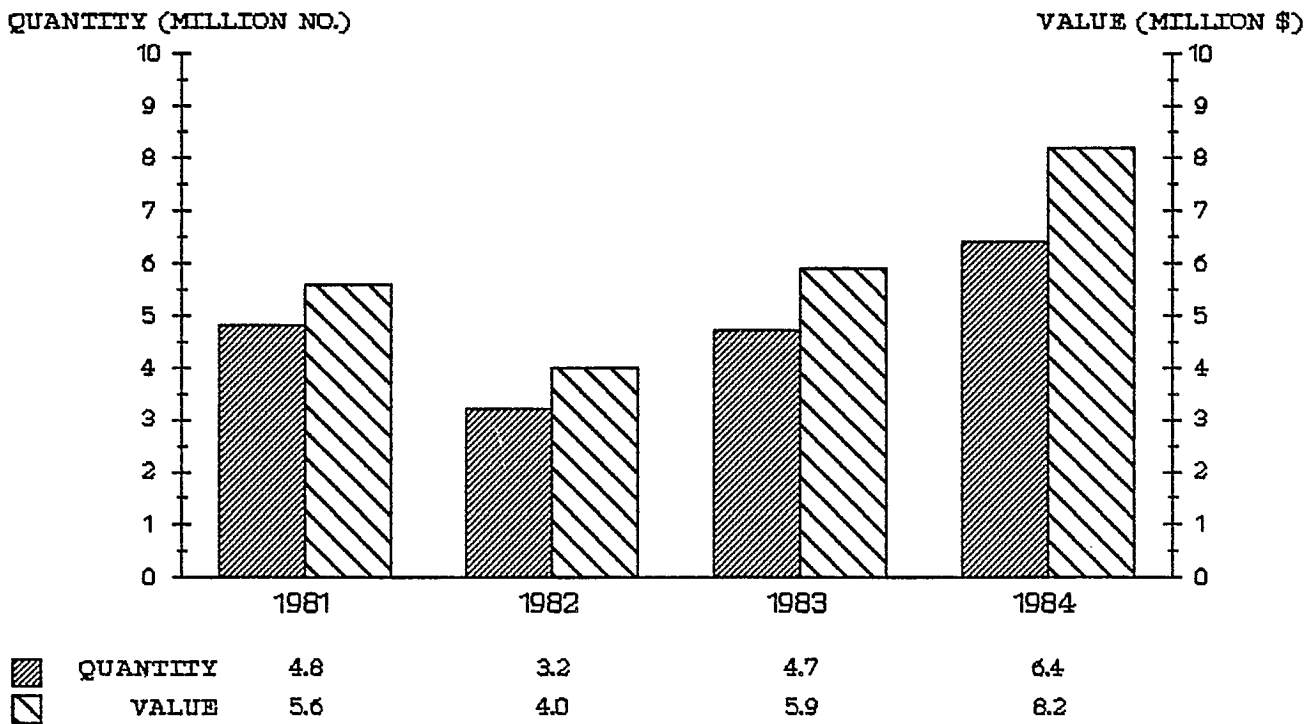
A potential manufacturer could consider a licensing arrangement with an established foreign manufacturer in order to obtain advanced technology and assembly techniques as well as some of the moulded or stamped components and thereby reduce potential initial tooling costs.

Export prospects that a Canadian company might have would likely be limited to high-priced, specialized items, given the strong position of other countries in the very large volume products.

APPENDIX A

FLASHLIGHTS, BATTERY TYPE, EXCEPT PHOTOGRAPHIC (681-78-30)

IMPORT TRENDS



During the years 1981 to 1984, imports of flashlights ranged between \$4 million and \$8.2 million. Overall, they increased at an average annual rate of nine per cent in terms of quantity and 14 per cent in terms of dollar value.

APPENDIX A

FLASHLIGHTS, BATTERY TYPE, EXCEPT PHOTOGRAPHIC (CONTINUED)

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Average Annual Growth Rate		Per Cent Change 1983-1984	7-Month Imports Jan. to July	
					Unit Price 1984 \$	1981-1984 %		1984	1985
<b>UNITED STATES</b>									
Quantity (No. 000)	2 548	1 930	1 963	2 520		0	28	1 469	945
Value (\$000)	3 461	2 785	3 112	4 541	1.80	9	46	2 759	1 984
<b>HONG KONG</b>									
Quantity (No. 000)	1 743	1 055	2 367	3 177		22	34	1 891	1 250
Value (\$000)	1 673	1 086	2 083	3 127	.98	23	50	1 799	1 567
<b>JAPAN</b>									
Quantity (No. 000)	26	11	51	254		113	394	14	50
Value (\$000)	54	12	193	212	.83	58	10	24	261
<b>TAIWAN</b>									
Quantity (No. 000)	66	49	97	137		28	42	89	43
Value (\$000)	56	35	102	131	.96	33	28	66	75
<b>THAILAND</b>									
Quantity (No. 000)	120	81	96	84		-11	-13	43	35
Value (\$000)	61	40	58	59	.71	-1	2	31	24
<b>OTHER</b>									
Quantity (No. 000)	344	46	125	187		-18	50	115	88
Value (\$000)	259	72	330	175	.93	-12	-47	116	146
<b>TOTAL</b>									
Quantity (No. 000)	4 847	3 172	4 699	6 359		9	35	3 621	2 411
Value (\$000)	5 564	4 030	5 878	8 245		14	40	4 795	4 057
UNIT PRICE (\$)	1.15	1.27	1.25	1.30				1.32	1.69

