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Canadian Market Opportunities— Import Profile



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Canada

HINGES, BUTTS AND PARTS

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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.

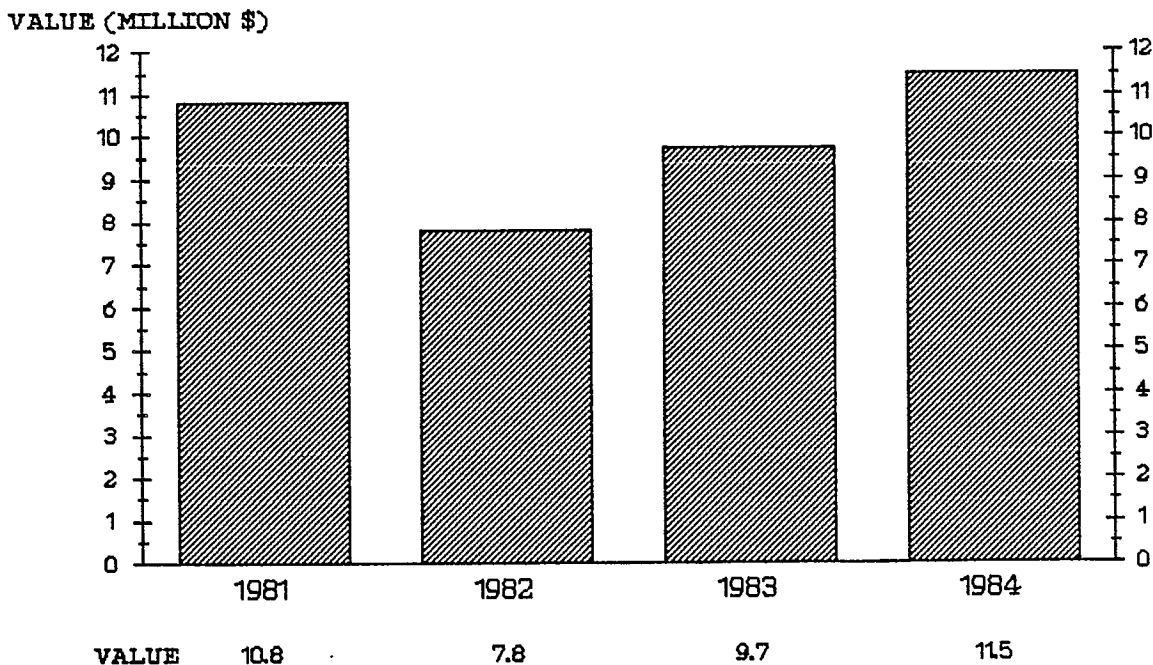
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

HINGES, BUTTS AND PARTS

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 includes Hinges, Cabinet, Chest and Furniture (465-53-20), Hinges, Continuous (465-53-30), Hinges and Butts, Not Elsewhere Specified, Parts of (465-53-88) and Hinges and Butts, Not Elsewhere Specified (465-63-90). It does not include metal hinges for jewellery boxes.

IMPORT TRENDS



Imports of hinges, butts and parts dropped 28 per cent between 1981 and 1982, reflecting the sharp drop in economic activity at that time. Subsequent steady year-to-year growth has brought 1984 imports to \$11.5 million, slightly higher than the 1981 value.

VALUE OF IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Average Annual Growth Rate	Per cent Change	11-Month Imports Jan. to Nov.	
					1981-1984 %	1983-1984 %	1984	1985
UNITED STATES Value (\$000)	7 002	4 835	5 788	6 217	-4	7	5 714	8 483
GERMANY, WEST Value (\$000)	1 037	845	1 264	1 402	11	11	1 287	1 834
AUSTRIA Value (\$000)	614	475	770	1 033	19	34	946	2 616
JAPAN Value (\$000)	859	493	773	930	3	20	873	700
TAIWAN Value (\$000)	476	519	446	880	23	97	808	914
OTHER Value (\$000)	781	612	657	1 065	11	62	859	1 676
TOTAL Value (\$000)	10 769	7 779	9 698	11 527	2	19	10 487	16 223

Imports of hinges, butts and parts in 1984 totalled \$11.5 million, an increase of 19 per cent over 1983. Imports increased by approximately 55 per cent for the first eleven months of 1985 compared to the first eleven months of 1984.

The United States has consistently been the top exporter to Canada. While the U.S. had a market share of 65 per cent in 1981, its share has dropped each year to 54 per cent in 1984. West Germany, Austria and Japan have increased their share during the same period.

