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# IMPORT PROFILE

## Investment Opportunities

SKI BINDINGS AND FITTINGS

Pub. No: 51-86

April 1986



Government  
of Canada

Regional Industrial  
Expansion

Gouvernement  
du Canada

Expansion industrielle  
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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 companies, but customs values exceed selling prices for many transactions between affiliated companies. 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

Figures may not add due to rounding.

CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

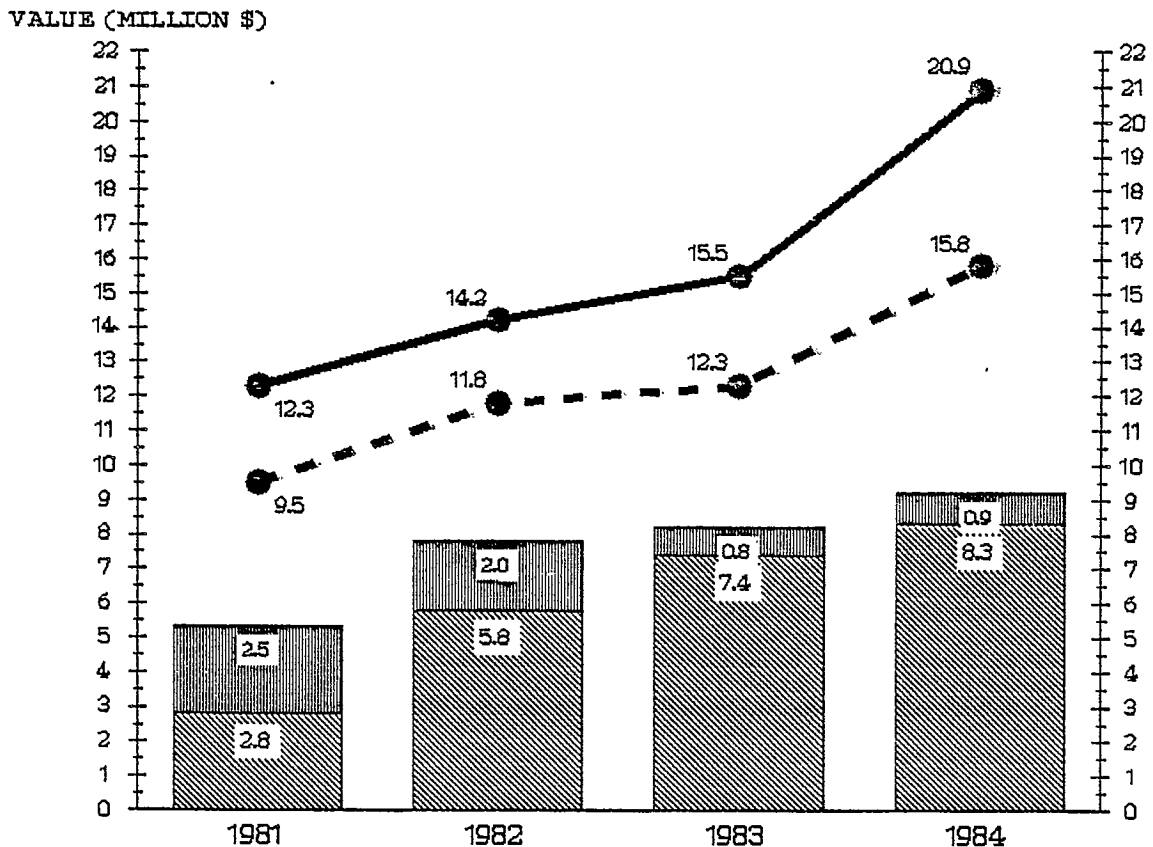
SKI BINDINGS AND FITTINGS

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 imports of ski bindings and fittings for both downhill and cross-country skis (Canadian International Trade Classification (C.I.T.C.) code 832-38-10).

IMPORT TRENDS

SKI BINDINGS AND FITTINGS, SKI BOOTS, AND SKIS



- ▨ Ski Bindings and Fittings - Tariff item 5115-02 (see page 7)
- ▨ Ski Bindings and Fittings - Tariff item 5115-01 (see page 7)
- Ski Boots (Downhill & Cross-country)
- Skis (Downhill & Cross-country)

Between 1981 and 1984, imports of ski bindings and fittings increased at a steady average annual rate of 20 per cent in value, from \$5.4 million in 1981 to \$9.2 million in 1984. There was a particularly large increase in imports between 1981 and 1982 of 48 per cent. This increase can be accounted for to some extent by a significant increase in the cross-country ski market at that time, resulting in an increase in imports of cross-country skis, bindings and boots. Another factor was the increase in imports of more costly downhill equipment, including bindings, in that period. In general, import trends for ski bindings and fittings have followed those of skis and ski boots.