Imports of flashlights in 1984 totalled 6.4 million units with a value of \$8.2 million, an increase of 35 per cent and 40 per cent respectively from 1983. In terms of value the United States has been the major exporter to Canada. However, in 1983, 1984 and the first seven months of 1985, Hong Kong exported more units than the United States. United States prices per unit are almost twice those of other countries. Imports from Japan in terms of quantity and value have also shown significant increases since 1981.

APPENDIX A

FLASHLIGHTS, BATTERY TYPE, EXCEPT PHOTOGRAPHIC (CONTINUED)

IMPORT MARKET CONCENTRATION  
(BY % OF TOTAL 1984 VALUE)

<u>Top 5</u> <u>Importers</u>	<u>Top 10</u> <u>Importers</u>	<u>Top 15</u> <u>Importers</u>	<u>Top 21</u> <u>Importers</u>
54	63	68	71

The 10 top importers of flashlights accounted for 63 per cent of the total imports. Three were manufacturers and seven were wholesalers or retailers, all situated in Ontario.

TYPE AND LOCATION OF THE 21 TOP KNOWN IMPORTERS - 1984  
(71% OF TOTAL IMPORT VALUE)

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u> <u>AND RETAILERS</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>
Ontario	4	3 766	13	1 864	17	5 630
Québec	-	-	4	260	4	260
Western Provinces	-	-	-	-	-	-
Atlantic Provinces	-	-	-	-	-	-
<b>TOTAL</b>	<b>4</b>	<b>3 766</b>	<b>17</b>	<b>2 124</b>	<b>21</b>	<b>5 890</b>