IMPORT DATA TRENDS - IMPORT COMMODITY CODE 465-53

HINGES, BUTTS AND PARTS

<u>Code</u>	<u>Commodity</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>Average Annual Growth Rate 1981-1984 %</u>	<u>Major Country of Export 1984 Value (\$000)</u>
465-53-20	HINGES, CABINET, CHEST AND FURNITURE VALUE (\$000)	2 422	1 800	2 489	3 245	10	UNITED STATES 904
465-53-30	HINGES, CONTINUOUS VALUE (\$000)	574	339	462	444	-8	UNITED STATES 226
465-53-88	HINGES AND BUTTS, NOT ELSEWHERE SPECIFIED PARTS OF VALUE (\$000)	1 153	404	396	510	-24	UNITED STATES 417
465-53-90	HINGES AND BUTTS, NOT ELSEWHERE SPECIFIED VALUE (\$000)	6 620	5 237	6 351	7 328	3	UNITED STATES 4 670
<hr/>							
	TOTAL VALUE (\$000)	10 769	7 780	9 698	11 527	2	UNITED STATES 6 217

IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1984 Value)

<u>Top 5 Importers</u>	<u>Top 10 Importers</u>	<u>Top 30 Importers</u>	<u>Top 60 Importers</u>
17	27	45	61

The top 10 importers accounted for 27 per cent of the total imports for 1984. Five of these firms were wholesalers, four were manufacturers, and one was a Crown corporation. Six companies were located in Ontario, two in Québec and two in the Western Provinces.

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

TYPE AND LOCATION OF THE 96 TOP KNOWN IMPORTERS - 1984
(70% OF TOTAL IMPORT VALUE)

	<u>MANUFACTURERS</u>		<u>WHOLESALERS</u>		<u>OTHER (1)</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	27	2 355	16	1 629	10	801	53	4 785
Québec	18	836	5	985	2	120	25	1 941
Western Provinces			6	558	4	340		
Atlantic Provinces	8*	450*	-	-	-	-	18*	1 348*
TOTAL	53	3 641	27	3 172	16	1 261	96	8 074

Per cent of 1984 Total Value	32%	28%	11%	70%
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(1) Includes retailers

* Western Provinces and Atlantic Provinces aggregated to preserve confidentiality.

There were 695 known importers of hinges, butts and parts in 1984. The 96 top importers accounted for 70 per cent or \$8.1 million of the total imports. Of these 96 firms, 53 were manufacturers whose imports represented 32 per cent of the import total, and 27 were wholesalers whose imports represented 28 per cent of the import total. Fifteen of these 27 were hardware wholesalers.

CANADIAN PRODUCTION

There are at least 20 Canadian manufacturers of hinges, butts and parts. Statistics Canada reports that shipments of hinges and butts were \$41.7 million in 1983, the latest year for which information is available.

EXPORTS

Statistics Canada does not report data on exports of hinges, butts and parts. These are included in "Basic hardware, not elsewhere specified," exports which were valued at \$86 million in 1984.

CANADIAN TARIFFS, 1985

Tariff Item	Description	% of Total Import Value (1984)	TARIFF TREATMENT				
			British Prefer- ential Tariff %	U.K. and Ireland %	Most Favoured Nation Tariff %	General Tariff %	General Prefer- ential Tariff %
43005-01	Hinges and butts, of iron or steel, coated or not, n.o.p.; hinge and butt blanks, of iron or steel	68	5	10.2	12	30	5
	<u>Future Scheduled Rates:</u>						
	January 1, 1986				11.1		
	January 1, 1987				10.2		
43006-01	Concealed adjustable hinges; exposed pivot hinges; centre sash hinges; adjustable friction shoe hinges, other than those having a track length of less than 325 mm, for use in the manufacture of awning windows; snub guides; lever-lock operations; torsion bars and centre hooks for lever lock or roto gear operators; sash locks other than peg-locks; key-operated security locks, keepers for key-operated security locks and sash locks other than peg locks; all of the foregoing for use in the manufacture of casement or awning windows (temporary tariff item)	9	Free	Free	Free	25	Free
44603-01	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p.	7	10.1	12.2	12.1	35	8

N.o.p. - Not otherwise provided for

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: UNITED STATES, WEST GERMANY, AUSTRIA, JAPAN, TAIWAN

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

TARIFF PROGRAMS
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MARKET SUMMARY

The Canadian production of hinges, butts and parts is carried out by approximately 20 manufacturers. Manufacturers of these products include both small and medium-sized Canadian-owned firms as well as medium and large companies owned by foreign multi-nationals.

The manufacturers in Canada have concentrated on the contract architectural market and the high quality hinges for homeowners.

Most Canadian-made hinges are distributed through building supply dealers having a significant sales volume to contractors. Considerable effort is made to ensure that architects are well informed about the various hinges to encourage them to specify Canadian hinges for certain projects. Also, considerable effort is directed at maintaining and revising national architectural specification standards to reflect the continuous improving Canadian production capability.

The Canadian-owned companies are aggressive exporters and recognize that expanded markets are essential in order to permit sustained production runs. Also, several of the multi-nationals have significant inter-plant exchanges of products with some Canadian plants supplying specific hinge products or models to both domestic and foreign markets.

A company considering the manufacture in Canada of medium or high quality hinges for the domestic market should plan to offer significant advantages in performance or price in order to persuade purchasers to switch from their current Canadian suppliers.

Approximately \$5 to \$6 million of the total value of the imports of hinges is for low-priced low-quality type products coming from Pacific Rim countries or through the United States. Companies contemplating entry into the manufacture of these products would have to plan on using modern cost-effective technology to be competitive with current imports.

This report was prepared by:

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

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