VALUE OF IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Average	Per Cent Change 1983-1984	11-Month Imports Jan. to Nov.	
					Annual Growth Rate 1981-1984 %		1984	1985
FRANCE								
Value (\$000)	2 647	4 064	4 452	4 832	22	9	4 703	5 899
AUSTRIA								
Value (\$000)	1 179	2 254	2 185	2 376	26	9	2 028	2 975
WEST GERMANY								
Value (\$000)	339	196	356	1 124	49	216	1 041	1 370
UNITED STATES								
Value (\$000)	778	272	211	349	-23	65	298	338
NORWAY								
Value (\$000)	212	269	169	161	-9	-5	149	136
OTHER								
Value (\$000)	235	904	899	375	17	-58	357	568
<b>TOTAL</b>								
Value (\$000)	5 390	7 959	8 272	9 217	20	11	8 576	11 286
By tariff item:*								
51115-01	2 522	2 009	759	878				
51115-02	2 775	5 816	7 355	8 258				

France has consistently been the major exporter to Canada, accounting for 52 per cent of the total value of imports in 1984 and 52 per cent in the first 11 months of 1985, followed by Austria with 26 per cent for both periods. West Germany's share of total imports rose dramatically from four per cent in 1983 to 12 per cent in 1984 and the first 11 months of 1985. Overall, imports for the first 11 months of 1985 show a growth of 32 per cent compared to the same period in 1984.

\* For Canadian tariffs information see page 7.

IMPORT MARKET CONCENTRATION  
(BY % OF TOTAL 1984 VALUE)

<u>Top 5 Importers</u>	<u>Top 10 Importers</u>	<u>Top 20 Importers</u>	<u>Top 30 Importers</u>
90.8	95.7	98.7	99.3

The top 10 importers accounted for 95.7 per cent of the import total. Six of the top 10, representing 60.2 per cent of the import total, were located in Québec and four, representing 35.4 per cent, in Ontario. Eight of these 10 were wholesalers of sporting and recreational goods and two were general wholesalers.

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

TYPE AND LOCATION OF THE 30 TOP KNOWN IMPORTERS - 1984  
(99.3% OF TOTAL IMPORT VALUE)

	<u>WHOLESALEERS</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>
Ontario	6	3 281	2	40	8	3 321
Québec	9	5 619	2	107	11	5 726
Western Provinces	7	58	4	51	11	109
Atlantic Provinces	-	-	-	-	-	-
<b>TOTAL</b>	<b>22</b>	<b>8 958</b>	<b>8</b>	<b>198</b>	<b>30</b>	<b>9 156</b>

Per cent of 1984 Total Value	97%	2%	99%
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(1) Includes manufacturers and retailers

There were 50 known importers of ski bindings and fittings in 1984. The 30 top known importers accounted for \$9.2 million or 99 per cent of the import total. Of these firms, 18 were wholesalers of sporting and recreational goods with imports representing \$6.4 million or 70 per cent of the import total. The remaining four included general wholesalers and wholesalers of transportation equipment and supplies.

CANADIAN PRODUCTION.

There are six Canadian manufacturers of cross-country ski bindings and fittings. Four of the manufacturers are located in Québec, one in Ontario and one in Manitoba. There are no known Canadian manufacturers of Alpine ski bindings. Statistics Canada does not publish specific production data for these products.

EXPORTS

Statistics Canada does not publish specific export data for ski bindings and fittings. They are included in the export class "Sporting and recreation equipment and parts, not elsewhere specified."

CANADIAN TARIFFS, 1986

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 %
51115-02	Downhill ski fittings From 01/06/81 to 31/12/84	89.6	13.5	13.5	13.5	35	9
	Remission Order P.C. 1985-1826, June 6, 1985 remits the difference between the above rates and the following: BP, MFN AND GPT from 01/02/86 to 31/01/87		Free		Free		Free
	Note: Goods eligible for U.K. and Ireland status may enter MFN status.						
51115-01	Ski fittings	9.5	12.4	12.4	12.4	35	8
	<u>Future Scheduled Rates:</u> January 1, 1987		11.3	11.3	11.3	35	7.5

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: FRANCE, AUSTRIA, WEST GERMANY, UNITED STATES, NORWAY

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

TARIFF PROGRAMS  
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MARKET SUMMARY

It is estimated that \$8.2 million of the total \$9.2 million value of bindings imported in 1984 were in the Alpine (downhill) binding category. Although there are several Canadian manufacturers of cross-country ski bindings, there are no known manufacturers of Alpine bindings in Canada. The Alpine and cross-country ski binding markets are distinctly different, as are the techniques for their manufacture.

In the Alpine binding segment, successful marketing is highly dependent on many of the factors associated with Alpine skis and ski boots. Brand name loyalty and recognition are major influences on consumer purchase decisions. Techniques used by successful marketers include aggressive advertising and the association of internationally recognized skiers with particular brands. Alpine ski bindings are subject to continuing technical modifications and feature changes. Investment in research and development, and the ability to respond quickly to changing market trends, coupled with dealer support, are necessary for successful marketing of Alpine ski bindings.

In the cross-country binding segment, the product is much less expensive than the Alpine variety. Recent innovations and specialization in cross-country bindings have started to segment the market so that some boots and bindings must be compatible rather than using the universal type of binding used in the past by the recreational skier. There is a definite and pronounced trade-up trend which is expected to continue in cross-country ski equipment.

The continuing high level of imports, the popularity of both Alpine and cross-country skiing in Canada, and the increasing time spent on recreational activities, indicate that there are opportunities for the production of ski bindings in Canada, particularly in the Alpine market segment, through such vehicles as joint ventures or licensing arrangements with well-known European manufacturers.

For information on other segments of the ski equipment industry please see Import Profile No. 1-85 (Downhill Skis) and Import Profile No. 46-85 (Ski Boots).

This report was prepared by:

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Food and Consumer Products Branch.

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