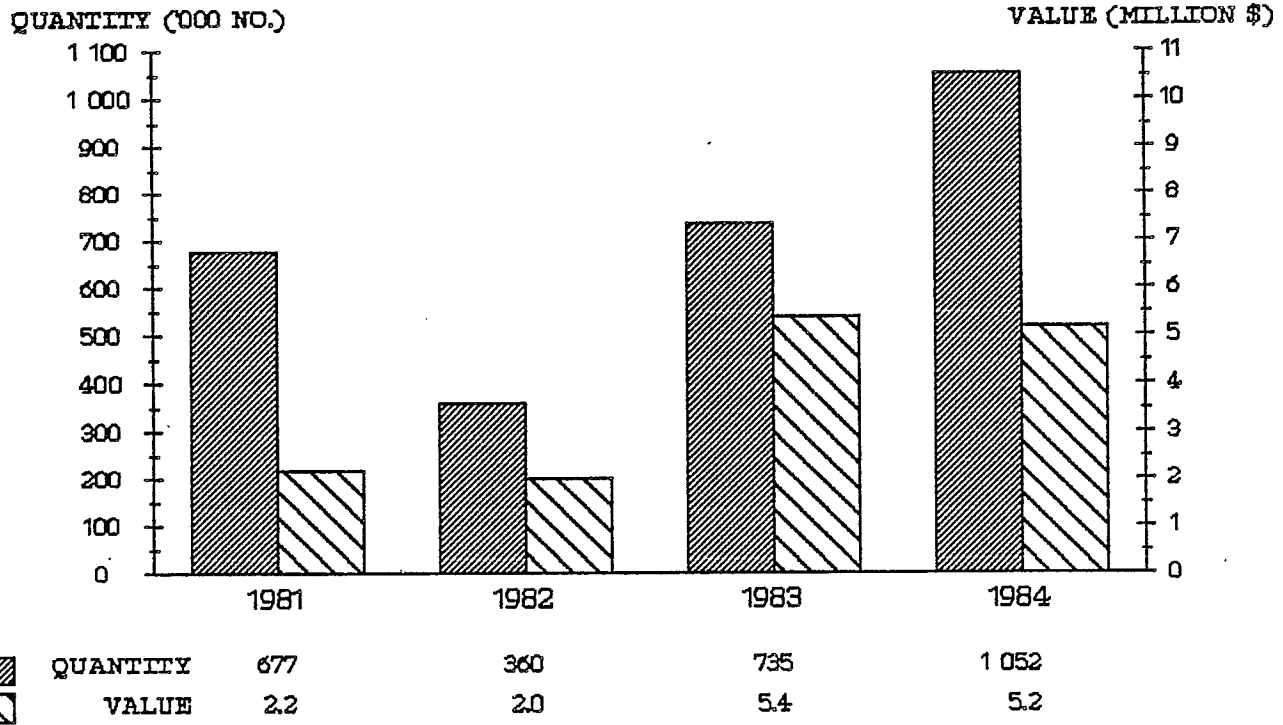
Per cent of 1984

Total Value	46%	26%	71%
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There were 363 known importers of flashlights in 1984. The 21 top importers accounted for 71 per cent or \$5.9 million of the total imports. Among the 21, four manufacturers imported \$3.8 million (46 per cent) and 17 wholesalers imported \$2.1 million (26 per cent). Ontario importers accounted for over 68 per cent of all imports in 1984.

LANTERNS, FLASHLIGHT TYPE, ELECTRIC (681-78-31)

IMPORT TRENDS



From 1981 to 1984, imports of lanterns increased at an average annual rate of 16 per cent in terms of quantity and 34 per cent in terms of dollar value.

APPENDIX B

LANTERNS, FLASHLIGHT TYPE, ELECTRIC (CONTINUED)

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Unit	Average	Per Cent	7-Month	
					Price	Annual	Change	Imports	
					1984	1981-1984	1983-1984	Jan. to July	1985
					\$	%	%	1984	1985
<b>HONG KONG</b>									
Quantity (No. 000)	485	176	346	666		11	92	392	427
Value (\$000)	1 392	696	1 160	2 613	3.93	23	125	1 446	1 785
<b>UNITED STATES</b>									
Quantity (No. 000)	183	162	339	239		9	-29	165	196
Value (\$000)	736	1 251	4 008	1 579	6.60	29	-61	1 178	1 583
<b>MEXICO</b>									
Quantity (No. 000)	-	-	9	39		N/A	324	12	27
Value (\$000)	-	-	159	659	16.90	N/A	314	225	435
<b>JAPAN</b>									
Quantity (No. 000)	-	4	8	34		N/A	323	1	12
Value (\$000)	-	53	83	203	5.95	N/A	145	5	96
<b>TAIWAN</b>									
Quantity (No. 000)	1	18	25	63		297	151	44	44
Value (\$000)	5	16	26	94	1.49	166	262	70	39
<b>OTHER</b>									
Quantity (No. 000)	9	-	8	11		7	50	2	1
Value (\$000)	17	-	10	36	3.27	28	260	19	7
<b>TOTAL</b>									
Quantity (No. 000)	678	360	735	1 052		16	43	616	707
Value (\$000)	2 150	2 015	5 446	5 184		34	-5	2 943	3 945
UNIT PRICE (\$)	3.18	5.60	7.41	4.93				4.78	5.58

N/A - Not applicable

Imports of lanterns in 1984 were one million units valued at \$5.2 million. Hong Kong was the major exporter to Canada accounting for 63 per cent of the quantity and 50 per cent of the value. The fluctuation of unit prices (\$1.49 Taiwan to \$16.90 Mexico) is due to the various models, material, shape, design, etc. These variations also account for much of the year-to-year changes in unit price.

LANTERNS, FLASHLIGHT TYPE, ELECTRIC (CONTINUED)

IMPORT MARKET CONCENTRATION  
(BY % OF TOTAL 1984 VALUE)

<u>Top 5</u> <u>Importers</u>	<u>Top 10</u> <u>Importers</u>	<u>Top 14</u> <u>Importers</u>
72	85	90

The 10 top importers accounted for 85 per cent of the total imports for 1984. Nine of these 10 firms were located in Ontario. Six were manufacturers (of whom three were manufacturers of batteries). Four were wholesalers or retailers.

TYPE AND LOCATION OF THE 14 TOP KNOWN IMPORTERS - 1984  
(90% OF TOTAL IMPORT VALUE)

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u> <u>AND RETAILERS</u>		<u>OTHER</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	6	3 074	3	693	-	-	9	3 767
Québec	-	-	4	848	1	54	5	902
Western Provinces	-	-	-	-	-	-	-	-
Atlantic Provinces	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>6</b>	<b>3 074</b>	<b>7</b>	<b>1 541</b>	<b>1</b>	<b>54</b>	<b>14</b>	<b>4 669</b>

Per cent of 1984				
Total Value	59%	30%	1%	90%

There were 84 known importers of lanterns in 1984. The top 14 importers accounted for 90 per cent or \$4.7 million of the total imports. Among the 14, six manufacturers imported \$3 million (59 per cent), and seven wholesalers imported \$1.5 million (30 per cent).

Ontario importers accounted for 73 per cent of all imports in 1984.

This report was prepared by:

the Market Development Branch  
in collaboration with  
the Electrical Equipment Division,  
Machinery and Electrical Equipment Branch.

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

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